

# **OREZONE**

**TSXV: ORE**

## **OREZONE GOLD CORPORATION**

### **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON  
THURSDAY JUNE 27, 2019**

**May 24, 2019**

*This Management Information Circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult a professional advisor.*



## OREZONE GOLD CORPORATION

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** an Annual General and Special Meeting (the “**Meeting**”) of the shareholders of Orezone Gold Corporation (the “**Company**”) will be held at the offices of Stikeman Elliott LLP, Vancouver-Montréal Boardroom, 53<sup>rd</sup> Floor Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9 on Thursday June 27, 2019 at 4:30 p.m. EDT for the following purposes:

1. To receive the audited financial statements of the Company for the fiscal year ended December 31, 2018, together with the auditor’s report thereon.
2. To fix the number of directors at eight and to elect directors of the Company.
3. To appoint auditors for the fiscal year ending December 31, 2019 and to authorize the directors to fix their remuneration.
4. To approve the Company’s 10% rolling Stock Option Plan, as more particularly described in the management information circular (the “**Circular**”).
5. To transact such further or other business as may properly come before the Meeting or any adjournments or postponements thereof.

The Circular accompanies this Notice of Meeting and contains details of matters to be considered at the Meeting. The report of the auditor and the audited financial statements of the Company for the year ended December 31, 2018 with related management’s discussion and analysis can be found under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the enclosed form of proxy to the Company’s transfer agent, **Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1** in the envelope provided for that purpose, or vote using the telephone or internet based on instructions provided in the enclosed form of proxy, no later than 4:30 p.m. EDT on Tuesday June 25, 2019 or, if the meeting is adjourned or postponed, no later than 4:30 p.m. EDT two business days preceding the date to which the Meeting is adjourned or postponed.

**In order to be represented by proxy, you must complete and submit the enclosed form of proxy or other appropriate form of proxy.**

**DATED** at Vancouver, British Columbia, May 24, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Patrick Downey”*

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Patrick Downey  
Director, President & Chief Executive Officer

**OREZONE GOLD CORPORATION**  
**Management Information Circular**

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## DATE OF INFORMATION AND CURRENCY

Unless otherwise stated, the information contained in this management information circular (the “**Circular**”) is as of May 24, 2019.

All dollar amounts referenced herein are in Canadian Dollars (“CAD”), unless otherwise specified. The exchange rate as at December 31, 2018 for CAD to United States Dollars was CAD\$1.00 = US\$0.7371 and the average rate in 2018 was CAD\$1.00 = US\$0.7736.

## SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Annual General and Special Meeting (the “**Meeting**”) of the holders of common shares (“**Shares**”) of the Company to be held at the offices of Stikeman Elliott LLP, Vancouver-Montréal Boardroom, 53rd Floor Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9 on June 27, 2019 at 4:30 p.m. EDT and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment(s) or postponement(s) thereof. **The solicitation of proxies by management is expected to be primarily by phone and internet and may be supplemented by mail or other personal contact by directors and management of the Company. The cost of solicitation of proxies will be borne directly by the Company.**

## APPOINTMENT OF PROXIES

If your intention is not to be present in person at the Meeting, you are asked to complete and return the enclosed form of proxy. The form of proxy must be dated and executed by a registered shareholder or the attorney of such shareholder, duly authorized in writing, and deposited with **Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1** no later than 4:30 p.m. EDT on Tuesday, June 25, 2019 or, if the Meeting is adjourned or postponed, no later than 4:30 p.m. EDT two business days preceding the date to which the Meeting is adjourned or postponed, or to the Secretary of the Company or Chairman of the Meeting at the time and place of the Meeting.

The persons designated in the form of proxy are directors or officers of the Company. **Each shareholder has the right to appoint a person to represent such shareholder at the Meeting, other than the persons designated in the form of proxy. A registered shareholder desiring to appoint some other person to represent such shareholder at the Meeting may do so by striking out the names of the persons designated and by inserting such other person's name in the blank space provided in the form of proxy or by submitting another appropriate form of proxy. A person acting as proxy need not be a shareholder of the Company.**

## REVOCAION OF PROXIES

A registered shareholder giving a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either: (i) by delivering another properly executed proxy bearing a later date to **Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1** no later than 4:30 p.m. EDT on Wednesday, June 26, 2019 or, if the Meeting is adjourned or postponed, no later than 4:30 p.m. EDT on the last business day preceding the date to which the Meeting is adjourned or postponed, or to the Secretary of the Company or Chairman of the Meeting at the time and place of the Meeting; or (ii) by depositing, either with Computershare Investor Services Inc. (the “**Transfer Agent**”) at the above mentioned address prior to the day of the Meeting or any adjournments or postponements thereof, or with the Secretary of the Company or Chairman of the Meeting at the time and place of the Meeting, or any adjournments or postponements thereof, an instrument in writing revoking the proxy and executed by the registered shareholder or by his attorney, duly authorized in writing. If the registered shareholder is a corporation, the instrument must be executed by a duly authorized officer under its corporate seal or accompanied by a corporate resolution authorizing the signature.

## VOTING OF SHARES REPRESENTED BY PROXIES

If the enclosed form of proxy is properly completed and submitted in favour of the persons designated in the printed portion thereof, the shares represented by such form of proxy will be voted or withheld from voting on any ballot that

may be called for in accordance with the instructions of the shareholder and where the person whose proxy is solicited specifies a choice with respect to any matter identified therein, the shares shall be voted in accordance with the specification so made. **Where shareholders have not specified in the form of proxy the manner in which the designated proxy holders are required to vote the shares represented thereby as to any matter to be voted on, such shares will be voted on any ballot that may be called for in favour of such matter.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to matters other than those identified in the Notice of Meeting, which may properly come before the Meeting. As of the date hereof, management of the Company is not aware that any such amendments, variations, or other matters are to be presented for action at the Meeting. **If any matters which are not now known to management of the Company should properly come before the Meeting, then on any ballot that may be called for, the persons appointed as proxy will vote on such matters in a manner as such persons consider to be proper.**

#### **ADVICE TO BENEFICIAL SHAREHOLDERS**

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either (a) in the name of an intermediary that the Non-Registered Holder deals with in respect of the shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans), or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company will be distributing copies of the Notice of Meeting, this Circular, and the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and intermediaries for onward distribution to Non-Registered Holders. The Company will pay for the cost of intermediaries to deliver the Meeting Materials to Non-Registered Holders who have objected to intermediaries disclosing their beneficial ownership information. Neither the Company nor any of its subsidiaries will reimburse shareholders, nominees or agents for the costs incurred in obtaining authorization to execute forms of proxy from their principals or beneficial owners.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders who have not waived the right to receive the Meeting Materials. These Non-Registered Holders will either: (i) be given a form of proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to the Transfer Agent as set out above; or (ii) more typically, be given a form which, when properly completed and signed by the Non-Registered Holder and returned to the intermediary or its service company, will constitute voting instructions (often called a “voting information form”) which the intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives the form of proxy or voting instruction form wish to vote at the Meeting in person, the Non-Registered Holder should strike out the persons named in the form of proxy and insert the Non-Registered Holder’s name in the blank space provided or following the instructions in the voting instruction form. In either case, Non-Registered Holders should carefully follow the instructions of their intermediary, including those regarding when and where the form of proxy or proxy authorization form is to be delivered.

