NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

OF

AURCANA CORPORATION

to be held at 11:00 a.m. on Tuesday, June 27, 2017

at 789 West Pender Street, 3rd floor, Vancouver, BC

AURCANA CORPORATION

850- - 789 West Pender Street
Vancouver, BC V6C 1H2
Phone: (604) 331-9333 Fax: (604) 633-9179

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the shareholders of Aurcana Corporation (the "**Company**") will be held at **789 West Pender Street, 3rd Floor, Vancouver, British Columbia,** on **Tuesday, June 27, 2017** at the hour of 11:00 a.m. (Vancouver time), for the following purposes:

1. To receive the audited consolidated financial statements of the Company, together with the auditor's report thereon, for the fiscal year ended December 31, 2016;

2. To set the number of directors at four;

3. To elect directors for the ensuing year;

4. To appoint MNP LLP, Chartered Professional Accountants, as the auditors of the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditors;

5. To consider, and if deemed advisable, to approve an ordinary resolution to amend the Company's fixed stock option plan to increase the number of shares authorized for issuance under the fixed stock option plan, as more particularly described in the accompanying Management Information Circular;

6. To consider and, if deemed advisable, to approve a special resolution, with or without variation, authorizing and approving the continuance of the Company out of the federal jurisdiction under the *Business Corporations* Act (Canada) into British Columbia under the *Business Corporations Act* (British Columbia), on the basis set forth in the Information Circular which accompanies this Notice;

7. To consider and, if deemed advisable, to approve a special resolution to change the name of the Company to "Renascent Resources Corporation" or such other name as the Board of Directors of the Company may determine;

8. To transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

An Information Circular and Form of Proxy accompany this Notice. The Information Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice.

Registered shareholders as at the close of business on May 12, 2017 are entitled to notice of and vote at the Meeting in person or by proxy. Registered shareholders who are unable to attend the Meeting, or any adjournment(s) or postponement(s) thereof, in person, are requested to read, complete, sign and return or follow the instructions to vote over the telephone or on the internet the Form of Proxy accompanying this Notice in accordance with the instructions set out in the form of Proxy and in the Information Circular accompanying this Notice. Beneficial shareholders who received the form of Proxy accompanying this Notice through an intermediary must deliver the Proxy in accordance with the instructions given by such intermediary.

DATED at Vancouver, British Columbia, this 12th day of May, 2017.

BY ORDER OF THE BOARD OF AURCANA CORPORATION

"Kevin Drover"

Kevin Drover
President and CEO

AURCANA CORPORATION

850- - 789 West Pender Street
Vancouver, BC V6C 1H2
Phone: (604) 331-9333 Fax: (604) 633-9179

MANAGEMENT INFORMATION CIRCULAR

(As at May 12, 2017, except as indicated)

This management information circular ("**Circular**") is furnished in connection with the solicitation of proxies by the management ("**Management**") of Aurcana Corporation (the "**Company**") for use at the annual general and special meeting (the "**Meeting**") of shareholders ("**Shareholders**") of the Company to be held at 11:00 a.m. (Vancouver time) on Tuesday, June 27, 2017, at the place and for the purposes set forth in the notice of the Meeting (the **Notice of Meeting**").

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by Management will be conducted by mail and may be supplemented by telephone or other personal contact and such solicitation will be made without special compensation granted to the directors, regular officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this Circular and related proxy materials to their customers. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Registered Shareholders

If you are a registered Shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. If you submit a proxy, you must complete, date and sign the proxy, and return it to **TSX Trust Company**, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 not less than 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment(s) or postponement(s)thereof.

Non-Registered Shareholders

Only directly registered Shareholders or duly appointed proxyholders are entitled to vote at the Meeting. Most Shareholders are non-registered Shareholders (**"Non-Registered Shareholders"**) because the common shares of the Company ("**Common Shares**") they own are not registered in their names but are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESSPs and similar plans); or (b) in the name of a clearing agency such as The Canadian Depository for Securities Limited in Canada or the Depository Trust Company in the United States, of which the Intermediary is a participant.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

a) Be given a proxy which **has already been signed by an Intermediary** (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. This form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and **return it in accordance with the instructions provided in the proxy; or**

b) More typically, be given a voting instruction form which **is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**Voting Instruction Form**" or **"VIF"**), which the Intermediary must follow.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. However, without specific voting instructions, Intermediaries and their agents and nominees are prohibited from voting shares for their clients. **Accordingly, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Should a Non-Registered Shareholder who receives either a proxy or a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Shareholder should strike out the names of the persons named in the Proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the cases of a VIF, follow the corresponding instructions on the form.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs.

These Meeting Materials are being sent to both registered and non-registered owners of the Common Shares. If you are a Non-Registered Shareholder, and the Company or its agent has sent these Meeting Materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. The Company does not intend to pay for Intermediaries to forward the Meeting Materials to OBOs. Accordingly, OBOs will not receive the Meeting Materials unless the Intermediary assumes the cost of delivery.

Appointment and Revocation of Proxies

The persons named in the accompanying form of proxy are directors and/or officers of the Company. A Shareholder has the right to appoint a person or company (who need not be a Shareholder) other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such Shareholder at the Meeting and any adjournment(s) or postponement(s) thereof. Such right may be exercised either by striking out the names of the persons specified in the form of proxy and inserting the name of the person or company to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting, or any adjournment(s) or postponement(s) thereof.

A registered Shareholder of the Company who has given a proxy may revoke the proxy by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered Shareholder is a corporation, by an officer or attorney thereof properly authorized, either: (i) at the principal office of the Company at any time prior to 5:00 p.m. (Vancouver time) on the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, (ii) with the said office of TSX Trust Company Attn: Proxy Department at any time prior to 5:00 p.m. (Vancouver time) on the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, or (iii) with the Chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; (b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such Shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person.

A Non-Registered Shareholder who has submitted a proxy or VIF may revoke a VIF or proxy that has been given to an Intermediary or to the service company that the Intermediary uses by following the instructions of the Intermediary respecting the revocation of proxies, provided that an Intermediary is not required to act on a revocation of a proxy or VIF which is not received by the Intermediary at least seven days prior to the Meeting.

Voting and Discretion of Proxies

The Common Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting, or at any adjournment or postponement thereof, in accordance with the instructions of the Shareholder thereon. **In the absence of instructions, such Common Shares will be voted in favour of each of the matters referred to in the Notice of Meeting as specified thereon.**

The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the accompanying Notice of Meeting and on other matters, if any, which may properly come before the Meeting or any adjournment or postponement thereof.

NOTICE AND ACCESS

The Company is not sending the Meeting Materials to registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102, *Continuous Disclosure Obligations* ("**NI 51-102**").

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, no proposed nominee of Management for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the record date, determined by the Board of Directors of the Company (the "**Board**") to be the close of business on May 12, 2017 (the "**Record Date**"), a total of 96,273,987 Common Shares were issued and outstanding. Each Common Share entitles the Shareholder of record to one vote at the Meeting. The Company has no other classes of voting securities. Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment(s) or postponement(s) of the Meeting.

To the knowledge of the Company's directors and executive officers, as at the Record Date, Orion Mine Finance (Master) Fund I LLP holds 16,499,501 Common Shares, representing 17.14% of the issued and outstanding Common Shares of the Company. No other person beneficially owns, directly or indirectly, or controls or directs Common Shares carrying 10% or more of the voting rights attached to all of the Company's Common Shares.

MATTERS TO BE ACTED UPON AT THE MEETING

TO THE KNOWLEDGE OF THE COMPANY'S DIRECTORS, THE ONLY MATTERS TO BE PLACED BEFORE THE MEETING ARE THOSE REFERRED TO IN THE NOTICE OF MEETING ACCOMPANYING THIS CIRCULAR. HOWEVER, SHOULD ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE SHARES REPRESENTED BY THE PROXY.

1. Financial Statements

The Board has approved the audited consolidated financial statements for the fiscal year ended December 31, 2016, together with the auditor's report thereon. Copies of these financial statements have been sent to those Shareholders who had requested receipt of the same and are also available on SEDAR at www.sedar.com.

2. Set Numbers of Directors

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at four. The number of directors will be approved if the affirmative vote of at least a majority of Common Shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at four.

The shares represented by proxy will be voted FOR the resolution to set the number of directors for the ensuing year at four, unless the Shareholder has specified in the form of proxy that the Shareholder's Common Shares are to be voted against the resolution.

