

MAWSON RESOURCES LIMITED
(the "Corporation")

Suite 1305 - 1090 W. Georgia Street
Vancouver, British Columbia, Canada

INFORMATION CIRCULAR

(Containing information as at October 14, 2016 unless indicated otherwise)

SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF THE CORPORATION FOR USE AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE CORPORATION (AND ANY ADJOURNMENT THEREOF) (THE "MEETING") TO BE HELD ON FRIDAY, NOVEMBER 18, 2016, AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Corporation at nominal cost. All costs of solicitation by management will be borne by the Corporation.

THE CONTENTS AND THE SENDING OF THIS INFORMATION CIRCULAR HAVE BEEN APPROVED BY THE DIRECTORS OF THE CORPORATION.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are directors and/or officers of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A proxy will not be valid unless the completed form of proxy is received by Computershare Investor Services Inc., Attention: Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax at 1-866-249-7775, (the "**Transfer Agent**") not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof, or delivered to the Chairman of the Meeting prior to the commencement of the Meeting.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered and head office of the Corporation, at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, at any time up to and including the last business day preceding the day of the Meeting or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

INFORMATION FOR BENEFICIAL SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are "non-registered" shareholders because the common shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their common shares in their own name (referred to herein as "Beneficial Shareholders") should note that only registered shareholders may vote at the Meeting. If common

shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder's name on the records of the Corporation. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depositary Services Inc., which corporation acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting common shares for the brokers' clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the proxy supplied to a Beneficial Shareholder by its broker is identical to the proxy provided by the Corporation to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.**

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**", or "**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**", or "**NOBOs**"). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* ("**NI 54-101**") issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Corporation's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Corporation does not intend to pay for intermediaries to forward proxy-related materials to OBOs and an OBO will not receive such materials unless the OBOs intermediary assumes such cost.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the VIF provided to them and return the same to their broker (or the broker's agent) or Broadridge in accordance with the instructions provided by such broker or Broadridge.**

The Corporation is not sending proxy-related materials to the Registered and Beneficial Shareholders using the notice-and-access procedure described in NI 54-101 and National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**"). The Corporation will not be paying for intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's intermediary assumes the costs of delivery.

All references to shareholders in this Information Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

VOTING OF PROXIES

Shares represented by properly executed proxies in favour of persons designated in the enclosed form of proxy **WILL BE VOTED FOR ALL MATTERS TO BE VOTED ON AT THE MEETING AS SET OUT IN THIS INFORMATION CIRCULAR OR WITHHELD FROM VOTING IF SO INDICATED ON THE FORM OF PROXY.**

The shares represented by proxies will, on any poll where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made.

SUCH SHARES WILL ON A POLL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter which may be presented to the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Issued and outstanding:	90,307,863 common shares without par value
Authorized capital:	unlimited common shares without par value

Only shareholders of record at the close of business on October 14, 2016 (the "**Record Date**") who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting.

Each shareholder is entitled to one vote for each common share registered in his name on the list of shareholders, which is available for inspection during normal business hours at the Transfer Agent and at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, no person or Corporation beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation as of the close of business on October 14, 2016, other than:

Name of Shareholder	Number of Shares	Percentage of Issued and Outstanding
Sentient Executive GP IV, Limited	24,035,303	26.61%
Sentient Executive GP III, Ltd.	8,343,476	9.23%

UNITED STATES SECURITIES LAWS

This Information Circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities mentioned herein in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

APPOINTMENT OF AUDITORS

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of D+H Group LLP, Chartered Accountants, the current auditors of the Corporation, as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration.

ELECTION OF DIRECTORS

The board of directors (the “**Board**”) presently consists of six directors and it is intended to determine the number of directors at six and to elect six directors for the ensuing year. The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until his/her successor is elected or appointed, unless his/her office is earlier vacated in accordance with the Articles of the Corporation, or with the provisions of the *Business Corporations Act* (British Columbia).

Majority Voting Policy

On October 15, 2014, the Corporation adopted a majority voting policy (the “**Majority Voting Policy**”) for the election of directors. Accordingly, if a director standing for election or re-election in an uncontested election does not receive the vote of at least a majority of the votes cast at any meeting for the election of directors at which a quorum is present, the director will promptly tender his or her resignation to the Board. Within 90 days after the certification of the election results, the Board will decide, through a process managed by the Corporate Governance and Nominating Committee, whether to accept or reject the resignation and the Board's decision will be publicly disclosed. For more information regarding the Corporation's Majority Voting Policy, see “**Disclosure of Corporate Governance Practices**”.