If you receive either a proxy or a voting instruction form and wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), you should strike out the names of the persons named in the proxy and insert yours (or such other person’s name) in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, please carefully follow the instructions of your broker, nominee or other service company.**

## RECORD DATE

The Company has set May 23, 2019 as the record date (the “**Record Date**”) for notice of the Meeting and for voting. Only shareholders of the Record Date are entitled to receive notice of and vote at the Meeting, subject to the provisions of the *Canada Business Corporations Act*. Nevertheless, failure to receive the notice does not revoke the shareholder's right to vote at the Meeting.

## AUTHORIZED CAPITAL, VOTING SHARES AND PRINCIPAL HOLDERS

The authorized capital of the Company consists of an unlimited number of Shares, of which 212,314,406 Shares are issued and outstanding as at the date hereof. Each issued and outstanding Share is entitled to one vote. Only persons who are shareholders of record at 4:30 p.m. EDT on the Record Date will be entitled to attend and vote at the Meeting, in person or by proxy.

As at the date of this Circular, to the knowledge of management and directors of the Company, no persons or companies individually beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the voting rights attached to all outstanding Shares other than:

Name	Number of Shares	Percentage of Outstanding Shares
Resource Capital Fund VII LP	42,056,250	19.81%
Sun Valley Gold LLC	26,273,824	12.37%
Mason Hill Advisors LLC	24,442,897	11.51%

## FINANCIAL STATEMENTS

The audited financial statements of the Company as at and for the fiscal year ended December 31, 2018, together with the auditors' report thereon, and the accompanying management's discussion and analysis, were filed on SEDAR on April 18, 2019. The financial statements will be placed before the shareholders at the Meeting. Copies of such statements are available on SEDAR at [www.sedar.com](http://www.sedar.com) and will also be made available at the Meeting.

**The form of proxy includes an election to continue to receive the interim and/or annual financial statements and MD&A for 2019 and subsequent fiscal years.**

## ELECTION OF THE DIRECTORS

There are presently eight directors of the Company and the board of directors (the “**Board**”) have fixed the number of directors for the time being at eight. Each director elected will hold office until the next annual general meeting or until a successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the by-laws of the Company. The Company has adopted a majority voting policy with respect to the election of directors – see Schedule “A”, “Statement of Corporate Governance Practices - Majority Voting Policy” for details.

Management does not contemplate that any nominee will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy have the authority to vote for another nominee at their discretion.

**Unless such authority is withheld, the persons named in the accompanying proxy will vote FOR the election of the nominees whose names are set forth below.**

The following table sets forth certain information about the persons nominated for election as directors:

<b>Name, Present Position with the Company and Residence</b>	<b>Director Since</b>	<b>Shares Beneficially Owned, Directly or Indirectly or Shares Over Which Control or Direction is Exercised (as of the date of this Circular) <sup>1</sup></b>
Patrick Downey President, CEO and Director BC, Canada	April 5, 2011	3,328,000
Michael Halvorson <sup>3,4</sup> Director (Chairman) AB, Canada	February 24, 2009	4,104,518
Ronald Batt <sup>2,3</sup> Director ON, Canada	May 23, 2013	500,000
Joseph Conway <sup>5,6</sup> Director ON, Canada	October 13, 2014	633,333
Charles Oliver <sup>2,3,4</sup> Director ON, Canada	July 17, 2017	100,000
Stephen Axcell <sup>5,6</sup> Director CO, USA	June 28, 2018	-
Kate Harcourt <sup>5,6</sup> Director England, United Kingdom	June 28, 2018	-
Marco LoCascio <sup>2,4</sup> Director NY, USA	June 28, 2018	-

1. The information is furnished to the Company by individual directors and is determined in accordance with applicable Canadian securities laws. These figures do not include Shares that may be acquired on the exercise of any stock options held by the respective directors.
2. Member of the Audit Committee (Ronald Batt is the Chair).
3. Member of the Compensation Committee (Michael Halvorson is the Chair).
4. Member of the Corporate Governance and Nominating Committee (Michael Halvorson is the Chair).
5. Member of the Safety, Health & Environment Committee (Joe Conway is the Chair).
6. Member of the Corporate Social Responsibility Committee (Kate Harcourt is the Chair).

A brief biography, including principal occupations for the last five years, of the nominees is below.

**Patrick Downey, President, CEO and Director.** Mr. Downey has over 30 years of international experience in the resource industry. Mr. Downey held the position of President, Chief Executive Officer and Director of Elgin Mining Inc., Aura Minerals Inc. and previously Viceroy Exploration Ltd. before its acquisition by Yamana Gold Inc. in 2006. He has held numerous senior engineering positions at several large-scale global gold mining operations and has also held operating positions at several mining projects for Anglo American Corporation in South Africa. Mr. Downey was a member of the boards of Claude Resources and Dalradian Resources before their recent successful acquisitions and he is a member of the board of a number of active resource companies. He holds a Bachelor of Science (Hon.) degree in Engineering from Queen's University.

**Michael Halvorson, Director (Chairman).** Mr. Halvorson has extensive experience as a board member for natural resource companies. Notable past directorships in the mineral exploration and mining sector include Viceroy Exploration Ltd., Western Silver Inc., Novagold Resources Inc., Pediment Gold Corporation, Esperanza Resources Corp., Fission Energy Corp. and Strathmore Minerals Corporation. In addition, in the oil and gas business, he served on the boards of Gentry Resources Ltd. and Novus Energy Inc.

**Ronald Batt, Director.** Mr. Batt is a Chartered Professional Accountant and a retired Senior Partner with Ernst & Young LLP. Mr. Batt has over 35 years of public accounting experience and for a number of years, managed Ernst



& Young's Ottawa tax practice of over 50 professionals. He has advised many of the largest Ottawa based public companies. Mr. Batt has extensive experience in cross border tax issues, international structures, mergers and acquisitions and other corporate reorganizations. He has advised companies on establishing and implementing the appropriate controls over financial reporting to comply with the rules established by the Canadian and US securities commissions. He has also served on the board of several associations and organizations.

**Joseph Conway, Director.** Mr. Conway has over 30 years of mining and financial industry experience. During his executive leadership, he has been intimately involved in strategic development including mergers and acquisitions, corporate restructurings and accessing the capital markets for approximately 1.2 billion dollars in debt and equity. Mr. Conway has held the position of Chief Executive Officer and Executive Vice Chairman of Primero Mining prior to its acquisition by First Majestic Silver Corp. in 2018. Mr. Conway was the President and CEO of IAMGOLD Corporation growing the company and its affiliates from a \$50 million joint venture company to a \$6 billion leading intermediate gold producer. He was the President, CEO and Director of Repadre Capital Corporation which merged with IAMGOLD in 2003. Mr. Conway is a former Vice President and Director with Nesbitt Burns (a Canadian investment dealer) from 1989 to 1995, focussed on advisory services to the mining and steel industries. Prior to 1989, he was a research analyst with Walwyn Stodgell Cochran and Murray from 1987 to 1989. Mr. Conway obtained field experience as a mine and exploration geologist from 1981 to 1985. Mr. Conway has a B.Sc. from Memorial University of Newfoundland (1981), and an MBA from Dalhousie University (1987). Mr. Conway has also been a director of a number of public companies during his career.