3. Election of Directors

Majority Voting Policy

The Board adopted a Majority Voting Policy pursuant to which, with respect to uncontested elections, each nominee who receives a greater number of votes "withheld" than votes "for" will tender his or her resignation to the Chair of the Compensation and Corporate Governance Committee ("**CCG Committee**") promptly following the shareholders' meeting. The CCG Committee will consider the offer of resignation and will make a recommendation to the Board on whether to accept it. In considering whether or not to accept the resignation, the CCG Committee will consider the circumstances of such vote, including, without limitation, any stated reasons why shareholders withheld votes from the election of the director, the length of service and the qualifications of the director whose resignation has been tendered, the director's contributions to the Company and the effect that such resignation may have on the Company's ability to comply with corporate governance guidelines and applicable laws and make whatever recommendation the CCG Committee deems appropriate. The CCG Committee will be expected to accept the resignation except in situations where the considerations would warrant the applicable director continuing to serve on the Board. The Board will make its final decision and announce it in a press release within 90 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 CCG Committee at which the resignation is considered.

The Company's current Board consists of Kevin Drover, Adrian Aguirre, Jerry Blackwell and José Manuel Bórquez. Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed unless his office is earlier vacated in accordance with the articles of the Company or unless he becomes disqualified to act as director.

Management of the Company does not contemplate that any of the nominees will be unable 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 reserve the right to vote for other nominees in their discretion.

Management of the Company proposes to nominate the following four persons as further described in the table below, for election by the Shareholders as directors of the Company to hold office until the next annual meeting. Information concerning such persons, as furnished by the individual nominees, as at Record Date, is as follows:

Name, Jurisdiction of Residence and Position With the Company	Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years	Served as a Director Continuously Since	Number of Common Shares beneficially owned or directly or indirectly controlled [1]
Kevin Drover [3] [4] *President, Chief Executive Officer and Director* British Columbia, Canada	Executive in the mining industry	Nov. 18, 2013	515,033
Adrian Aguirre [2] [3] *Director* Mexico City, Mexico	Certified Public Accountant and a Board member of 4Play Telecom, SA de CV	Dec. 10, 2008	50,000
Jerry Blackwell [2] [4] *Director* British Columbia, Canada	Professional Geologist and Technical Advisor	Jun. 5, 2014	Nil
José Manuel Bórquez [2] *Director* Santiago, Chile	International Natural Resources lawyer, member of Chilean Bar and Partner, LatinLawFirm, Santiago, Chile	Jul. 17, 2014	Nil

(1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the record date.
(2) Member of Audit Committee.
(3) Member of Compensation and Corporate Governance Committee.
(4) Member of Technical, Environment, Health and Safety Committee.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions or Individual Bankruptcies

Except as noted below, to the knowledge of the Company, no proposed director of the Company:

a) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director, Chief Executive Officer ("**CEO**") or Chief Financial Officer ("**CFO**") of any company (including the Company), that:

   (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or

   (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or

b) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Adrian Aguirre was a director of Maxcom Telecomunicaciones SAB ("**Maxcom**"), a Mexico City based carrier, which while acting in his capacity, filed for Chapter 11 bankruptcy court protection in the United States. In July 2013 Maxcom filed for pre-packaged Chapter 11 bankruptcy in a US court to pursue a recapitalization plan (the "**Recapitalization Plan**") and would give full control to an investor group led by a private equity from Ventura Capital. In September, 2013, the US Bankruptcy Court for the District of Delaware entered an order confirming the Recapitalization Plan. Conformation of the Recapitalization Plan was fully consensual: the only class of creditors entitled to vote overwhelmingly voted in favor of the Recapitalization Plan and no party objected to confirmation of the Recapitalization Plan. Under the confirmed Recapitalization Plan, subject to the conditions set forth in the recapitalization agreement and the restructuring and support agreement, Maxcom completed a recapitalization and debt restructuring on September 30, 2013.

Shareholders can vote for all of the proposed nominees for directors of the Company, vote for some of the proposed nominees and withhold for others, or withhold from voting for all or any of the proposed nominees. Unless the Shareholder directs that his or her shares be otherwise voted or withheld from voting in connection with the election of directors, the persons named in the enclosed Proxy will vote FOR the election of the four nominees whose names are set forth above.

4. Appointment of Auditors

At the Meeting, Shareholders will be asked to vote for the appointment of MNP LLP, Chartered Professional Accountants, to serve as auditor of the Company for the ensuing year, and to authorize the directors for fix the auditor's remuneration.

Effective October 7, 2016, the Company accepted the resignation of Deloitte LLP, Chartered Professional Accountants, as the auditor of the Company and appointed MNP LLP as the new auditor of the Company.

As required pursuant to NI 51-102, a copy of the complete reporting package, including the Company's Notice of Change of Auditor dated October 12, 2016 and letters of acknowledgement from each of Deloitte LLP and MNP LLP, was filed on SEDAR and are attached to this Circular as Schedule "A". There have been no reportable disagreements between the Company and Deloitte LLP and no qualified opinion or denial of opinion by Deloitte LLP within the meaning of NI 51-102.

Unless the Shareholder directs that his or her Common Shares are to be withheld from voting in connection with the appointment of auditors, the persons named in the enclosed form of proxy intend to vote FOR the appointment of MNP LLP, to serve as auditors of the Company for the ensuing year and to authorize the Board to fix their remuneration.

5. Amendment of Stock Option Plan

The Shareholders will be asked, subject to regulatory approval, to increase the number of shares currently authorized to be issued under the fixed stock option plan from 8,379,852 Common Shares to 14,441,098 Common Shares (the "**Fixed Option Plan**"), representing 15% of the current issued and outstanding Shares of the Company.

Pursuant to the provisions of the TSX Venture Exchange ("**TSX.V**") Policy 4.4 – *Incentive Stock Options* (the "**Options Policy**"), disinterested shareholder approval must be obtained for a stock option plan if the stock option plan, together with all of the issuer's previously established and outstanding stock option plans or grants, could permit at any time the aggregate number of shares reserved for issuance under stock options granted to Insiders (as such term is defined in the policies of the TSX.V) (as a group) at any point in time to exceed 10% of the issued shares. An aggregate of 713,033 Common Shares are held by Insiders of the Company and not entitled to vote on this resolution.

The rules of the TSX Venture Exchange ("**TSX.V**") permit an issuer to award options under a plan prior to receiving Shareholder approval, provided that none of the options are exercised until approval is received and provided the Shareholders approve the exercise prices of options awarded between the time of adoption and approval.

Summary of the Fixed Option Plan

The following is a summary of the principal terms of the Fixed Option Plan and is qualified in its entirety by the full text of the Fixed Option Plan which is available for review by any Shareholder up until the day preceding the Meeting at the offices of the Company at #850, 789 West Pender Street, Vancouver, British Columbia and will be available at the Meeting.

The Fixed Option Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder subject to the requirements of the TSX.V. Options may be granted under the Fixed Option Plan to such directors, officers, employees or consultants of the Company and its affiliates (as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*), if any, as the Board may from time to time designate. However, in no case will the issuance of Common Shares upon the exercise of stock options granted under the Fixed Option Plan result in:

(i) the number of options awarded in a one year period to any one Consultant exceeding 2% of the issued shares of the Company (calculated at the time of grant);

(ii) the aggregate number of options awarded in a one year period to eligible persons undertaking investor relations activities exceeding 2% of the issued shares of the Company (calculated at the time of grant); or

(iii) the aggregate number of Common Shares reserved for issuance to any one individual upon the exercise of options awarded under the Fixed Option Plan or any previously established and outstanding stock option plans or grants, exceeding 5% of the issued shares of the Company (calculated at the time of grant) in a one year period.

Under the policies of the TSX.V, options granted under such a fixed plan are not required to have a vesting period, although the directors may continue to grant options with vesting periods, as the circumstances require.

If stock options expire or otherwise terminate for any reason without having been exercised, the number of Common Shares in respect of the expired or terminated stock options will again be available for the purposes of the Fixed Option Plan.

The Fixed Option Plan may be terminated by the Board at any time, but such termination will not alter the terms or conditions of any options awarded prior to the date of such termination. Any stock options outstanding when the Fixed Option Plan is terminated will remain in effect until they are exercised or expire or are otherwise terminated in accordance with the provisions of the Fixed Option Plan.