Director Term Limits

The Corporation has not adopted any term limits for directors. The Board considers merit as the key requirement for board appointments. New board appointments are considered based on the Corporation's needs and the expertise required to support the Corporation and its stakeholders. Directors are not generally asked to resign but may be asked to not stand for re-election.

Representation of Women

The members of the Board have diverse backgrounds and expertise and were selected on the belief that the Corporation and its stakeholders would benefit from such a range of talent and expertise. The Corporation has not adopted a policy relating to the identification and nomination of women directors but has sought to attract diversity at the Board and executive levels on the advice of the Nominating Committee

pursuant to the recruitment efforts of management of the Corporation. On August 27, 2015, the Nominating Committee Charter was amended to formally add diversity as a key consideration with respect to director recruitment, which would include gender. In particular, the Nominating Committee Charter now provides that the Nominating Committee is responsible for recommending, as required, director candidates to be considered against objective criteria, having due regard for the benefits of diversity, to reflect the needs of the Board. At present, one of the Corporation's six directors (one of four independent directors) is a woman and one of four executives who report to the Corporation's President and Chief Executive Officer is a woman. The Corporation believes in the importance of increased diversity, including the identification and nomination of women to the Board. The Corporation has not adopted a target regarding the representation of women on the Board or in executive officer positions. Rather, the Board and Nominating Committee consider highly-qualified candidates and take into consideration additional diversity criteria including gender, age, nationality, cultural and educational background, business knowledge, sector specific knowledge and other experience, in identifying and selecting candidates for the Board and executive positions, which the Corporation believes is adequate in assessing gender diversity at the Board and executive levels.

The Nominated Directors

In the following table and notes thereto is stated the name of each person proposed to be nominated by management for election as a director, the country in which he/she is ordinarily resident, all offices of the Corporation now held by him/her, his/her principal occupation, the period of time for which he/she has been a director of the Corporation, and the number of shares of the Corporation beneficially owned by him/her, directly or indirectly, or over which he/she exercises control or direction, as at the date hereof.

Name, Position, Province/State and Country of Residence⁽¹⁾	Principal Occupation and if not at present an elected Director, Occupation during the past five years⁽¹⁾	Director Since	No. of Shares beneficially held⁽²⁾
<p>MICHAEL HUDSON Chairman, President, Chief Executive Officer and Director (resident of Victoria, Australia)</p>	<p>Professional Geologist. Chairman, President and CEO of the Corporation. Mr. Hudson has 26 years of experience in mineral exploration in Australia, Asia, South America and Europe. He has developed junior exploration companies over the past 16 years in the Canadian markets. Mr. Hudson graduated from the University of Melbourne in 1991 with a B.Sc. (Hons) in Geology and holds a Graduate Diploma of Applied Finance and Investment through the Financial Services Institute of Australia (FINSIA) obtained in 2005. He is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of both the Society for Economic Geologists and Australian Institute of Geoscientists.</p>	<p>March 30, 2004</p>	<p>1,902,119⁽³⁾</p>

Name, Position, Province/State and Country of Residence ⁽¹⁾	Principal Occupation and if not at present an elected Director, Occupation during the past five years ⁽¹⁾	Director Since	No. of Shares beneficially held ⁽²⁾
<p>NICK DEMARE Chief Financial Officer & Director</p> <p>(resident of British Columbia, Canada)</p>	<p>Chartered Professional Accountant. President of Chase Management Ltd. (“Chase”) since 1991. Chase is a private company which provides accounting, management, securities regulatory compliance and corporate secretarial services to companies listed on the TSXV or the TSX. Mr. DeMare also serves as an officer and/or director of a number of publicly listed companies. Mr. DeMare holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Institute of Chartered Accountants of British Columbia.</p>	<p>March 30, 2004</p>	<p>833,125⁽⁴⁾</p>
<p>MARK SAXON⁽⁵⁾ Director</p> <p>(resident of Victoria, Australia)</p>	<p>Professional Geologist. Mr. Saxon was the President and Chief Executive Officer of Tasman Metals Ltd. (“Tasman”), a Canadian mineral exploration and development company, from October 2009 to August 2016 when Tasman was acquired by Leading Edge Materials Corp. Mr. Saxon has over 23 years of experience working as a professional geologist. He graduated from the University of Melbourne in 1991 with a First Class Bachelor of Science (Hons) in Geology. In 2006, Mr. Saxon achieved a Graduate Diploma of Applied Finance and Investment through the Financial Services Institute of Australia (FINSIA). He is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.</p>	<p>March 30, 2005</p>	<p>1,611,619</p>
<p>DAVID HENSTRIDGE^{(5), (6), (7) and (8)} Director</p> <p>(resident of Victoria, Australia)</p>	<p>Independent geological consultant from January 2013 to present. Professional Geologist for over 40 years. Founding director of the Company, Kingsmen Resources Ltd. (formerly, Tumi Resources Limited), Tinka Resources Limited and Mitchell Resources Ltd. Mr. Henstridge has a B.Sc. (Hons) in Geology and is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the both the Australian Institute of Geoscientists and the Geological Society of Australia.</p>	<p>March 30, 2004</p>	<p>1,021,625</p>