**Charles Oliver, Director.** Mr. Oliver has over 30 years' experience as an award-winning fund manager. He retired from Sprott Asset Management in 2015 as Lead Portfolio Manager of the Gold and Precious Metals Fund. Prior to that in 2008, Mr. Oliver was at AGF Funds where he was Senior Vice President and Lead Portfolio Manager of a team that managed over \$4 billion in several funds, including their Precious Metals Funds. He is currently on the board of Cabral Gold, and was a board member with Integra Gold before its acquisition by Eldorado Gold and with Klondex Mines before its acquisition by Hecla Mining. Mr. Oliver holds a CFA and HB. Sc. in Geology.

**Stephen Axcell, Director.** Mr. Axcell has over 38 years of experience in mining operations management, project management execution, process plant design and construction management. He served as a Senior Vice President for Jacobs, a large professional services company focused on engineering and construction. His experience includes management of large and small projects, complex process facilities in both green-fields and retro-fit (brown fields) with projects in Asia, Africa, USA, Canada, South America, Europe and the Middle East. Prior to rejoining Jacobs in 2012 he worked for the Debswana Diamond Company in Botswana, Africa from 2007 to 2012 as head of projects and Deputy Managing Director managing a large multi-billion-dollar capital project portfolio with responsibility for all technical functions within the company. From 1999 to 2007 Mr. Axcell held several senior positions with Jacobs. Mr. Axcell holds a Bachelor of Science degree in Engineering Minerals Processing and a Business Management Diploma from the University of Witwatersrand.

**Kate Harcourt, Director.** Ms. Harcourt is a sustainability professional with nearly 30 years of experience, principally in the mining industry. Ms. Harcourt has worked as a member of the owner's team of several mining companies and has extensive project and permitting experience in Africa, including in Guinea, Mali, Central African Republic, Cameroon, DRC and ROC. She worked as director of Health, Safety, Environment, Communities and Security for MagIndustries on their potash project in ROC and has also worked on behalf of Equator Principles signatory financial institutions and the International Finance Corporation. She has been involved in several due diligence processes for high profile projects and in the ESG aspects of project financing. Ms. Harcourt received a BSc Hons, Environmental Science, from Sheffield University and a MSc Environmental Technology, from Imperial College, London, and is a Chartered Environmentalist (CEnv) and a Member of the Institution of Environmental Scientists. Ms. Harcourt is a non-executive Director of Condor Gold plc and Roxgold Inc.

**Marco LoCascio, Director.** Mr. LoCascio is the Chief Executive Officer of Adia Resources Inc., a private company engaged in exploration for diamonds. Mr. LoCascio is a former portfolio manager at Mason Hill Advisors focusing on precious metals equities. He spent over 11 years with the firm as an analyst and portfolio manager. Mason Hill Advisors is a global, value-oriented investment manager based in New York. Mr. LoCascio received his B.A. in Economics from Amherst College.

Except as noted below, no proposed director is to be elected under any arrangement or understanding between the

proposed director and any other person or company: pursuant to an investor rights agreement (the “**Investor Rights Agreement**”) entered into by the Company and Resource Capital Fund VII LP (“**RCF**”) in connection with the April 2018 private placement, RCF has the right to designate: (i) two nominees if RCF owns 19.0% or greater of the issued and outstanding Shares; and (ii) one nominee if RCF owns greater than 10.0% and less than 19.0% of the issued and outstanding Shares. Mr. Axcell and Ms. Harcourt are director nominees of RCF.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The following compensation discussion and analysis provides insight into the compensation that the Company provided to its Chief Executive Officer, Chief Financial Officer and the three most highly compensated executive officers of the Company (“**NEOs**”) for the year ended December 31, 2018 (the “**2018 Fiscal Year**”).

For the 2018 Fiscal Year, the Company had the following NEOs: (i) Patrick Downey, President & CEO; (ii) Peter Tam, CFO; (iii) Pascal Marquis, SVP Exploration; (iv) Tim Miller, COO (former); and (v) Joe McCoy, VP Administration (former).

In early 2019, the Company announced the appointment of: (i) Louis Archambeault as VP Corporate Development and Strategy and Ryan Goodman as VP Legal and Administration; and (ii) the departure of Tim Miller and Joe McCoy from the Company.

#### *Setting Executive Compensation and Compensation Governance*

The Company has a Compensation Committee comprised of independent members of the Board: Mr. Halvorson (Chair), Mr. Batt and Mr. Oliver. Each member of the Compensation Committee has been in a senior leadership position in various organizations, and in those capacities obtained direct experience relevant to executive compensation and have the skills and experience that enable the Compensation Committee to make decisions on the suitability of the Company’s compensation policies and practices.

A primary function of the Compensation Committee is to assist the Board in determining the appropriate level of compensation to pay the NEOs and directors. The Compensation Committee meets at least once per year, or more frequently as required. The Chair of the Compensation Committee reports to the Board on its operations at regularly scheduled Board meetings. The Compensation Committee also reviews and approves the executive compensation disclosure included in management information circulars. The Compensation Committee is granted open access to information about the Company that is necessary or desirable to fulfill its duties.

### **Objectives and Elements of Compensation**

#### *Objective of Compensation Program*

The Company’s compensation program is designed to attract, retain and motivate highly qualified executive officers, while at the same time promoting an alignment of interests between such executive officers and the Company’s shareholders.

The Company is an exploration and development mining company and as such is not generating revenues from operations. As a result, the use of traditional performance standards, such as revenue and corporate profitability, are not currently considered by the Compensation Committee to be appropriate in the evaluation of corporate or executive officers’ performance. The compensation of the executive officers is based, in substantial part, on industry compensation practices (including the level of expertise of the officer, length of service to the Company, responsibilities related to the position and the individual’s performance), trends in the mining industry as well as achievement of the Company’s objectives.

In general, the Compensation Committee considers that its compensation program should be relatively simple in concept and that its focus should be balanced between reasonable annual compensation and longer term compensation tied to performance of the Company as a whole (incentive compensation in the form of stock options and cash bonuses where warranted). The Compensation Committee has not established a formal set of benchmarks or performance criteria to be met by the NEO’s, rather, the members of the Compensation Committee use their own assessments of the success (or

otherwise) of the Company, to determine, collectively, whether or not the NEO's are successfully achieving the Company's objectives and strategy and whether they have over, or under, performed in that regard. The Compensation Committee has not established any set or formal formula for determining NEO compensation, either as to the amount thereof or the specific mix of compensation elements.