Options granted under the Fixed Option Plan will be for a term not to exceed ten years from the date of their grant. Unless the Company otherwise decides, in the event an option holder ceases to be a director, officer, consultant or employee of the Company (other than by reason of death), vested options will expire on the earlier of the option expiry date or 90 days following the date the director, officer, consultant or employee ceases to be employed or provide services to the Company. In all cases, unvested options will terminate immediately. Vested options will also expire immediately in the event the option holder's relationship with the Company is terminated for cause. In the event of the death of an option holder, vested options will expire one year after the date of death or on the option expiry date, whichever is earlier.

The price at which an option holder may purchase a Common Share upon the exercise of a stock option will not be less than the discounted market price of the Company's Common Shares as of the date of the grant of the stock option (the "Award Date"). Discounted market price means the market price less a discount to be determined by the Board, which will in any event not exceed the amount set forth under Policy 1.1 of the TSX.V's Corporate Finance Manual.

In no case will a stock option be exercisable at a price less than the minimum prescribed by each of the organized trading facilities or the applicable regulatory authorities that would apply to the award of the stock option in

question.

Stock options will be non-assignable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death or incapacity.

Common shares will not be issued pursuant to stock options granted under the Fixed Option Plan until they have been fully paid for. The Company will not provide financial assistance to option holders to assist them in exercising their stock options.

Regulatory Requirements

Any time an issuer adopts a stock option plan, the TSX.V requires the issuer to obtain shareholder approval of the plan, provided that the plan, together with all of the issuer's other previously established stock option plans or grants, could result at any time in the number of common shares reserved for issuance under options exceeding 10% of the issued and outstanding common shares. Under the Fixed Option Plan, the number of Common Shares available for issuance upon the exercise of options will be equal to 15% of the issued and outstanding Common Shares of the Company as at the date of this Meeting. The TSX.V also requires the Company to obtain disinterested shareholder approval where a stock option plan, together with all of the Company's other previously established and outstanding stock option plans or grants, could result, at any time, in:

(i) the number of shares reserved for issuance under stock options granted to Insiders (as defined in TSX.V Policy 1.1) exceeding 10% of the issued shares;

(ii) the grant to Insiders, within a 12 month period, of a number of shares exceeding 10% of the issued shares; or

(iii) the grant to any one optionee, within a 12 month period, of a number of shares exceeding 5% of the issued shares.

If Insiders of the Company participate in the Fixed Option Plan it is possible that the Fixed Option Plan could result in the foregoing situations.

Proposed Resolution

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

"**RESOLVED THAT**:

1. The amendment to the Company's fixed stock option plan (the "**Fixed Option Plan**") to increase the number of Common Shares that may be purchased upon the exercise of options from 8,379,852 Common Shares to 14,441,098 Common Shares, is hereby adopted and approved;

2. The Board of Directors be authorized to grant options under and subject to the terms and conditions of the Fixed Option Plan which, together with the current outstanding options, will entitle option holders to purchase up to a maximum of 14,441,098 Common Shares of the Company;

3. The Board of Directors, by resolution, be authorized to make such amendments to the Fixed Option Plan, from time to time, as may, in its discretion, be considered appropriate, provided always that such amendments be subject to the approval of all applicable regulatory authorities;

4. the Company be authorized to abandon or terminate all or any part of the amendment to the Fixed Option Plan if the Board of Directors deems it appropriate and in the best interests of the Company to do so; and

5. Any one or more of the directors or senior officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company, or otherwise, all such documents and other writings, including treasury orders, as may be required to give effect to the true intent of these resolutions."

In order to obtain disinterested shareholder approval, the Fixed Option Plan must be approved by a majority of the votes cast at the Meeting, excluding votes attaching to shares beneficially owned by (i) insiders to whom options may be awarded under the Plan; and (ii) associates of persons referred to in (i).

The Board recommends that Shareholders and disinterested Shareholders vote **FOR** the ordinary resolution approving the amendment to the Fixed Option Plan. **Common Shares represented by proxies in favour of the management nominees will be voted IN FAVOUR of such ordinary resolution, unless a Shareholder has specified in his proxy that his, her or its Common Shares are to be voted against such ordinary resolution**.

6. Continuation Under *Business Corporations Act* (British Columbia)

The Shareholders will be asked to consider and, if thought fit, approve and adopt a special resolution authorizing the Board, in their sole discretion, to apply for the discontinuance of the Company from the federal jurisdiction of Canada under the *Canada Business Corporations Act* and to continue the Corporation to British Columbia under the *Business Corporations Act of British Columbia* (the "**Continuance**").

The Continuance will affect certain of the rights of Shareholders as they currently exist under the Canada Business Corporations Act (the "**CBCA**"). **Shareholders should consult their legal advisors regarding implications of the Continuance which may be of particular importance to them.**

The *Business Corporations Act of British Columbia* (the "**BCBCA**") permits companies incorporated outside of British Columbia to be continued into British Columbia. On Continuance, the CBCA will cease to apply to the Company and the Company will thereupon become subject to the BCBCA, as if it had originally incorporated as a British Columbia company. The Continuance will not create a new legal entity, affect the continuity of the Company or result in a change to its business or affect the share capital. The persons elected as directors by the Shareholders at the Meeting will continue to constitute the Board upon the Continuance becoming effective.

The BCBCA provides that when a foreign corporation continues under the BCBCA:

(a) The property, rights and interests of the foreign corporation continue to be the property, rights and interests of the corporation;

(b) The corporation continues to be liable for the obligations of the foreign corporation;

(c) An existing cause of action, claim or liability to prosecution is unaffected;

(d) A legal proceeding being prosecuted or pending by or against the foreign corporation may be prosecuted or its prosecution may be continued, as the case may be, by or against the corporation; and

(e) A conviction against, or a ruling, order or judgement in favour of or against the foreign corporation may be enforced by or against the corporation.

The Continuance will not affect the Company's status as a listed company on the TSX Venture Exchange or as a reporting issuer under applicable securities legislation.

Reason for Continuance

For corporate and administrative reasons the directors of the Company are of the view that it would be appropriate to continue the Company as a British Columbia company. The head office of the Company in Canada is located in British Columbia. In addition, continuance under the BCBCA will provide the Company with more flexibility as there are no residency requirements for the directors of a company existing under the BCBCA.

Corporate Governance Differences

In general terms, the BCBCA provides to the Shareholders substantively the same rights as are available to the Shareholders under the CBCA, including rights of dissent and appraisal and rights to bring derivative actions and

oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions. There are, however, important differences concerning the qualifications of directors and certain shareholder remedies. The following is a summary comparison of certain provisions of the BCBCA and the CBCA which pertain to rights of the Shareholders. This summary is not intended to be exhaustive and the Shareholders should consult their legal advisers regarding all of the implications of the Continuance. A copy of the BCBCA and a copy of the Company's proposed Notice of Articles and Articles are available for review at the registered and records office of the Company.

Charter Documents

Under the BCBCA, the charter documents will consist of a Notice of Articles, which sets forth, among other things, the name of the corporation and the amount and type of authorized capital, and indicates if there are any rights and restrictions attached to the issued shares, and Articles, which will govern the management of the Company following the Continuance. The Notice of Articles is filed with the British Columbia Registrar of Companies, and the Articles will be filed only with the Company's registered and records office.

Similarly, under the CBCA, the Company has Articles of Incorporation, which set forth, among other things, the name of the corporation and the amount and type of authorized capital, and Bylaws, which govern the management of the Company. The Articles of Incorporation are filed with Corporations Directorate, Industry Canada, and the Bylaws are filed only with the Company's registered and records office.

The Continuance to British Columbia and the adoption of the Notice of Articles and Articles will not result in any material changes to the constitution, powers or management of the Company, except as otherwise described herein.