Name, Position, Province/State and Country of Residence ⁽¹⁾	Principal Occupation and if not at present an elected Director, Occupation during the past five years ⁽¹⁾	Director Since	No. of Shares beneficially held ⁽²⁾
COLIN MACLEAN ^{(5), (6), (7) and (8)} Director (resident of London, England)	Deputy Chairman and a founding partner of Sentient Group's resources funds. For the past 12 years he has stewarded Sentient Group's investments as a director of the investee companies under his direct responsibility	February 13, 2012	32,500
NOORA RAASAKKA ⁽⁹⁾ Director (resident of Rovaniemi, Finland)	Ms. Raasakka held the position of Environmental Leader for the Corporation in Finland since November 2014. Ms. Raasakka is a Forestry Engineer with a Master's Degree in Landscape Management from the University of Applied Sciences, Rovaniemi. Prior to joining Mawson, Ms. Raasakka held the position of project manager in the Nature Protection Unit of The Centre for Economic Development, Transport and the Environment for Lapland (ELY-Centre) in Finland.	September 13, 2016	Nil

NOTES:

- (1) The information as to province/state and country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (3) Of this total, 250,000 shares are held through Sultana Superfund, a family fund of which Mr. Hudson is the trustee.
- (4) Of this total, 125,250 shares are held through DNG Capital Corp, a private corporation wholly-owned by Nick DeMare and 496,875 shares are held through 888 Capital Corp. a private corporation of which 50% is owned by Nick DeMare.
- (5) Denotes member of Audit Committee.
- (6) Denotes member of Compensation Committee.
- (7) Denotes member of Nominating Committee.
- (8) Denotes member of Corporate Governance Committee.
- (9) Denotes member of Environmental, Health and Safety Committee.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or Corporation, except the directors and executive officers of the Corporation acting solely in such capacity.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Other than as disclosed below, no proposed director of the Corporation is, as at the date hereof, or has been, within the 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any Corporation (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant Corporation access to any exemption under securities legislation which was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant Corporation access to any exemption under securities legislation which was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Corporation:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any Corporation (including the Corporation) 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
- (b) has, within the 10 years before the date of this Information 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.

No proposed director of the Corporation, has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding to vote for a proposed director.

Nick DeMare is a former independent director of Andean American Mining Corp. ("**Andean American**"). On August 2, 2007, the British Columbia Securities Commission ("**BCSC**") issued Andean American a cease trade order for deficiencies in Andean American's continuous disclosure material related to its resource properties and for deficiencies in a previously filed National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") technical report. On October 22, 2007, Andean American filed an amended NI 43-101 technical report and issued a clarifying news release. The BCSC revoked the cease trade order and the shares resumed trading on October 24, 2007.

Nick DeMare is director and officer of Salazar Resources Limited ("**Salazar**"). On September 10, 2010, the BCSC issued Salazar a cease trade order for deficiencies in a previously filed NI 43-101 technical report. On October 12, 2010, Salazar filed a new NI 43-101 technical report. The BCSC revoked the cease trade order and the shares resumed trading on October 18, 2010.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation, Philosophy and Objectives

The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Corporation's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Corporation to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Corporation is under by virtue of the fact that it is a junior mineral exploration Corporation without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers (or NEOs), as hereinafter defined, is fair and reasonable. The Compensation Committee recommends levels of executive compensation that are competitive and motivating, commensurate with the time spent by executive officers in meeting their obligations and reflective of compensation paid by companies similar in size and business to the Corporation. While the members of the Compensation Committee do not have direct experience related to executive compensation, the Board relies on the experience of the members as officers and directors with other junior mining companies in assessing compensation levels.