#### *Compensation Consultant*

In each of 2017 and 2018, the Compensation Committee engaged Lane Caputo Compensation Inc. ("**Lane Caputo**"), a compensation consulting firm, to provide an independent, third party analysis of the compensation levels and practices for the NEOs as well as the compensation for the directors. Lane Caputo provided an assessment of the compensation levels the Company had in place in comparison to a peer group (discussed below) in order to reflect the continued transition of the Company as it evolves from an exploration and development stage company towards an operating Company. Related fees for the Lane Caputo report in 2018 were \$34,000.

#### *Elements of Compensation Program*

The Company's compensation program is comprised of base salary, annual incentive compensation, stock option awards and benefit plans. The Compensation Committee reviews each component of compensation (other than the benefit plans which is standard for its Canadian employees) for each executive officer and makes compensation recommendations to the Board. In evaluating each executive officer, the Compensation Committee considers among other things, the recommendations of the CEO. The Board reviews the recommendations and has complete discretion over the final amount and composition of each executive officer's compensation.

**Base Salary.** The primary element of the Company's compensation program is base salary. The Company's view is that a competitive base salary is a necessary element for attracting and retaining qualified executive officers. The amount of base salary payable to an executive officer is determined primarily by the level of responsibility and the importance of the position to the Company, and the range of salaries offered by comparable companies in a similar stage of development within the mining industry. Base salaries are reviewed annually by the Compensation Committee and recommendations are put forth to the Board. To preserve cash, no salary increases were approved for any NEO in 2018.

**Annual Incentive Compensation.** An annual incentive is a discretionary short-term variable element of compensation that may reward an individual for corporate and/or individual performance. The CEO presents recommendations to the Compensation Committee with respect to bonuses (if any) to be awarded to the executive officers (including himself) and to the other employees of the Company (if any). The Compensation Committee evaluates this utilizing the overall subjective assessment process described above, as opposed to any specific formula. The Compensation Committee then makes a determination of the bonuses, if any, to be awarded in respect of the past year and recommends such determination to the Board. To preserve cash, no cash bonuses were approved for any NEO in 2018 other than to the Company's former COO.

**Option-Based Awards.** The grant of stock options to employees is determined by the Board from recommendations made by the Compensation Committee. The executive officers also play a role in that they recommend to the Compensation Committee stock option awards for non-executive employees. Individual grants are determined by an assessment of the individual's current and expected future performance, level of responsibilities, the importance of his or her position and contribution to the Company, and previous option grants and exercise prices.

**Benefit Plans.** The Company provides a benefit package to help ensure the health of its employees. The benefit package also helps to boost morale, increase loyalty and reduce turnover. In addition, the Company believes that its benefit plans improve productivity and reduces absenteeism.

#### *Benchmarking - Peer Group*

Standard compensation methodology involves benchmarking compensation practices against a group of companies of similar size with relevant operations in the same regional geography. The resulting peer group then represents a realistic market against which to define the Company's compensation strategy.

The comparator group used in the 2018 review completed by Lane Caputo included the following 14 companies:

- Bear Creek Mining Corp.
- Corvus Gold Inc.
- Dalradian Resources Inc.
- Equinox Gold Corp.
- Falco Resources Ltd.
- Harte Gold Corp.
- Lydian International Ltd.
- Midas Gold Corp.
- Nevada Copper Corp.
- Northern Vertex Mining Corp.
- Red Eagle Mining Corp.
- Victoria Gold Corp.
- West African Resources Ltd.
- Western Copper and Gold Corp.

Lane Caputo noted that the Company's 2018 salary provided to the majority of the executive team members was at, or above, the median of the peer group for incumbents other than the CEO. Among other considerations, Lane Caputo suggested to maintain the existing stock option plan with annual awards and to consider implementing a portfolio approach to equity-based incentives by offering stock options in conjunction with RSUs or RSUs and PSUs (restricted share units and performance share units).

With respect to the CEO's salary, in order to preserve cash, the Compensation Committee recommended, and the Board approved, that the CEO's annual salary remain at the 2018 level however to compensate this, an amendment to the Change of Control provision to the CEO's employment agreement be made. Please see "Termination and Change of Control Benefits" below.

The Compensation Committee intends to monitor the composition of the peer group to ensure it is an appropriate benchmark for the Company's executive and independent director compensation practices, including but not limited to introducing RSUs or RSUs and PSUs.

#### *Compensation Risks*

A misalignment between the Company's vision and corporate objectives and employee performance and decision-making can be a significant risk. To date, the Company has not identified any risks arising from our compensation policies and practices that are reasonably likely to have an adverse material effect on the Company.

The executive team, Compensation Committee and Board regularly reviews the Company's compensation policies and practices to manage ongoing motivation and retention and market competitiveness, as well as to encourage responsible and thoughtful decision making by employees that is focused and aligned with the efforts and priorities of the Company and its corporate objectives. In addition to the foregoing, the Company retained Lane Caputo to review compensation appropriateness and changing market conditions.

To mitigate compensation policies and practices that could encourage a NEO or individual to take inappropriate or excessive risks, rewards are subject to the approval of the Board. In addition, all employees of the Company are also subject to the Company's commitment to ethical business conduct which has been adopted by the Board.

The NEOs and the directors are, under the terms of the Company's Insider Trading Policy, prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of Shares, including any Shares granted as share-based compensation or otherwise held directly or indirectly by a NEO or a director.

#### **Summary Compensation Table**

Although the Company achieved many of its stated objectives and progressed on many other fronts with respect to the Bomboré Project, in order to preserve its cash balance, the Company did not provide salary increases or cash bonuses to its NEOs for the 2018 Fiscal Year other than a cash bonus to the Company's former COO.

The table below sets forth information concerning the annual and long-term compensation earned during the last three fiscal years in respect of the NEOs at December 31, 2018. All amounts are in Canadian dollars.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) <sup>5</sup>	Non-Equity Incentive Plan Compensation		All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)		
Patrick Downey <sup>1</sup> President and CEO	2018	300,000	-	215,480	-	-	-	515,480
	2017	250,000	-	733,688	100,000	-	-	1,083,688
	2016	-	-	-	-	-	-	-
Peter Tam <sup>2</sup> CFO	2018	223,065	-	322,120	-	-	-	545,185
	2017	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-
Pascal Marquis SVP Exploration	2018	270,000	-	131,560	-	-	-	401,560
	2017	270,000	-	146,738	50,000	-	-	466,738
	2016	200,000	-	32,805	-	-	-	232,805
Tim Miller <sup>3</sup> (former NEO)	2018	217,941	-	83,920	60,000	-	-	361,861
	2017	292,726	-	73,368	-	-	-	366,094
	2016	217,241	-	20,503	-	-	-	237,744
Joseph McCoy <sup>4</sup> (former NEO)	2018	200,000	-	113,420	-	-	-	313,420
	2017	200,000	-	146,738	30,000	-	-	376,738
	2016	165,000	-	28,704	-	-	-	193,704