Shareholders may request a copy of the new Articles prior to the Meeting by contacting the Company at its office at Suite 850, 789 West Pender Street, Vancouver BC, Canada, V6C 1H2 or by telephone to: 604.331.9333. The new Articles will also be available for review at the Meeting. If the Continuation is approved at the Meeting, a copy of the new Articles can be obtained on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Requirements for Special Resolutions

The CBCA requires that certain matters be approved by special resolution of the shareholders. Under the BCBCA, the Company may provide for a different level of approval for some matters. The Company proposes to adopt the more flexible approach under the BCBCA in order to be able to react and adapt to changing business conditions. As a result, subject to the BCBCA, the proposed new Articles of the Company will provide that the following matters may be approved by a resolution of the board of directors:

(a) creation of one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares, or establish a maximum number of shares that the Company is authorized to issue out of any class or series for which no maximum is established;

(c) alter the identifying name of any of its shares;

(d) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(e) If the Company is authorized to issue shares of a class of shares with par value:

i) decrease the par value of those shares; or

ii)if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(f) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(g) otherwise alter its shares or authorized share structure when require or permitted to do so by the BCBCA; or

(h) authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

Amendments to Charter Documents

Other fundamental changes such as a proposed amalgamation or continuation of a corporation out of the jurisdiction require a special resolution passed by two- thirds of the votes cast on the resolution by holders of shares of each class entitled to vote at a general meeting of the corporation.

Under the CBCA such changes require a special resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the alteration and, where certain specified rights of the holders of a class or series of shares are affected differently by the alteration than the rights of the holders of other classes of shares, or in the case of holders of a series of shares, in a manner different from other shares of the same class, a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class, or series, as the case may be, whether or not they are otherwise entitled to vote.

Sale of Undertaking

Under the BCBCA, a corporation may sell, lease or otherwise dispose of all or substantially of the undertaking of the corporation if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution passed by the majority of votes that the Articles of the corporation specify is required (being at least two-thirds and not more than three-quarters of the votes cast on the resolution) or, if the Articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution. Under the Articles proposed to be adopted by the Company the special resolution will need to be passed by at least two-thirds of the votes cast on the resolution.

The CBCA requires approval of the holders the shares of a corporation represented at a duly called meeting by not less than two-thirds of the votes cast upon a special resolution for a sale, lease or exchange of all or substantially all of the property (as opposed to the "undertaking") of the corporation, other than in the ordinary course of business of the corporation. Each share of the corporation carries the right to vote in respect of a sale, lease or exchange of all or substantially all of the property of the corporation whether or not it otherwise carries the right to vote. Holders of shares of a class or series can vote only if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series. While the shareholder approval thresholds will be the same under the BCBCA and the CBCA, there are differences in the nature of the sale which requires such approval, i.e., a sale of all or substantially all of the "undertaking" under the BCBCA and of all or substantially all of the "property" under the CBCA.

Rights of Dissent and Appraisal

The BCBCA provides that shareholders who dissent to certain actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable in respect of:

(a) a resolution to alter the Articles to alter restrictions on the powers of the corporation or on the business it is permitted to carry on;

(b) a resolution to adopt an amalgamation agreement;

(c) a resolution to approve an amalgamation into a foreign jurisdiction;

(d) a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) a resolution to authorize the sale, lease or other disposal of all or substantially all of the undertaking of the corporation;

(f) a resolution to authorize the continuation of the corporation into a jurisdiction other than British Columbia;

(g) any other resolution, if dissent is authorized by the resolution; or

(h) any court order that permits dissent.

The CBCA contains a similar dissent remedy, subject to certain qualifications. Regarding (b) and (c) above, under the CBCA, there is no right of dissent in respect of an amalgamation between a corporation and its wholly-owned subsidiary, or between wholly-owned subsidiaries of the same corporation. The CBCA also contains a dissent remedy where a corporation resolves to amend its Articles to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of a class.

Oppression Remedies

Under the BCBCA, a shareholder of a corporation has the right to apply to the court on the grounds that:

(a) the affairs of the corporation are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant; or

(b) some act of the corporation has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court may make any interim or final order it considers appropriate including an order to prohibit any act proposed by the corporation.

The CBCA contains rights that are substantially broader in that they are available to a larger class of complainants. Under the CBCA a shareholder, former shareholder, director, former director, officer, or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of the court, is a proper person to seek an oppression remedy, may apply to the court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates, any act or omission of the corporation or its affiliates effects a result, the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner, or the powers of the directors of the corporation or its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director, or officer.

Shareholder Derivative Actions

Under the BCBCA, a shareholder or director of a corporation may, with leave of the court, bring an action in the name and on behalf of the corporation to enforce a right, duty or obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such a right, duty or obligation.

A broader right to bring a derivative action is contained in the CBCA, and this right also extends to officers, former shareholders, former directors and former officers of a corporation or its affiliates, and any person, who, in the discretion of the court, is a proper person to make an application to the court to bring a derivative action. In addition, the CBCA permits derivative actions to be commenced, with leave of the court, in the name and on behalf of a corporation or any of its subsidiaries.

Requisition of Meetings

The BCBCA provides that one or more shareholders of a corporation holding not less than 5% of the issued voting shares of the corporation may give notice to the directors requiring them to call and hold a general meeting within four months.

The CBCA permits the holders of not less than 5% of the issued shares that carry the right to vote at a meeting sought to be held to require the directors to call and hold a meeting of shareholders of a corporation for the purposes stated in the requisition. If the directors do not call a meeting within 21 days on receiving the requisition, any shareholder who signed the requisition may call the meeting.

Place of Meetings

The BCBCA provides that meetings of shareholders may be held at the place outside of British Columbia provided by the Articles, or approved in writing by the British Columbia Registrar of Companies before any such meeting is held, or approved by an ordinary resolution (provided such a location outside of British Columbia is not restricted as a location for meetings under the Articles).

The CBCA provides that meetings of shareholders may be held at the place outside of Canada provided by the Articles, or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place.

Directors

Both the BCBCA and CBCA provide that a public corporation must have a minimum of three directors.

While the BCBCA does not have any Canadian or provincial residency requirements for directors, the CBCA requires that at least 25% of directors of a corporation must be resident Canadians.

Status as a British Columbia Corporation

Currently, the Company's authorized capital consists of an unlimited number of common shares. If the Company's shareholders approve the Continuance, the Company will continue to have authorized capital of an unlimited number of common shares.

As a CBCA corporation, the Company's charter documents consist of Articles of Incorporation and Bylaws and any amendments thereto to date. On completion of the Continuance, the Company will cease to be governed by the CBCA and will thereafter be deemed to have been formed under the BCBCA. As part of the Continuance Resolution, the Company's shareholders will be asked to approve the adoption of Notice of Articles and Articles which comply with the requirements of the BCBCA, copies of which are available for review by the Company's shareholders at the Company's head office. There are some differences in shareholder rights under the BCBCA and CBCA and under the charter documents proposed to be adopted by the Company upon the Continuance.

Proposed Continuance Resolution

The Continuance must be approved by special resolution in order to become effective. To pass, a special resolution requires a majority of not less than two-thirds of the votes cast by the shareholders present at the Meeting in person or by proxy.

Shareholders will be asked at the meeting to consider and, if thought fit, approve a special resolution (the "**Continuance Resolution**") transferring the Company's jurisdiction of incorporation from Canada to British Columbia, as follows:

RESOLVED AS A SPECIAL RESOLUTION THAT:

(a) the Company is hereby authorized to apply to the Director under the CBCA (the "**Director**") for authorization pursuant to Section 188 of the CBCA to discontinue the Company from the CBCA and to apply to the Registrar of Companies under the BCBCA for a Certificate of Continuation continuing the Company as if it had been incorporated under the BCBCA;

(b) any one or more of the directors or officers of the Company are hereby authorized to do, sign and execute all such further things, deeds, documents or writings necessary or desirable in connection with the application by the Company for the authorization by the Director, or any other matter relating to Section 188 of the CBCA;

(c) subject to and conditional upon the authorization of the Director pursuant to Section 188 of the CBCA:

(i) any one or more directors or officers of the Company are hereby authorized and directed to make application to the British Columbia Registrar of Companies for a Certificate of Continuation of the Corporation pursuant to Section 302 of the BCBCA;

(ii) the Company adopt and confirm the Continuation Application, Notice of Articles and Articles in substitution for the existing Articles of Incorporation and By-Laws of the Corporation; and

(iii) any one or more directors or officers of the Company are hereby authorized to take all such actions and execute and deliver all such documents in connection with the application to the British Columbia Registrar of Companies for a Certificate of Continuation under the BCBCA including, without limitation, the Continuation Application, Notice of Articles and Articles in the forms prescribed by the BCBCA or approved by the directors, and certifying that the Company is in good standing and that the continuation will not adversely affect the shareholders' or creditors' rights;

(d) the directors of the Company are hereby authorized to abandon the application to continue without further authorization of the shareholders of the Company if, in their discretion, the directors deem such abandonment to be advisable.