Analysis of Elements

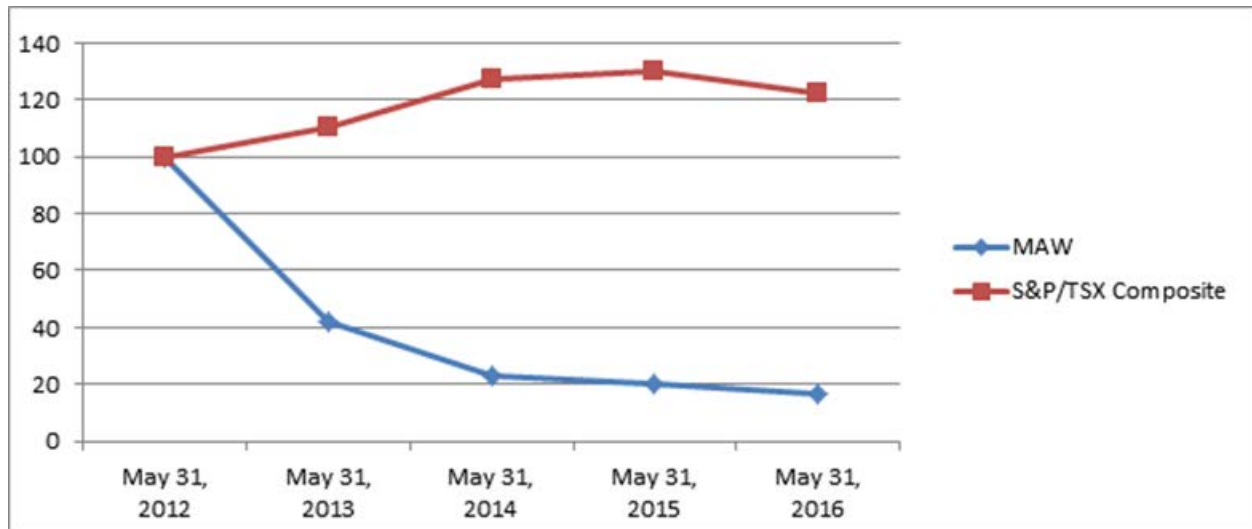
Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Corporation.

The Corporation considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Corporation to reward each NEO's efforts to increase value for shareholders without requiring the Corporation to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Corporation's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Corporation's stock option plan (the "**Stock Option Plan**").

PERFORMANCE GRAPH

The following graph compares the total cumulative shareholder return for \$100 invested in common shares of the Corporation from May 31, 2012 to May 31, 2016 with the cumulative total return of the S&P/TSX Composite Index:

CUMULATIVE TOTAL SHAREHOLDER RETURNS MAWSON RESOURCES LIMITED VS TSX COMPOSITE INDEX



	May 31, 2012	May 31, 2013	May 31, 2014	May 31, 2015	May 31, 2016
MAW	100	42	23	20	17
S&P/TSX Composite	100	110	127	130	122

The Corporation does not determine executive compensation based on the share price performance. The salaries or consulting fees payable to the NEOs, in particular to the Corporation's CEO, are based upon the recommendation of the Compensation Committee of the Corporation in their review of the CEO's performance and competitiveness of the compensation paid to chief executive officers at comparable companies. During the fiscal year ended May 31, 2016, the Corporation's CEO salary remained the same.

The Board has considered the implications of the risks associated with the Corporation's compensation practices. The Board acknowledges that the Corporation, as a junior natural resource corporation, does not presently generate any revenues, and that all management compensation to date has been derived solely from cash in the Corporation's treasury, acquired by way of equity financings to date, and the grant of incentive stock options to management personnel and employees. Salary compensation to the Named Executive Officers is provided for under verbal understandings or written consulting agreements with the Named Executive Officers' management companies. The contract with Michael Hudson specifies the terms and monthly base salary rates which the Corporation is obligated to pay, subject to the termination provisions thereunder (See "Termination and Change of Control Benefits", for details). Upon the occurrence of certain events, the Corporation's early termination of these contracts may also trigger additional balloon payments, which could adversely impact the Corporation's working capital. However, in order to provide necessary oversight and to mitigate against the risks posed by any management contracts, the Board has adhered to the policy of requiring all independent Board members to evaluate and approve of all executive compensation arrangements and awards prior to their commitment. The Board has also adopted a policy which requires the Compensation Committee to review the terms of executive level management contracts on an annual basis. At present, the Board has determined that the current executive compensation levels are not excessive, and are in line with other companies of similar stature.