- Mr. Downey was appointed Executive Chairman on February 1, 2017 with an annual salary of \$200,000. On May 22, 2017 Mr. Downey was appointed President and CEO and his annual salary was adjusted to \$300,000 effective July 1, 2017.
- Mr. Tam was appointed CFO on March 4, 2018.
- From January 1, 2016 to June 30, 2016 Mr. Miller devoted two days per week to the Company.
- Mr. McCoy was CFO from December 1, 2015 to March 4, 2018. On March 4, 2018 Mr. Peter Tam was appointed CFO and Mr. McCoy then was appointed as the VP Administration and Corporate Secretary.
- The fair value of the option grants is calculated using the Black-Scholes valuation model and are based on the following weighted average assumptions:

	Issuance Date			
	January 11, 2018	July 23, 2018	June 23, 2017	February 8, 2016
Expected option life	3.9 years	3.8 years	4 years	4 years
Volatility	79%	76%	86%	85%
Risk-free interest rate	1.76%	1.88%	0.84%	0.55%
Dividend yield	0%	0%	0%	0%

The Company believes that the Black-Scholes model is an appropriate model to use for calculating the fair value of incentive stock options because, while the model was originally developed for valuing publicly traded options as opposed to non-transferable incentive stock options and requires management to make estimates, which are subjective and may not be representative of actual results (changes in assumptions can materially affect estimates of fair values), this model is used by most companies in the Company's peer group and therefore represents an approach to valuation reasonably consistent with the Company's peer group. **It is important to remember that, while incentive stock options can have a significant theoretical value (such as those reported above), until the option is actually exercised and the resulting Shares can be sold at a profit, it has no value that can be realized by the holder.**

## Incentive Plan Awards

### *Outstanding share-based awards and option-based awards*

The following table sets forth the Options that are outstanding to NEOs as at December 31, 2018.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Issue Date	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)
Patrick Downey President & CEO	150,000	0.65	2014-01-30	2019-01-30	-
	175,000	0.30	2016-02-08	2026-02-08	47,250
	1,500,000	0.78	2017-06-23	2027-06-23	-
	100,000	0.81	2018-01-11	2028-01-11	-
	400,000	0.80	2018-07-23	2023-07-23	-

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Issue Date	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)
Peter Tam CFO	500,000	0.81	2018-03-04	2028-01-11	-
	200,000	0.80	2018-07-23	2023-07-23	-
Pascal Marquis SVP Exploration	200,000	0.36	2009-05-15	2019-03-25	42,000
	400,000	0.40	2009-05-26	2019-05-26	68,000
	150,000	0.85	2010-07-08	2020-07-08	-
	200,000	0.65	2014-01-30	2019-01-30	-
	200,000	0.30	2016-02-08	2026-02-08	54,000
	300,000	0.78	2017-06-23	2027-06-23	-
	100,000	0.81	2018-01-11	2028-01-11	-
	200,000	0.80	2018-07-23	2023-07-23	-
Tim Miller (former NEO)	300,000	0.65	2014-05-26	2019-05-26	-
	125,000	0.30	2016-02-08	2026-02-08	33,750
	150,000	0.78	2017-06-23	2027-06-23	-
	200,000	0.80	2018-07-23	2023-07-23	-
Joseph McCoy (former NEO)	200,000	2.35	2010-10-21	2020-10-21	-
	15,000	0.65	2014-01-30	2019-01-30	-
	175,000	0.30	2016-02-08	2026-02-08	47,250
	300,000	0.78	2017-06-23	2027-06-23	-
	150,000	0.81	2018-01-11	2028-01-11	-
	100,000	0.80	2018-07-23	2023-07-23	-

- The value of unexercised in-the-money options (both vested and unvested) at December 31, 2018 is the difference between the exercise price of the options and the closing market price of the underlying shares on December 31, 2018, which was \$0.57 per common share on the TSXV.

#### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth details of the value vested or earned during the 2018 Fiscal Year for each incentive plan award:

Name	Option-based Awards – Value Vested in Year <sup>(1)</sup> (\$)	Share-based Awards- Value Vested in Year (\$)	Non-equity Incentive Plan Compensation – Value Earned in Year (\$)
Patrick Downey	-	-	-
Peter Tam	-	-	-
Pascal Marquis	-	-	-
Tim Miller	-	-	-
Joseph McCoy	-	-	-

- The value vested during the year of option-based awards was calculated using the closing price of the Shares on the TSXV on the date of vesting less the exercise price of the options.

#### **Termination and Change of Control Benefits**

Except as otherwise noted, as at December 31, 2018, the Company, including its wholly-owned subsidiaries, had employment agreements containing termination and change of control provisions with each of its NEOs.

For purposes of employment agreements, a “change of control” means: (i) any change in the holding of the shares in the capital of the Company as a result of which an entity or group of entities acting jointly or in concert (whether by means of a shareholder agreement or otherwise) or entities associated or affiliated with any such entity or group within the meaning of the *Business Corporations Act* (Ontario), other than the employee and his respective associates becomes the owner, legal or beneficial, directly or indirectly, of 40% or more of the shares in the capital of the Company or exercises control or direction over 40% or more of the shares in the capital of the Company; or (ii) a sale, lease or other disposition of all or substantially all of the property or assets of the Company (other than to an affiliate which assumes all of the obligations of the Company to the employee including the assumption of the employment agreement); or (iii) a

reorganization, amalgamation or merger (or plan of arrangement in connection with any of the foregoing), not approved by the Board, other than solely involving the Company and one or more of its affiliates, with respect to which substantially all of the persons who were the beneficial owners of the shares in the capital of the Company immediately prior to such reorganization, amalgamation, merger or plan of arrangement do not, following any such event, beneficially own, directly or indirectly, more than 40% of the aggregate voting power of all outstanding equity shares of the Company; or (iv) a change in the composition of the Board which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholder's resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change.

Under the terms of the employment agreements with Messrs. Downey, Tam and Marquis, no compensation other than compensation earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause or, voluntarily terminated. If the Company terminates the employment without cause, or in the event of a change of control, the NEO is entitled to receive a lump sum amount equal to:

<b>Name</b>	<b>Without Cause</b>	<b>Change of Control</b>
Patrick Downey, President & CEO	24 months	36 months <sup>1</sup>
Peter Tam, CFO	24 months	24 months <sup>1</sup>
Pascal Marquis, SVP Exploration	24 months	36 months <sup>1, 2</sup>

1. In addition, a cash bonus amount similar to the previous year bonus is payable plus continuation of similar benefits over the period. In the case of Mr. Marquis, a payout amount representing the benefits will be made.
2. Mr. Marquis' change of control is effective if he is terminated within 60 days before or within 180 days after a change of control.

As noted above, each of Messrs. Miller and McCoy departed from the Company in early 2019. In full and final settlement of all amounts owing to Messrs. Miller and McCoy, each of Messrs. Miller and McCoy received payment (less applicable withholding taxes) of USD \$180,918 and CAD \$200,000 respectively. In addition, vested options held by Mr. McCoy may be exercised up and until March 31, 2020.