The Board unanimously recommends that each shareholder vote FOR the Continuance Resolution.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE CONTINUANCE RESOLUTION IN THE ABSENCE OF DIRECTIONS TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. THE FOREGOING SPECIAL RESOLUTION MUST BE APPROVED BY TWO-THIRDS OF THE VOTES CAST AT THE MEETING BY THE SHAREHOLDERS VOTING IN PERSON OR BY PROXY.

Rights of Dissent

A Shareholder of the Company is entitled to dissent and be paid the fair value such shareholder's shares of the Company if such Shareholder objects to the Continuance Resolution and the Continuance becomes effective. However, a Shareholder is not entitled to dissent with respect to any of such Shareholder's shares of the Company in the event of the approval of the Continuance Resolution and the subsequent continuance of the Company, if that Shareholder has voted any such shares beneficially owned by such Shareholder in favour of the Continuance Resolution.

To exercise the right of dissent, a Shareholder must give written notice of this dissent to the Company by giving a written objection to the continuance resolution to the Company's secretary at 8th Floor, 543 Granville Street, Vancouver, British Columbia V6C 1X8, or at the Company's registered office on or before the date of the meeting.

A Shareholder who complies with the dissenting shareholder provisions of the CBCA is entitled to be paid by the Company the fair value of the shares held by him in respect of which he dissents, determined as of the close of business on the last business day before the day on which the resolution from which he dissents was adopted.

A dissenting Shareholder may only claim with respect to all of the shares of a class held by him or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

If the dissenting Shareholder and the Company are unable to agree on the fair value of the shares, either party may apply to the Supreme Court (British Columbia) to fix the fair value. The complete text of Section 190 of the CBCA is attached to this information circular as Schedule "C".

7. Change of Name

Management of the Company is proposing to change the name of the Company to ***Renascent Resources Corporation***. Accordingly at the Meeting, shareholders will be asked to consider, and if deemed advisable, to approve, with or without variation, a special resolution (the "**Name Change Resolution**") to approve the change of name of the Company to "Renascent Resources Corporation" or to such other name as the Board may, in its sole discretion, determine to be appropriate (the "**Name Change**").

Even if approved by the Shareholders, the Board may determine not to proceed with the Name Change at its discretion, without further approval of the Shareholders.

Proposed Resolution

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

"RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The change of the name of the Company to "Renascent Resources Corporation" or to such other name as the directors in the sole discretion determine is appropriate is authorized and approved;

2. Any officer or director of the Company be and is hereby authorized and directed for and on behalf of the Company (whether under its corporate seal or otherwise) to execute, deliver and file all such documents and to take all such other actions as may be deemed necessary or desirable for the implementation of this special resolution and any matters contemplated thereby; and

3. Notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the directors of the Company are hereby authorized, at their discretion, to determine, at any time, to proceed or not to proceed with the Name Change and to abandon this resolution at any time prior to the implementation of the Name Change without further approval of the shareholders."

Pursuant to the CBCA, the Name Change Resolution must be approved two-thirds of the votes cast by the holders of Common Shares present in person or by proxy at the Meeting.

The Board unanimously recommends that each shareholder vote FOR the Name Change Resolution.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE NAME CHANGE RESOLUTION IN THE ABSENCE OF DIRECTIONS TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. THE FOREGOING SPECIAL RESOLUTION MUST BE APPROVED BY 66 2/3% OF THE VOTES CAST AT THE MEETING BY THE SHAREHOLDERS VOTING IN PERSON OR BY PROXY.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

Pursuant to the CBCA, proposals to be presented by Shareholders for action at the Company's 2018 annual general meeting of shareholders must comply with the provisions of the CBCA and be deposited at the Company's head office by no later than March 27, 2018 in order to be included in the information circular and form of proxy relating to such meeting. If the Continuation Resolution is passed and the Company is continued under the BCBCA, then any shareholder proposals must be made in compliance with the requirements of the BCBCA.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-201 – *Corporate Governance Guidelines* ("**NI 58-201**") establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. NI 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Board of Directors

The Board is currently comprised of four directors and it is proposed that four directors will be nominated at the Meeting.

NI 58-201 recommends that the board of directors of every listed company should consist of a majority of individuals who qualify as "independent" directors under National Instrument 52-110 – *Audit* Committees ("**NI 52-**

110"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Kevin Drover, is considered "not independent", as he is the President and CEO of the Company. Each of the remaining three nominated directors is considered by the Board to be "independent", within the meaning of NI 52-110. In making the foregoing determinations, the circumstances of each director have been examined by the Board in relation to a number of factors.

The Board facilitates its exercise of independent supervision over management through the independent directors on the Board. The independent directors may hold meetings at which non-independent directors and members of management are not in attendance in conjunction with meetings of the Board.

The following chart illustrates the number of meetings of the Board and each committee, and the director's attendance during fiscal 2016, with each director's attendance shown relative to the number of meetings in which he was eligible to participate in:

Director	Board Meeting	Committees		
		Audit	Compensation and Corporate Governance	Technical, Environment, Health and Safety
Adrian Aguirre	5 / 5	4 / 4	0 / 0	N/A
Kevin Drover	5 / 5	N/A	0 / 0	0 / 0
Jerry Blackwell	5 / 5	4 / 4	N/A	0 / 0
José Manuel Bórquez	5 / 5	3 / 4	N/A	N/A

Mandate of the Board of Directors

The Board has responsibility for the stewardship 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.

Directorships

The current directors are directors of other reporting issuers as follows:

Name of Director	Name of Other Reporting Issuer
Adrian Aguirre	N/A
Kevin Drover	Aquila Resources Inc.
Jerry Blackwell	N/A
José Manuel Bórquez	N/A

Orientation and Continuing Education

The Board does not have a formal orientation and education program for new directors. Upon joining the Board, each director is provided with an orientation package regarding the role of the Board, its committees and its directors, and the nature and operation of the Company's current and past business. They are also provided with a copy of the Audit Committee Charter, Compensation and Corporate Governance Committee Charter and Code of Business Conduct. The Board encourages directors to participate in continuing education opportunities in order to

ensure that the directors may maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company's business.

Ethical Business Conduct

Corporate governance is the structure and process used to direct and manage the business and affairs of a corporation with the objective of enhancing shareholder value. The Board believes that the Company has in place corporate governance practices that are both effective and appropriate to the Company's size and business operations.

To facilitate meeting this responsibility, the Board seeks to foster and maintain a culture of ethical business conduct and social responsibility as critically important. Management consistently strives to instill the Company's principles into the practices and actions of the Management and the Company's employees.

In that regard, the Board adopted a written Code of Business Conduct (the "**Code**") for its directors, officers, employees and consultants that is reviewed and signed annually. A copy of the Code can be found on the Company's website at www.aurcana.com and has been posted on SEDAR at www.sedar.com.

Nomination of Directors

The Board considers its size from time to time and annually when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee; these functions are currently performed by the CCG Committee. Additionally, each member of the Board, together with the assistance of executive management, assists with identifying new candidates through various means, including representatives of the mineral exploration industry.

New nominees are expected to have a track record in general business management, special expertise in areas of strategic interest to the Company and the ability to devote the time required.

If the Board determines that a candidate seems promising, the Board will conduct due diligence on the candidate and if the results are satisfactory, the candidate is interviewed and may be invited to join the Board.

Compensation

The Board has established a Compensation and Corporate Governance Committee (the "**CCG Committee**"), presently comprised of Adrian Aguirre and Kevin Drover. Mr. Aguirre is independent within the meaning of NI 52-110. The CCG Committee recommends to the Board the compensation of the Company's directors and officers, including stock options, among other things, and has adopted a CCG Committee charter. See "*Statement of Executive Compensation*" for further details.

The Board is of the view that the members of the CCG Committee collectively have the knowledge, skills, experience and background to make decisions on the suitability of the Company's compensation policies and practices. A description of such skills and experience for Mr. Aguirre is set out in this Circular under the heading "*Audit Committee- Relevant Education and Experience*" and such skills and experience for Mr. Drover, is set out below.