Share-Based and Option-Based Awards

The Corporation has no share-based incentive plans other than the Stock Option Plan. The Corporation's directors and officers and certain consultants are entitled to participate in the Stock Option Plan. The Stock Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Stock Option Plan aligns the interests of the NEOs and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Corporation's common shares.

Options are granted by the Board based upon the recommendation of the Compensation Committee. However, in monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Stock Option Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the TSX from the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Stock Option Plan.

The implementation of a new incentive stock option plan and amendments to the existing stock option plan are the responsibility of the Corporation's Compensation Committee.

There is no restriction on Named Executive Officers or directors regarding the purchase of financial instruments, including prepaid variable forward contracts, equity swaps, collars or units or 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 Named Executive Officer or director for the financial year ended May 31, 2016.

No Named Executive Officer or director, directly or indirectly, purchased any financial instruments or employed a strategy to hedge or offset a decrease in market value of equity securities granted as compensation or held.

SUMMARY COMPENSATION TABLE

For the purposes of this Information Circular, a "Named Executive Officer", or "NEO", means each of the following individuals:

- (a) a chief executive officer ("CEO") of the Corporation;
- (b) a chief financial officer ("CFO") of the Corporation;
- (c) each of the three most highly compensated executive officers of the Corporation including any of its subsidiaries, 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 the May 31, 2016 financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity at May 31, 2016.

During the financial year ended May 31, 2016, the Corporation had three (3) NEOs: Michael Hudson, the Chairman, President and CEO of the Corporation, Nick DeMare, CFO, and Nicholas Cook, Vice President of Exploration. The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries for the financial years ended May 31, 2016, 2015, and 2014 in respect of the NEOs of the Corporation. For the information concerning compensation related to previous years, please refer to the Corporation's previous Management Proxy Circulars available at www.sedar.com:

Name and principal position	Year ⁽¹⁾	Salary (\$) ⁽²⁾	Option-based awards (\$) ⁽²⁾	All other compensation (\$) ⁽²⁾	Total compensation (\$) ⁽²⁾
Michael Hudson Chairman, President & CEO	2016	180,000 ⁽³⁾	-	-	180,000
	2015	177,000 ⁽⁴⁾	-	-	177,000
	2014	162,000 ⁽⁴⁾	147,400 ⁽⁵⁾	-	309,400

Nick DeMare CFO	2016	28,000 ⁽⁶⁾	-	52,570 ⁽⁶⁾	80,570
	2015	30,000 ⁽⁶⁾	-	48,050 ⁽⁶⁾	78,050
	2014	30,000 ⁽⁶⁾	83,600 ⁽⁵⁾⁽⁷⁾	56,920 ⁽⁶⁾	170,520
Nicholas Cook Vice President of Exploration	2016	138,064	-	-	138,064
	2015	170,589	-	-	170,589
	2014	197,940	33,000 ⁽⁵⁾	-	230,940

NOTES:

- (1) Financial years ended May 31.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Corporation.
- (3) Paid or incurred \$60,000 to Oro Plata Pty Ltd. (“**Oro Plata**”), a wholly-owned private company of Mr. Michael Hudson and \$120,000 paid to Sierra Peru Pty Ltd (“**Sierra Peru**”) a private Corporation that was formerly owned by Mr. Michael Hudson. The Management Agreement with Sierra Peru was superseded with execution of a new management agreement with Oro Plata.
- (4) Paid to Sierra Peru.
- (5) Figures represent the grant date fair value of the options. The Corporation used the Black-Scholes option pricing model for calculating such fair value, as such model is commonly used by junior public companies. Figures used for 2014: Risk-free interest rate – 1.42%; estimated volatility - 80%; expected life – 3 years; estimated dividend yield – 0%; estimated for future rate – 0%. Figures used for 2013: Risk-free interest rate – 1.11%; estimated volatility -80%; expected life – 3 years; estimated dividend yield – 0%; estimated for future rate – 0%.
- (6) Includes \$28,000 for 2016 and \$30,000 for each of 2015 and 2014 paid to Chase, a private Corporation wholly-owned by Nick DeMare, for services by Nick DeMare in his capacity as director of the Corporation, and \$52,570 (2016), \$48,050 (2015) and \$56,920 (2014) paid to Chase for accounting, professional, secretarial and administrative services provided by Chase personnel, exclusive of Mr. DeMare, and office rent.
- (7) Includes \$17,600 fair value of 80,000 stock options granted to Chase.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table sets forth for the NEOs, the incentive stock options (option-based awards), pursuant to the Stock Option Plan, outstanding as at May 31, 2016.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Michael Hudson	670,000	0.52	October 7, 2016	Nil
Nick DeMare	380,000 ⁽²⁾	0.52	October 7, 2016	Nil
Nicholas Cook	150,000	0.52	October 7, 2016	Nil