The following table sets out the estimated incremental payments to the NEOs in the event of termination without cause or change of control as if such event occurred as of December 31, 2018:

<b>Event</b>	<b>Severance (\$)<sup>1</sup></b>	<b>Cash Bonus (\$)<sup>2</sup></b>	<b>Benefits (\$)<sup>3</sup></b>	<b>Total (\$)</b>
<b><i>Termination without cause</i></b>				
Patrick Downey	600,000	-	-	600,000
Peter Tam	270,000	-	-	270,000
Pascal Marquis	540,000	-	-	540,000
<b><i>Change of control</i></b>				
Patrick Downey	900,000	100,000	8,132	1,008,132
Peter Tam	540,000	-	3,486	543,486
Pascal Marquis	810,000	50,000	11,929	871,929

1. The above severance amounts are calculated on base salary.
2. This amount represents 2017 cash bonuses. Bonuses to the above NEOs were merited in 2018 but were not awarded to preserve the Company's treasury. However, in calculating any change in control entitlements, these bonus amounts will be included.
3. Benefits due upon termination are estimated on current actual benefit costs.

## **DIRECTOR COMPENSATION**

Directors' fees are recommended by the Compensation Committee based on a review of prevailing market conditions and a comparison to peer group companies with similar lines of business, market capitalization and public stock exchange listings. As part of its review, the Compensation Committee also uses third-party subject experts such as Lane Caputo. This recommendation is then subject to the approval of the Board.

For 2018, annual compensation for directors who are not NEOs consisted of the following elements:

<b>Membership</b>	<b>(\$)</b>
<b>Board Member</b>	
Cash retainer - Chair	50,000
Cash retainer – Member	30,000
Audit Committee Chair additional retainer	10,000
Committee Chair additional retainer (other than the Audit Committee)	5,000
Committee Member retainer	2,500

In 2018, the retainer fee for directors was increased by \$5,000 to \$30,000. Directors are also reimbursed for out-of-pocket expenses for attending Board and committee meetings or other expenses incurred for Company purposes.

### Director Compensation Table

The following table discloses all amounts of compensation provided to the directors who are not NEOs for the 2018 Fiscal Year:

<b>Name</b>	<b>Fees Earned (\$)</b>	<b>Option-Based Awards (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Michael Halvorson	50,000	131,560	-	181,560
Ronald Batt	41,250	179,200	-	220,450
Joseph Conway	35,000	83,920	-	118,920
Charles Oliver	35,000	83,920	-	118,920
Stephen Axcell <sup>1</sup>	17,500	125,580	-	143,080
Kate Harcourt <sup>1</sup>	18,750	125,580	-	144,330
Marco LoCascio <sup>1,2</sup>	-	-	-	-
Keith Peck (former) <sup>3</sup>	50,000	50,897	-	100,897

1. Director since June 28, 2018.
2. Mr. LoCascio is a former portfolio manager at Mason Hill Advisors (“Mason Hill”) and was introduced to the Company by Mason Hill. As at the date Mr. LoCascio was elected to the Board, Mason Hill owned approximately 11.74% of the then issued and outstanding Shares of the Company. No agreement between the Company and Mason Hill existed with respect to Mr. LoCascio’s appointment. Mr. LoCascio has since departed from Mason Hill and for 2019 and onwards will receive remuneration in his role as a director.
3. Mr. Peck did not stand for re-election and ceased to be a director as of June 28, 2018.

### Incentive Plan Awards

#### *Outstanding share-based awards and option-based awards*

The following table discloses outstanding options as at December 31, 2018 for each of the directors who are not NEOs:

<b>Name</b>	<b>Number of Securities Underlying Unexercised Options (#)</b>	<b>Option Exercise Price (\$)</b>	<b>Option Issue Date</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised In-The-Money Options (\$)<sup>1</sup></b>
Michael Halvorson	150,000	0.36	2009-05-15	2019-03-25	31,500
	300,000	0.40	2009-05-26	2019-05-26	51,000
	150,000	0.65	2014-01-30	2019-01-30	-
	175,000	0.30	2016-02-08	2026-02-08	47,250
	300,000	0.78	2017-06-23	2027-06-23	-
	100,000	0.81	2018-01-11	2028-01-11	-
Ronald Batt	200,000	0.80	2018-07-23	2023-07-23	-
	150,000	0.65	2014-01-30	2019-01-30	-
	125,000	0.30	2016-02-08	2026-02-08	33,750
	300,000	0.78	2017-06-23	2027-06-23	-
	200,000	0.81	2018-01-11	2028-01-11	-



Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Issue Date	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) <sup>1</sup>
	200,000	0.80	2018-07-23	2023-07-23	-
Joseph Conway	300,000	0.75	2014-10-13	2019-10-13	-
	75,000	0.30	2016-02-08	2026-02-08	20,250
	300,000	0.78	2017-06-23	2027-06-23	-
	200,000	0.80	2018-07-23	2023-07-23	-
Charles Oliver	300,000	0.78	2017-07-17	2027-07-17	-
	200,000	0.80	2018-07-23	2023-07-23	-
Stephen Axcell <sup>2</sup>	300,000	0.80	2018-07-23	2023-07-23	-
Kate Harcourt <sup>2</sup>	300,000	0.80	2018-07-23	2023-07-23	-
Marco LoCascio <sup>2</sup>	-	-	-	-	-
Keith Peck (former) <sup>3</sup>	175,000	\$0.30	2016-02-08	2026-02-08	47,250
	1,250,000	\$0.78	2017-06-23	2027-06-23	-
	100,000	\$0.81	2018-01-11	2028-01-11	-

1. The value of unexercised in-the-money options (both vested and non vested) at December 31, 2018 is the difference between the exercise price of the options and the fair market value of the underlying shares on December 31, 2018, which was \$0.57 per common share on the TSXV.

2. Director since June 28, 2018.

3. Mr. Peck ceased to be a director as of June 28, 2018.

#### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth details of the value vested or earned during the 2018 Fiscal Year for each incentive plan award:

Name	Option-based Awards – Value Vested in Year <sup>1</sup> (\$)	Share-based Awards - Value Vested in Year (\$)	Non-equity Incentive Plan Compensation – Value Earned in Year (\$)
Michael Halvorson	-	-	-
Ronald Batt	-	-	-
Joseph Conway	-	-	-
Charles Oliver	-	-	-
Stephen Axcell <sup>2</sup>	-	-	-
Kate Harcourt <sup>2</sup>	-	-	-
Marco LoCascio <sup>2</sup>	-	-	-
Keith Peck (former) <sup>3</sup>	-	-	-

1. The value vested during the year of option-based awards was calculated using the closing price of the Shares on the TSXV on the date of vesting less the exercise price of the options.

2. Director since June 28, 2018.

3. Mr. Peck ceased to be a director as of June 28, 2018.

#### **PENSION PLANS**

The Company does not operate any pension plans or provide any retirement benefits for its directors or employees.

## SECURITIES AUTHORIZED FOR ISSUANCE

The following table sets out equity compensation plan information as at December 31, 2018:

	Number of securities to be issued upon exercise of outstanding Options (#)	Weighted-average exercise price of outstanding Options (\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders (2009 Plan and 2016 Plan) <sup>1, 2, 3</sup>	16,431,000	0.68	4,607,536

1. No further options may be issued under the 2009 Option Plan. The 2016 Option Plan was adopted by the Company in connection with the Company's voluntary move from the TSX to the TSXV and was reapproved by the Company's shareholders on June 25, 2018.
2. The 2016 Option Plan is a "rolling" stock option plan that reserves up to 10% of the Company's outstanding Shares from time to time for issuance as stock options (up to 10% includes any options issuable under the 2009 Option Plan). Please see "Stock Option Plan – Annual Approval" below for additional details.
3. The Company does not have any equity compensation plans not approved by securityholders.