Kevin Drover, President and CEO of the Company, has more than 40 years of both domestic and international experience in operations, project development, management and process re-engineering, with both developing and producing companies. Mr. Drover was the Chief Operating Officer of Glencairn Gold Corporation, responsible for two gold mining operations located in Latin America. Prior to joining Glencairn, he was the Vice President of Operations for Kinross Gold Corporation, overseeing six operating mines located in various parts of the World. He has considerable experience in turning around challenging projects and has worked in operations located in Canada, Russia, Peru, Nicaragua, Costa Rica and the USA. During his career, Mr. Drover also worked for Black Hawk Mining, Lac Minerals, BP Canada Resources, Noranda Mining, Dome Mines and The Iron Ore Company of Canada.

Other Board Committees

Technical, Environmental, Health and Safety Committee

The Company is committed to maintain sound environmental practices in all of its activities and to continuously improve the efficient use of resources, processes and materials. The Technical, Environmental, Health and Safety Committee is responsible to ensure that the Company's operations implement operational and risk management practices that provide for maximum protection of people and the environment. As of the date of this Circular, the Technical, Environmental, Health and Safety Committee is comprised of Jerry Blackwell, Chair and Kevin Drover.

Other than the Audit Committee the CCG Committee and Technical, Environmental, Health and Safety Committee, the Company does not have any other committees.

Compensation and Corporate Governance Committee

The CCG Committee is also responsible for reviewing and assessing the effectiveness of the Board; making recommendations regarding the composition and the appropriate size of the Board; reviewing the corporate governance policies and practices of the Company generally and making recommendations thereon to the Board, including overseeing and making recommendations to the Board on developing the approach of the Company to corporate governance issues and practices and formulating the response of the Company to the corporate governance guidelines and disclosure requirements. See "*Statement of Corporate Governance Practices – Compensation*" and "*Statement of Executive Compensation – Compensation Discussion and Analysis*" for further details.

Assessments

The CCG Committee is also responsible for reviewing and assessing the effectiveness of the Board; making recommendations regarding the composition and the appropriate size of the Board; reviewing the corporate governance policies and practices of the Company generally and making recommendations thereon to the Board, including overseeing and making recommendations to the Board on developing the approach of the Company to corporate governance issues and practices and formulating the response of the Company to the corporate governance guidelines and disclosure requirements.

AUDIT COMMITTEE

NI 52-110 requires the Company's Audit Committee to meet certain requirements. It also requires the Company to disclose in this Circular certain information regarding the Audit Committee as described herein.

Overview

The overall purpose of the Audit Committee of the Company is to ensure that management has designed and implemented an effective system of internal financial controls, to review and report on integrity of the consolidated financial statements of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts.

Audit Committee Charter

The Board adopted a Charter for the Audit Committee, which sets out the Committee's mandate, organization, powers and responsibilities. The complete charter is attached as Schedule "B" to this Circular**.**

Composition of the Audit Committee

The Company's Audit Committee is currently comprised of three directors, Adrian Aguirre, Chairman, Jerry Blackwell and José Manuel Bórquez. Each member of the Audit Committee is financially literate, as such term is defined in NI 52-110, and all three of the members are independent, as such term is defined in NI 52-110.

Relevant Education and Experience

Adrian Aguirre, Chair, is a Certified Professional Accountant and has many business interests including acting as a Board member of 4 Play Telecom, SA de CV, and until September, 2013, Vice Chairman of Maxcom Telecomunicaciones, a NYSE listed provider of telecommunications in Mexico. Previously Mr. Aguirre was Chief Executive Officer of Grupo Radio Centro, a NYSE company, and Mexico's leading radio broadcaster.

Jerry Blackwell is a professional geologist has worked in the mining exploration industry for over 40 years. He served as President of Gitennes Exploration Inc. from 1993 until February 2012. Mr. Blackwell is a self-employed consulting geologist, and has been a consultant to a variety of Canadian exploration companies and multinational miners. Previously, he was a project geologist with Cominco Ltd.

José Manuel Bórquez is a mining attorney who has worked in the natural resources sector for 25 years with a particular emphasis on Latin America, based out of Santiago, Chile. He has worked for Placer Dome, Xtrata, Codelco, among other companies, either in-house or as a consultant. His experience has been across the broad spectrum of the precious and base metals sectors from exploration to reclamation.

As a result of their respective business experience, each member of the Audit Committee (i) has an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) has experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those that can reasonably be expected to be raised by the Company's financial statements, and (iv) has an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year did the Board decline to adopt a recommendation of the Audit Committee, or to nominate/compensate an external auditor.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit* Services), the exemptions in Subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), Subsection 6.1.1(5) (Events Outside Control of Member), Subsection 6.1.1(6) (Death, Incapacity or Resignation) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

As at the date of this Circular, the Audit Committee has not adopted any specific policies or procedures for the engagement for non-audit services.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors from the last two fiscal years are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees (1)	Tax Fees (2)	All Other Fees (3)
December 31, 2016	$30,000	$Nil	$15,000	$Nil
December 31, 2015	$225,000	$Nil	$18,700	$10,000

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) These fees relate to reviewing and commenting on the quarterly interim unaudited financial statements.

Exemption for Venture Issuers

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Company from the requirements of Part 5 (Reporting Obligations) of NI 52-110.

STATEMENT OF EXECUTIVE COMPENSATION

The following Statement of Executive Compensation is prepared in accordance with National Instrument Form 51-102F6. The purpose of this Statement of Executive Compensation is to provide disclosure of all compensation earned by directors and certain executive officers in connection with their position as a director or officer of, or consultant to, the Company.

Named Executive Officers

For the purpose of this Circular, a Named Executive Officer ("**NEO**") of the Company means each of the following individuals:

a) the CEO of the Company;

b) the CFO of the Company;

c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and

d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

For the financial year ended December 31, 2016, the Company had two NEOs being Kevin Drover, President and CEO, and Salvador Huerta, CFO.

Compensation Discussion and Analysis

The CCG Committee, on behalf of the Board, establishes and administers policies with respect to the compensation of the Company's CEO and executive officers ("**Executive Officers**"). The CCG Committee is responsible to review and approve the corporate goals and objectives relevant to the compensation of the CEO and for evaluating the performance of the CEO in light of these goals and objectives. The CCG Committee recommends to the Board the compensation for the CEO based on such evaluations. The CCG Committee reviews annually the objectives set by the CEO for Executive Officers and with the assistance of the CEO, monitors the performance of the Company's Executive Officers. The CCG Committee is also responsible for making recommendations to the Board with respect to incentive stock options.

Objectives of the Compensation Program

The primary objective of the Company's executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Company's Executive Officers is determined with regard to the Company's business strategy and objectives, such that the financial interests of the Executive Officers are matched with the financial interests of the Shareholders.

Elements of Compensation

A combination of fixed and variable compensation is used to motivate executives to achieve overall company goals.

The three basic components of the executive compensation program are:

- Base salary: designed to provide income certainty and to attract and retain executives;

- Annual bonus: intended to reward each Executive Officer for their yearly individual contribution and performance of personal objectives in the context of overall annual corporate performance. The bonus is designed to motivate executives annually to achieve their predetermined objectives; and

- Stock options: Granted time to time as a form of long-term incentive compensation, to align executives' interests with those of the Shareholders and to attract and retain executives. Participants benefit only if the market value of the Company's Common Shares at the time of the stock option exercise is greater than the exercise price of the stock options at the time of grant.

The compensation program also includes severance and change of control benefits.

Benchmarking

In establishing salaries and incentive compensation for the Executive Officers consideration is given to salary ranges for comparable positions in similar size companies. Data for such comparisons is obtained from the evaluation of compensation against industry peers including those with a similar market capitalization, in the business of exploring similar minerals in similar jurisdictions, and from reviewing similar other companies compensation information included in their information circulars.

In setting salaries within competitive ranges, the CCG Committee considers performance related factors including the Company's overall results during the past year and its performance relative to a budgeted plan or stated objectives. Consideration also is given to an individual's contribution to the Company and the accomplishments of departments for which that officer has management responsibility, and the potential for future contributions to the Company.

The Company has implemented a health plan benefits for its employees ("**Benefits Plan**"), but does not have pension plan benefits or retirement benefits. Those Executive Officers retained under consulting agreements are not included in the Benefits Plan. There were no identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. The Company maintains an insurance policy for its directors and officers against liability incurred by them while performing their duties, subject to certain limitations.