NOTES:

- (1) This amount is calculated as the difference between the market value of the securities underlying the options on May 30, 2016, being the last trading day of the Corporation’s shares for the financial year, which was \$0.24, and the exercise price of the option.

(2) Includes 80,000 stock options granted to Chase.

Incentive Plan Awards – Value Vested or Earning During The Year

The following table sets forth for the NEOs, the value vested during the financial year ended on May 31, 2016 for options awarded under the Stock Option Plan, as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Michael Hudson	Nil	N/A
Nick DeMare	Nil	N/A
Nicholas Cook	Nil	N/A

The options granted to the above NEOs vested at the time of grant. The exercise price of options at the time of grant is set at or above the market price of the Corporation’s common shares on the grant date. Accordingly, the in-the-money value of these incentive stock options at the time of vesting is nil.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Termination and Change of Control Benefits

The Corporation has entered into a management agreement with Sierra Peru, under which the Corporation has retained the services of Mr. Michael Hudson in the capacity of President and CEO of the Corporation for a monthly fee of \$15,000 which shall continue until the agreement is terminated in accordance with the terms of the agreement. In the event that Mr. Hudson's services are terminated by the Corporation without cause or under a change of control of the Corporation, then the Corporation will be required to pay all accrued and unpaid compensation plus 24 months compensation. If Mr. Hudson was terminated without cause, the amount payable to Mr. Hudson (if a triggering event occurred at the fiscal year end) would be: \$15,000 x 24 = \$360,000 plus accrued compensation at May 31, 2016. On February 1, 2016, the Corporation entered into a new management agreement with Oro Plata Pty Ltd., a wholly-owned private company of Mr. Hudson’s (the “**Oro Plata Agreement**”) which replaced and superseded the management agreement with Sierra Peru. Under the Oro Plata Agreement, Mr. Hudson is entitled to the same termination and change of control benefits as in the management agreement with Sierra Peru.

The Corporation has not entered into any contract or arrangement with any other NEO that would obligate the Corporation to make a termination or change of control payment to such NEO.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors for the Corporation’s most recently completed financial year.

Name	Fees Earned (\$)	Option-based awards (\$)	All other compensation (\$)	Total (\$)
Michael Hudson	See note ⁽¹⁾	-	-	-

Name	Fees Earned (\$)	Option-based awards (\$)	All other compensation (\$)	Total (\$)
Nick DeMare	See note ⁽¹⁾	-	-	-
Mark Saxon	26,000 ⁽²⁾	-	-	26,000
David Henstridge	26,000	-	-	26,000
Gil Leathley	23,000 ⁽³⁾	-	-	23,000
Colin Maclean	26,000	-	-	26,000
Gilbert Clark	See note ⁽⁴⁾	-	-	-
Noora Raasakka	See note ⁽⁵⁾			

NOTES:

- (1) Messrs. Hudson and DeMare are NEOs and their compensation is disclosed in the Summary Compensation Table above. Mr. Hudson does not receive compensation for his service as a director.
- (2) Includes \$20,000 paid or incurred to Sierra Peru.
- (3) Paid or incurred to Leathley Mining Consultants Inc., a private corporation owned by Mr. Leathley in consideration for director services. Mr. Leathley resigned as a director of the Corporation on April 4, 2016.
- (4) Mr. Clark did not receive compensation for his services as a director. Mr. Clark resigned as a director of the Corporation subsequent to the fiscal year end.
- (5) Appointed as a director of September 13, 2016.