### STOCK OPTION PLAN – ANNUAL APPROVAL

Pursuant to Policy 4.4 of the Corporate Finance Manual of the TSXV (the "**Option Policy**"), the Company has adopted a "rolling" stock option plan (the "**2016 Plan**") that was first approved by the shareholders on June 22, 2016 and most recently re-approved on June 25, 2018. In accordance with the Option Policy, rolling stock option plans must be approved by the shareholders on an annual basis. As at the date of this Circular, 17,356,000 options are issued and outstanding.

The purpose of the 2016 Plan is to assist the Company in attracting, retaining and motivating directors, officers and employees of the Company and to closely align the personal interests of such directors, officers and employees with the interests of the Company and its shareholders. Options granted under the 2016 Plan are non-assignable and may be granted for a term not exceeding ten years; however, currently the Company's practice is to grant options with a term not exceeding five years.

The Company also maintains the 2009 Stock Option Plan (the "**2009 Plan**"), which was adopted when the Company was listed on the TSX. No new stock options can be granted under the 2009 Plan. Pursuant to the 2016 Plan and the Option Policy, the number of Shares reserved for issuance under the 2009 Plan and the 2016 Plan combined may not exceed 10% of the Company's issued and outstanding Shares on a non-diluted basis.

A summary of the material terms of the 2016 Plan follows:

- a) the 2016 Plan is administered by the Board, or if the Board so designates, a committee of the Board appointed in accordance with the 2016 Plan;
- b) the maximum number of Shares which may be issued under options granted under the 2016 Plan at any given time, together with the Shares reserved for issuance under all other stock option plans of the Company (including the 2009 Plan), is equivalent to 10% of the then issued and outstanding Shares of the Company;
- c) options shall be granted only to directors, employees or consultants of the Company ("**Eligible Participants**") or to a registered retirement savings plan established and controlled by an Eligible Participant and provided that in each case, the Eligible Participant is an Eligible Participant at the time of the grant;
- d) options may not be granted at prices that are less than the Discounted Market Price as defined in the TSXV policies which, subject to certain exceptions, generally means the most recent closing price of the Company's Shares on the TSXV before the date of grant, less a discount ranging from 15% to 25%, depending on the trading value of the Shares;

- e) subject to the discretion of the Board, if any Eligible Participant ceases to be an Eligible Participant, for any reason, other than for cause or death, he or she may exercise any option issued under the 2016 Plan that is then exercisable, but only within the period that is 30 days from the date he or she ceases to be an Eligible Participant;
- f) options granted under the 2016 Plan shall not be granted for a term exceeding ten years (the Company's current policy is to grant options for a term not exceeding five years) subject to the extension for blackout periods;
- g) an option granted under the 2016 Plan will terminate on the earlier of one year following the death of the optionee and the expiry date of the option; the Board may extend the period of time within which an option held by an Eligible Participant who has ceased to be an Eligible Participant may be exercised, but such extension shall not be granted beyond the original expiry date of the option;
- h) no one person may receive options representing more than 5% of the issued and outstanding Shares in any 12-month period, and options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the issued and outstanding Shares in any 12-month period;
- i) the Board has the authority to amend the terms of the 2016 Plan, subject to the approval of the TSXV and, if required, the approval of the shareholders of the Company;
- j) in the event of a take-over bid the Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting terms, conditions or schedule so that despite the other terms of the 2016 Plan, any options granted under the 2016 Plan may be exercised in whole or in part by Eligible Participants so as to permit Eligible Participants to tender the shares received upon the exercise of options pursuant to the offer; and
- k) in the event of a reorganization of the Company or the amalgamation, merger or consolidation of the shares of the Company, the Board shall make such appropriate provisions for the protection of the rights of the optionee as it may deem advisable.

The approval of the shareholders is required in order to approve and confirm the 2016 Plan along with any unallocated options. At the Meeting, shareholders will be asked to consider, and, if deemed appropriate, to approve, with or without variation, the following ordinary resolution (the "**Option Resolution**").

**To be adopted, the Option Resolution needs to be approved by a majority of the votes cast at the Meeting by proxy or in person. Management and the Board recommend that shareholders vote in favour of the Option Resolution.**

**If you do not specify how you want your shares voted, the persons named in the accompanying proxy will vote FOR the adoption of the Option Resolution authorizing the approval and confirmation to the Company's 2016 Plan.**

**BE IT RESOLVED** as an ordinary resolution, that:

1. The 2016 stock option plan (the "**2016 Plan**"), as described in the management information circular of the Company dated May 24, 2019, and any unallocated options or other entitlements thereunder, be and are hereby confirmed, ratified and approved in their entirety.
2. The Company be and is hereby authorized to grant stock options pursuant to and subject to the terms and conditions of the 2016 Plan entitling the option holders to purchase common shares of the Company.
3. Any director or officer of the Company is authorized to execute and deliver all other documents and do all other acts and things as may be necessary or desirable to give effect to this resolution.

## **APPOINTMENT OF AUDITORS**

Management of the Company proposes that Deloitte LLP (“**Deloitte**”) be appointed as auditors of the Company until the close of the next annual general meeting of shareholders, and that the directors be authorized to fix their remuneration. Deloitte was initially appointed as auditors of the Company for the fiscal year ended December 31, 2009.

**Unless such authority is withheld, the persons named in the accompanying proxy will vote FOR the appointment of Deloitte as auditors of the Company, and FOR authorizing the Board to fix their remuneration.** Deloitte will hold office until the close of the next annual general meeting of shareholders or until their successors are appointed.

## **AUDIT COMMITTEE**

Under National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), issuers are required to provide certain disclosure with respect to their Audit Committee, including the text of the Audit Committee’s charter, the composition of the Audit Committee and the fees paid to the external auditor. Please refer to the Company’s Annual Information Form for the year ended December 31, 2018 (the “**AIF**”) under the heading “Audit Committee Information”. A copy of the AIF has been filed on the Company’s profile on the SEDAR website ([www.sedar.com](http://www.sedar.com)) and the Company will, upon request from a shareholder, provide a copy of the AIF free of charge.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No director or executive officer of the Company, or any associates of such persons, are indebted to the Company and no indebtedness of such persons is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as disclosed in this Circular, no director or executive officer, proposed director of the Company, persons beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company, nor any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries since the commencement of the Company’s most recently completed fiscal year.