Company and CEO Objectives

The Company's corporate objectives and CEO objectives for fiscal 2016 consisted of: 1) to successfully complete the "transaction" with Orion whereby the debt owed by the Company to Orion was extinguished, 2) to "clean up" the balance sheet of the Company and return to positive working capital; 3) completion of a preliminary economic assessment technical report on the Shafter Silver Project in Texas; 4) develop an exploration plan for the Shafter Project; 5) completion of an equity raise and financing to recapitalize the Company; 6) ongoing review and analysis of potential companies or resources to add significant shareholder value; and 7) ensuring Company policies related to safety, environment and human resources are successfully executed.

Although the above objectives were for the most part achieved either in 2016 or shortly thereafter no discretionary bonuses were paid to senior management.

Risk of Compensation Practices and Disclosure

Although the Company does not have formal policies specifically targeting risk-taking in a compensation context, the practice of the CCG Committee and the Board is to consider all factors relating to an executive officer's performance, including any risk mitigation efforts or excessive risk-taking, in determining compensation.

Hedging Policy

Under the Company's policies, NEO's and directors are not permitted to purchase financial instruments (including prepaid variable contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by the NEO or director.

Summary Compensation Table

The following table is a summary of compensation paid to the NEOs for the Company's three financial years ended December 31, 2016, 2015 and 2014:

Name and Principal Position	Year Dec 31	Salary ($) [1]	Share Based Awards ($) [2]	Option Based Awards ($)	Non-equity incentive plan compensation		Pension Value ($)	All other Compen-sation ($) [3]	Total Compen-sation ($)
					Annual Incentive Plans	Long-Term Incentive Plans			
Kevin Drover President and CEO	2016	360,000	107,087	Nil	Nil	Nil	Nil	Nil	467,087
	2015	360,000	Nil	Nil	Nil	Nil	Nil	Nil	360,000
	2014	172,500	N/A	Nil	N/A	N/A	N/A	22,400	194,900
Salvador Huerta CFO	2016	240,000	85,670	Nil	Nil	Nil	Nil	Nil	325,670
	2015	240,000	Nil	Nil	Nil	Nil	Nil	12,000	252,000
	2014	240,000	Nil	Nil	Nil	Nil	Nil	Nil	240,000

(1) These amounts include employee salaries or consulting fees (See Employment Agreements/Termination and Change of Control Benefits for further details).

(2) (2) Option-based award amounts do not represent cash remuneration or gains on the potential shares represented by the options. The fair value of option-based awards was determined by the Black-Scholes Option Pricing Model, which was selected because such model is the option pricing model most commonly used by junior public companies, with the following assumptions as at the year ended December 31, 2016: risk-free interest rates 0.70%, zero dividend yields, volatility of 92.35% and expected option life of 5 years

(3) Mr. Drover was appointed to the position of CEO of the company on July 9th, 2015; prior to that, he received compensation as a member of the Board of Directors. Mr. Huerta was awarded a bonus by the Board in 2015.

Narrative Discussion

For a summary of the significant terms of each NEO's employment agreement or arrangement, please see below under the heading "Termination and Change of Control Benefits".

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses the particulars of all awards for each NEO outstanding at the financial year ended December 31, 2016, including awards granted to the NEO's in prior years:

Name	Option-Based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of share-based awards not paid out or distributed ($)
Kevin Drover	1,500,000	0.17	Mar. 2, 2021	270,000	Nil	Nil	Nil
Salvador Huerta	1,200,000 50,000 31,250	0.17 8.16 6.32	March 2, 2021 Jun 11, 2017 Feb 28, 2018	216,000 Nil Nil	Nil	Nil	Nil

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of each incentive plan award vested or earned by each NEO outstanding at the financial year ended December 31, 2016:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Kevin Drover	107,087	Nil	Nil
Salvador Huerta	85,670	Nil	Nil

Narrative Discussion

For a summary of the material provisions of the Company's fixed stock option plan (the "**Option Plan**"), pursuant to which all option-based awards are granted to NEOs, please see below under the heading *Section 5. Amendment of Stock Option Plan* under *Matters to be Acted Upon at the Meeting*. There was no re-pricing of stock options under the Option Plan during the Company's most recently completed financial year ended December 31, 2016.

Pension Plan Benefits

The Company has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement. The Company also does not have any deferred compensation plans relating to any NEO.

Termination and Change of Control Benefits

The Company has employment agreements or consulting agreements which include change of control provisions as described below. The change of control provisions recognize the critical nature of these positions and the individuals involved and the requirement to protect the individuals from disruption to their employment in the event of a change of control of the Company. The change of control provisions are designed to treat the individuals in a manner consistent with industry standards for executives in similar positions. The following outlines any agreement which contains a change of control provision or termination clause other than a 30 or 60 day notice of termination for the NEOs.

Kevin Drover, President and CEO

Effective July 9, 2014 the Company entered into an employment letter agreement retaining Mr. Drover as President and CEO at an annual salary of $360,000. Mr. Drover's employment letter agreement does not include any termination or change of control provisions.

Salvador Huerta, CFO

On February 1, 2011, the Company entered into an employment agreement with Salvador Huerta, ("**Employment Agreement**") providing for annual compensation of $240,000 ("**Salary**").

Under the terms of the Employment Agreement, if the Company terminates Mr. Huerta's engagement without cause, Mr. Huerta is entitled to receive an amount equal to two years' Salary. If within 90 days of a change of control of the Company ("**Change of Control**"), the Employment Agreement is terminated by the Company then Mr. Huerta will receive an amount equal to two times the annual Salary as a lump sum payment to be made by the Company within 30 days of the date of Mr. Huerta's termination. Mr. Huerta may resign within 90 days following a Change in Control, for any reason or no reason. If Mr. Huerta resigns, he will receive an amount equal to two times the annual Salary as a lump sum payment to be made by the Company within 30 days of Mr. Huerta's resignation. If Mr. Huerta is terminated or resigns in accordance with the above, the Company will engage Mr. Huerta as a consultant for a period of one year to provide advisory services to the Company on an if, as and when required basis at daily compensation rates to be determined based on Mr. Huerta's annual Salary prior to termination or resignation with the intended result that Mr. Huerta's expertise will remain available to the

Company and any stock options held by Mr. Huerta will, unless otherwise exercised or terminated, continue for such one year period.

If a change of control of the Company had occurred on December 31, 2016, the total cost to the Company of related payments to the NEOs as described herein above is estimated at $480,000. Estimated payments to individual NEOs are as described below assuming mentioned events had occurred on December 31, 2016:

Name	Amount at December 31, 2016
Kevin Drover, President and CEO	N/A
Salvador Huerta, CFO	$480,000

Director Compensation

Previously, the Company paid directors' fees for non-executive directors. However, commencing March 31, 2016, the Company ceased paying directors' fees in order to reduce corporate costs and conserve working capital.

Directors Compensation Table

The following table sets forth the details of compensation provided to the directors, other than the NEOs during the Company's fiscal year ended December 31, 2016:

Name	Fees Earned ($) [1]	Option-based Awards ($)2	All Other Compensation ($)	Total ($)
Adrian Aguirre	11,000	53,543	Nil	64,543
Jerry Blackwell	11,000	53,543	Nil	64,543
José Manuel Börquez	8,500	53543	Nil	62,043

(1) Fees paid during 2016 for directors fees earned with respect to Q4 2015.

(2) Option-based award amounts do not represent cash remuneration or gains on the potential shares represented by the options. The fair value of option-based awards was determined by the Black-Scholes Option Pricing Model, which was selected because such model is the option pricing model most commonly used by junior public companies, with the following assumptions as at the year ended December 31, 2016: risk-free interest rates 0.70%, zero dividend yields, volatility of 92.35% and expected option life of 5 years

Other than the director fees, incentive stock options and reimbursement for reasonable expenditures incurred in performing their duties as directors, the Company has no other arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Circular.