Outstanding Option-Based Awards

The following table sets forth for each director, other than those who are also NEOs of the Corporation, all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Mark Saxon	670,000	0.52	October 7, 2016	-
David Henstridge	380,000	0.52	October 7, 2016	-
Gil Leathley ⁽²⁾	300,000	0.52	October 7, 2016	-
Colin Maclean	300,000	0.52	October 7, 2016	-
Gilbert Clark ⁽³⁾	-	-	-	-
Noora Raasakka	80,000	0.20	November 7, 2017	-

NOTES:

- (1) Value is calculated based on the difference between the exercise price of the option and the closing price of the Corporation's common shares on the TSX on May 30, 2016, being the last trading day of the Corporation's shares for the financial year, which was \$0.24.

- (2) Mr. Leathley resigned as a director of the Corporation effective April 4, 2016.
 (3) Mr. Clark was not granted any options during his tenure as director of the Corporation. Mr. Clark resigned as a director of the Corporation effective September 13, 2016.

Incentive Plan Awards – Value Vested or Earned During The Year

The following table sets forth for each director, other than those who are also NEOs of the Corporation, the value of all incentive plan awards vested during the year ended May 31, 2016.

Name	Option-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Mark Saxon	Nil	N/A
David Henstridge	Nil	N/A
Gil Leathley	Nil	N/A
Colin Maclean	Nil	N/A
Gilbert Clark	Nil	N/A
Noora Raasakka	Nil	N/A

The options granted to the above directors vested at the time of grant. The exercise price of options at the time of grant is set at or above the market price of the Corporation's common shares on the grant date. Accordingly, the in-the-money value of these incentive stock options at the time of vesting is nil.

A description of the significant terms of the Stock Option Plan is found under the heading "**Disclosure Respecting Security-Based Compensation Arrangements**".

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding compensation plans under which securities of the Corporation are authorized for issuance to directors, officers, employees and consultants in effect as of the end of the fiscal year ended May 31, 2016:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity Compensation Plans Approved By Securityholders	4,170,000	0.51	4,860,786
Equity Compensation Plans Not Approved By Securityholders	N/A	N/A	N/A
Total	4,170,000	0.51	4,860,786 ⁽¹⁾

NOTE:

- (1) Based on the Corporation having 90,307,863 common shares issued and outstanding as at May 31, 2016. The Corporation currently has in place a "rolling" Stock Option Plan whereby the maximum number of common shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued shares of the Corporation at the time of the stock option grant. See "**Disclosure Respecting Security-Based Compensation Arrangements**" for further particulars of the Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than transactions carried out in the normal course of business of the Corporation or any of its affiliates, none of the directors or executive officers of the Corporation, a proposed management nominee for election as a director of the Corporation, any shareholder beneficially owning shares carrying more than 10% of the voting rights attached to the shares of the Corporation nor an associate or affiliate of any of the foregoing persons had since June 1, 2015 (the commencement of the Corporation's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected the Corporation or any of its subsidiaries or in any proposed transaction which has or would materially affect the Corporation or any of its subsidiaries.

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

Other than as set forth in this Information Circular, no individual who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were, to any substantial degree, performed by a person or corporation other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation. See "**Termination and Change of Control Benefits**".

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 *Disclosure of Corporate Governance Practices* requires the Corporation to disclose information about our corporate governance practices. This disclosure must be made in accordance with the corporate governance guidelines contained in National Policy 58-101 *Corporate Governance Guidelines* (the "**Guidelines**").

The Board has adopted certain corporate governance policies to reflect our commitment to good corporate governance, and to comply with National Instrument 58-101. The Board periodically reviews these policies and proposes modifications to the Board for consideration as appropriate. The Board is directly responsible for developing our approach to corporate governance issues.

Board of Directors

The Board facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board. From time to time, Board meetings are combined with presentations by the Corporation's management to give the Board additional insight into the Corporation's business.

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of a director's independent

judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Corporation.

Assuming the election of management's nominees for appointment to the Board as described in the Information Circular and applying the definition set out in NI 52-110, the Corporation will be comprised of six (6) directors, four of whom will be independent directors, namely: Messrs. David Henstridge, Colin Maclean, Noora Raasakka and Mark Saxon. The Corporation has two directors who are not independent: Mr. Michael Hudson, Chairman, President and CEO and Mr. Nick DeMare, CFO, each of whom are not considered independent because they are officers of the Corporation. Assuming the election of management's nominees, a majority of the Board will be independent.