## **MANAGEMENT CONTRACTS**

The management functions of the Company are not, to any substantial degree, performed by a person or persons other than the Company’s directors or executive officers.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information is provided in the annual consolidated financial statements of the Company and the notes thereto, the related Management’s Discussion and Analysis and the Annual Information Form, all for the 2018 Fiscal Year. Copies of this Circular and the documents mentioned above are available on the Company’s website ([www.orezone.com](http://www.orezone.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

Additional copies are also available by contacting the Company at 900 – 1111 Melville Street, Vancouver, British Columbia, V6E 3V6. Telephone: 778.945.392 or email: [info@orezone.com](mailto:info@orezone.com). The Company may request the payment of reasonable fees if the requesting party is not a shareholder of the Company.

## Schedule “A”

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The following provides information with respect to the disclosure set forth in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

#### Board of Directors

As of the date of this Circular, the Board is composed of eight directors. The term of office of each of the present directors expires at the Meeting. Each director elected holds office until the next annual general meeting of the Company or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Company and the *Canada Business Corporations Act*.

#### *Board Mandate*

The primary responsibility of the Board is the development of policies and procedures by which the business and affairs of the Company are managed, and the supervision of management with respect to the implementation and adoption of those policies and procedures. Directors are guided by applicable corporate laws, by Canadian regulatory requirements, and by the duties and responsibilities agreed to and approved by the Board and are accountable to shareholders of the Company. That stewardship includes responsibility for strategic planning, identification of the principal risks of the Company’s business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company’s internal control and management information systems.

All material transactions must be reviewed and approved by the Board prior to implementation. Any responsibility that is not delegated to senior management or to a Board committee remains the responsibility of the Board. The Board’s responsibilities include providing guidance to management and reviewing and, if thought fit, approving, the opportunities presented by management. The Board relies on management for the identification, analysis and presentation of opportunities, preparation of regular reports, and provision of the support, information and analysis necessary for the Board to effectively fulfill its obligations.

#### *Director Independence*

The Board considers a director to be independent if the director meets the definition of the independence set forth in NI 52-110 *Audit Committees* and if the director has no direct or indirect material relationship with the Company which, in the view of the Board, could reasonably be perceived to materially interfere with the exercise of the director’s independent judgement.

The current Board is comprised of a majority of independent directors. Of the current directors and proposed nominees, only one, being Patrick Downey, the President and Chief Executive Officer of the Company, is an “insider” or management director and, accordingly is not considered by the Board to be independent. The remaining seven directors, being Michael Halvorson, Ronald Batt, Charles Oliver, Joseph Conway, Stephen Axcell, Kate Harcourt and Marco LoCascio are considered by the Board to be independent, within the meaning of NI 52-110. Thus, assuming that all the proposed nominees are elected as directors, the Board will continue to be composed of a majority of independent directors.

In making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors, including discussions with each director and a review of the resumes of the directors and the corporate relationships and other directorships held by each of them.

The Board facilitates its independent supervision over management of the Company by holding periodic meetings of the Board to approve various appropriate matters and discuss the business and operations of the Company. The Board has free access to the Company’s external auditor and to any of the Company’s executive officers. Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

## Directorships

In addition to their positions on the Board, as of the date of the Circular, the following directors also serve as directors to the following reporting issuers:

Director	Position	Reporting Issuer
Patrick Downey	Director	Pan Global Resources Inc. (TSXV: PGZ) GFG Resources Inc. (TSXV: GFG)
Joseph Conway	Director	Compass Gold Corporation (TSXV: CVB)
Charles Oliver	Director	Cabral Gold Ltd. (TSXV: CBR)
Stephen Axcell	Director	Excelsior Mining Corp. (TSX: MIN)
Kate Harcourt	Director	Roxgold Inc. (TSX: ROXG) Condor Gold plc (TSX: CCOG & AIM: CNR)

## Orientation and Continuing Education

The Board does not have formal policies with respect to the orientation and continuing education of directors. New directors are provided with information about the duties and obligations of directors, the business and operations of the Company, technical documentation and material from recent Board meetings. There are also opportunities for new and current directors to meet and have discussions with senior management in order to better understand the Company's business.

In addition, management of the Company takes steps to ensure that the directors and officers are regularly updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. In early 2019, Mr. Ryan Goodman joined the Company as VP Legal and Administration and part of his role is to ensure the Company is compliant with Canadian corporate and securities laws, including the TSXV. The Company continually reviews the latest securities rules and policies and is on the mailing list of the TSXV to receive updates of any of those policies. Any such changes or new requirements are then brought to the attention of the directors and executive officers either by way of director or committee meetings or by direct communications from management to the directors.

## Ethical Business Conduct

The Company's Commitment to Ethical Business Conduct Policy (the "**Code**") can be viewed on the Company's website or a copy can be obtained by contacting the Company. Each employee is provided a copy of the Code and must read and sign the document. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations in all jurisdictions in which the Company conducts business; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct. The Company has also instituted a "whistleblower" program whereby infractions can be reported to the Chair of the Audit Committee. This policy has been distributed to employees and can be viewed on the Company's website.

Any director or officer that has a material interest in a transaction or agreement that is being considered by the Company is required to declare a conflict of interest and is excluded from voting and from the decision-making process with respect to that issue.

## Nomination of Directors

The Company has a Corporate Governance and Nominating Committee (the "**CGN Committee**") comprised entirely of independent directors: Michael Halvorson (Chair), Marco LoCascio and Charles Oliver. A primary function of the CGN Committee is the recruiting and reviewing potential nominees for directors of the Company to ensure appropriate skill and experience levels. The CGN Committee provides its recommendation to the Board and the Board reviews and, if found acceptable, approves the recommendation.

The CGN Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining industry are consulted for possible candidates.

### **Compensation**

A primary function of the Compensation Committee is to assist the Board in determining the appropriate level of compensation to pay the Chief Executive Officer, Chief Financial Officer, other executive officers and directors. For a detailed discussion of the steps taken to determine compensation for the directors and executive officers, please see “Executive Compensation” in the Circular.

### **Other Board Committees**

In addition to the Audit Committee, the Compensation Committee, and the CGN Committee, the Company has the following committees:

*Safety, Health & Environment Committee:* assist the Company and the Board in fulfilling their respective obligations relating to safety, health and environmental matters concerning the Company.

*Corporate Social Responsibility Committee:* assist the Company and the Board in fulfilling their respective obligations relating to corporate social responsibility matters concerning the Company.

### **Assessments**

The Board, its committees and its individual directors are informally assessed regularly, and at a minimum on an annual basis as to their effectiveness and contribution. The Board, with the assistance of the CGN Committee, monitors, assesses and reviews the performance and effectiveness of the Board and its individual directors. Assessments are determined by examining a number of factors, including attendance at and participation at meetings, meeting preparedness, ability to communicate ideas clearly and overall contribution to effective Board performance.

### *Majority Voting Policy*

The Board has adopted a policy providing that in an uncontested election of directors, any nominee who receives a greater number of votes “withheld” than votes “for” his or her election as a director will tender his or her resignation to the Board promptly following the shareholders’ meeting. The CGN Committee will consider the offer of resignation and will make a recommendation to the Board on whether to accept it. The Board will make its final decision and announce this decision in a press release within ninety days following the Meeting. A director who tenders his or her resignation pursuant to this policy will not participate in any meeting of the Board or the CGN Committee at which the resignation is considered.

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