Outstanding Share-Based and Option-Based Awards

The following table sets for the outstanding share-based awards and option-based awards held by the directors, other than the NEO's for the financial year ended December 31, 2016:

Name	Option-Based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of share-based awards not paid out or distributed ($)
Adrian Aguirre	750,000 37,500 37,500	0.17 8.16 6.32	Mar 2, 20121 Jun 11, 2017 Feb 28, 2018	135,000 Nil Nil	Nil	Nil	Nil
Jerry Blackwell	650,000	0.17	Mar 2, 2021	117,000	Nil	Nil	Nil
José Manuel Börquez	750,000	0.17	Mar 2, 2021	135,000	Nil	Nil	Nil

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of each incentive plan award vested or earned by the directors, other than the NEO's outstanding at the financial year ended December 31, 2016:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Adrian Aguirre	53,543	Nil	Nil
Jerry Blackwell	53,543	Nil	Nil
José Manuel Börquez	53,543	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance in effect as of the end of the Company's most recently completed financial year ended December 31, 2016:

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	5,406,250	$0.39	2,973,602
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	5,406,250	$0.39	2,973,602

The Company's Stock Option Plan (the "**Option Plan**") was approved by the Directors on June 29, 2011, and the TSX.V on August 9, 2011. The maximum aggregate number of Common Shares that was reserved for issuance under the Option Plan at that time was 4,337,350 Common Shares of the Company. On May 31, 2012, the TSX.V approved the Company's amended Option Plan whereby the Company increased the number of Common Shares reserved for issuance under the Option Plan from 4,337,350 Common Shares to 5,608,997 Common Shares, which represented approximately 9.98% of the issued and outstanding Common Shares at that time. Subsequently, on August 25, 2014, the TSX.V approved the Company's amended Option Plan whereby the Company increased the number of Common Shares reserved for issuance under the Option Plan from 5,608,997 Common Shares to 8,379,852, which represented approximately 9.98% of the issued and outstanding Common Shares at that time.

At the Meeting, the shareholders will be asked to approve an increase in the number of Common Shares reserved for issuance under the Option Plan to 14,441,098 Common Shares, representing 15% of the current issued and outstanding Shares of the Company. A summary of the Option Plan is included in this Circular under *Section 5. Amendment of Stock Option Plan* under *Matters to be Acted Upon at the Meeting*.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, and employees, proposed nominees for election as directors or their associates has been indebted to the Company or to any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, officer or proposed nominee for election as a director and no associate or affiliate of any insider or nominee has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year, or in any proposed transaction, which in either such case has materially affected or will materially affect the Company.

MANAGEMENT CONTRACTS

No management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or subsidiaries, except as disclosed herein.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Shareholders may also contact the Company at 850 -780 West Pender Street, Vancouver, British Columbia, V6C 1H2.

Financial information is provided in the Company's comparative financial statements and Management's Discussion & Analysis for its most recently completed financial year ended December 31, 2016, which are filed on SEDAR.

BOARD APPROVAL

The Board has approved the content and distribution of this Circular.

DATED at Vancouver, British Columbia, this 12th day of May, 2017.

BY ORDER OF THE BOARD OF AURCANA CORPORATION

"Kevin Drover"

Kevin Drover
President and CEO

SCHEDULE "A"

AURCANA CORPORATION
(the "*Company*")

NOTICE OF CHANGE OF AUDITOR OF A REPORTING ISSUER GIVEN PURSUANT TO NATIONAL INSTRUMENT 51-102 – CONTINUOUS DISCLOSURE OBLIGATIONS ("NI 51-102")

TO: British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
TSX Venture Exchange

NOTICE IS HEREBY GIVEN that:

(a) Deloitte LLP, Chartered Accountants, of Vancouver, British Columbia, has at the Company's request resigned as auditor of the Company effective October 7, 2016, and the Company has appointed MNP LLP, Chartered Accountants, of Vancouver, British Columbia, as auditor for the Company in their place, to hold office for the ensuing year, effective October 12, 2016.

(b) The resignation of Deloitte LLP, Chartered Accountants as the former auditor of the Company and the appointment of MNP LLP, Chartered Accountants, to the position of auditor has been approved by the audit committee and the board of directors of the Company.

(c) There have been no reservations in the auditors' reports for the Company's two most recently completed fiscal years ended December 31, 2015 and December 31, 2014 and the subsequent interim period through the date of resignation, nor have there been any "reportable events" as defined in NI 51-102 for such periods.

DATED at Vancouver, British Columbia, this 12th day of October, 2016.

By Order of the Board of Directors of
AURCANA CORPORATION

/s/ Salvador Huerta
Salvador Huerta,
Chief Financial Officer

Deloitte.

Deloitte LLP
2800 - 1055 Dunsmuir Street
4 Bentall Centre
P.O. Box 49279
Vancouver BC V7X 1P4
Canada

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Fax: 778-374-0496
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November 25, 2016

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

Dear Sirs:

Re: Aurcana Corporation ("the Company") Notice Pursuant to NI 51-102 – Change of Auditor

As required by subparagraph (5)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the Company's Notice of Change of Auditor (the "Notice") dated October 12, 2016 and based on our knowledge of such information at this time, we confirm that we agree with the statements contained in the Notice in as far as they relate to us.

Yours truly,

Deloitte LLP

Chartered Professional Accountants

October 7, 2016

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
TSX Venture Exchange

Dear Sirs:

Re: **Aurcana Corporation** (the "*Company*")
Notice Pursuant to NI 51-102 – Change of Auditor

As required by the National Instrument 51-102 - *Continuous Disclosure Obligations* and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor dated August 26, 2016, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours truly,

MNP LLP

MNP LLP
Chartered Professional Accountants

SCHEDULE "B"

AURCANA CORPORATION

AUDIT COMMITTEE CHARTER

A. Mandate

The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors of Aurcana Corporation (the "**Company**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels.

The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

B. Composition

The Committee shall be comprised of three or more directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting or such other times as shall be determined by the Board of Directors and shall serve until the next such meeting or until their successors should be duly elected and qualified.

Any member of the Committee may be removed or replaced at any time by the Board of Directors and shall cease to be a member of the Committee as soon as such member ceases to be a director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Committee.

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may from time to time determine.

C. Meetings

Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair

by a majority vote of the full Committee membership.

The Committee shall meet as many times as is necessary to carry out its responsibilities, but in no event will the Committee meet less than four times a year. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Executive Officer and the external auditors in separate sessions to discuss any matters that the Committee or each of these parties believe should be discussed privately.

The Committee may invite to, or require the attendance at, any meeting of the Committee, such officers and employees of the Company, legal counsel or other persons as it deems necessary in order to perform its duties and responsibilities.

D. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- Review and recommend for approval to the Board of Directors any revisions or updates to this Charter, at least annually, as conditions dictate.

- Satisfy itself, on behalf of the Board of Directors that the Company's unaudited quarterly financial statements and the annual audited financial statements, are fairly presented both in accordance with generally accepted accounting principles and otherwise, and recommend to the Board of Directors whether the quarterly and annual financial statements should be approved.

- Review any reports other financial information before the Company publicly discloses or submits this information to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.

- Satisfy itself, on behalf of the Board of Directors that the Auditor is "independent" of management, within the meaning given to such term in the rules and pronouncements of the applicable regulatory authorities and professional governing bodies. In furtherance of the foregoing, the Committee shall request that the Auditor at least annually provide a formal written statement delineating all relationships between the Auditor and the Company, and request information from the Auditor and management to determine the presence or absence of a conflict of interest. The Committee shall actively engage the Auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor. The Committee shall take, or recommend that the fully Board of Directors take, appropriate action to oversee the independence of the Auditor.

- Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

- At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

- Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

- Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

  (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

  (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and

  (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

- Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

- Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

- Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

- Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

- Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

- Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

- Review certification process.

- Review any related-party transactions

E. General

Perform any other activities consistent with this Charter, the By-laws of the Company and governing law, as the Committee or the Board of Directors deem necessary or appropriate.

F. Process for Handling Complaints Regarding Financial Matters

The Committee shall establish a procedure for the receipt, retention and follow-up of complaints received by the Company regarding accounting, internal controls, financial reporting, or auditing matters.

The Committee shall ensure that any procedure for receiving complaints regarding accounting, internal controls, financial reporting or auditing matters will allow the confidential and anonymous submission of concerns by employees, consultants and/or contractors.

Effective Date

This Charter was implemented by the Board of Directors on May 24, 2013.

SCHEDULE "C"

DISSENT RIGHTS
SECTION 190 OFCANADA BUSINESS CORPORATIONS ACT 190.

(1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

(b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

(c) amalgamate otherwise than under section 184;

(d) be continued under section 188;

(e) sell, lease or exchange all or substantially all its property under subsection 189(3); or

(f) carry out a going-private transaction or a squeeze-out transaction

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

(a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),

(b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or

(c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

(a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

(b) (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

(19) On an application to a court under subsection (15) or (16),

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.