Directorships

As of October 14, 2016, the following directors of the Corporation are also serving as directors of other reporting issuers, details of which are as follows:

Mark Saxon: Leading Edge Materials Corp.

Nick DeMare: Aguila American Gold Limited, Canex Energy Corp., East West Petroleum Corp., Inc., GGL Diamond Corp., Hansa Resources Limited, Kingsmen Resources Ltd., Global Daily Fantasy Sports Inc. (formerly Lariat Energy Ltd.), Leading Edge Materials Corp., Mitchell Resources Ltd., Mirasol Resources Ltd., Rochester Resources Ltd., Rockshield Capital Corp., Salazar Resources Limited and Tinka Resources Limited

David Henstridge: Mitchell Resources Ltd., Kingsmen Resources Ltd. and Tinka Resources Limited.

Michael Hudson: Leading Edge Materials Corp.

Colin Maclean: None

Noora Raasakka: None

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. All matters to date have been considered and settled by the full Board. Where matters discussed may involve persons having a conflict of interest or potential conflict of interest, that person may not participate in or be permitted to hear the discussion of the matter at any meeting of directors except to disclose material facts and respond to questions. A director having a conflict of interest or potential conflict of interest will not be counted in determining the presence of a quorum for purposes of the vote and will not vote on any resolution to approve the matter or be present in the meeting room when the vote is taken. On occasions where it will be considered advisable, the Corporation's independent directors may hold meetings at which non-independent directors and members of management are not in attendance. The independent directors are able to exercise their responsibilities for independent oversight of management by virtue of forming a majority of the Board.

The Board presently does not have an independent director as the Chairman of the Board. Either Michael Hudson, the Corporation's Chairman, President and CEO, or Nick DeMare, the Corporation's CFO, generally chair the meetings of the Board, and actively seek out the views of the independent directors on all Board matters. This combined with the ability of the independent directors to meet as a group independently of any management directors whenever deemed necessary, provides and promotes the leadership of the Corporation's independent directors.

The following table sets out the attendance of the directors at Board meetings, Audit Committee and other Committee meetings held since the beginning of the most recently completed financial year until the date hereof.

Director	Board Meetings	Audit Committee Meetings	Corporate Governance/Nominating / Compensation Committee Meetings ⁽³⁾	Total Attendance
Michael Robert Hudson	4 out of 4	N/A	N/A	4 out of 4
Mark Saxon ⁽¹⁾	4 out of 4	1 out of 6	N/A	5 out of 10
David Henstridge ⁽²⁾⁽³⁾	5 out of 5	4 out of 6	3 out of 3	12 out of 14
Nick DeMare ⁽⁴⁾	4 out of 4	6 out of 6	N/A	10 out of 10
Colin Maclean ⁽²⁾	5 out of 5	6 out of 6	3 out of 3	14 out of 14
Noora Raasakka ⁽⁵⁾	N/A	N/A	N/A	N/A

NOTES:

- (1) Mr. Saxon was appointed as a member of the Audit Committee on September 13, 2016, upon the resignation of Mr. Gilbert Clark.
- (2) Includes one meeting of independent directors.
- (3) Includes one meeting for each of the Corporate Governance Committee, Nominating Committee and Compensation Committee.
- (4) Mr. DeMare only attends Audit Committee meetings when asked to attend by Audit Committee members in his capacity as the Corporation's CFO.
- (5) Appointed as a director of the Company on September 13, 2016.

The Board does not have a written mandate. However, it is required to supervise the management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation. The Board will actively oversee the development, adoption and implementation of the Corporation strategies and plans. The Board's responsibilities include:

- to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the executive officers create a culture of integrity throughout the Corporation,
- the Corporation's strategic planning process,
- the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage risk,
- the Corporation's succession planning, including appointing, training and monitoring senior management,
- the Corporation's major business development initiatives,
- the integrity of the Corporation's internal control and management information systems,
- the Corporation's policies for communicating with shareholders and others, and
- the general review of the Corporation's results of operations.

The Board considers that certain decisions are sufficiently important that management should seek prior approval of the Board. Such decisions will include:

- approval of the annual capital budget and any material changes to the operating budget,
- approval of the Corporation's business plan,
- acquisition of, or investments in new business,
- changes in the nature of the Corporation's business,
- changes in senior management,
- any transaction which is out of the ordinary course of business or could be considered to be material to the business of the Corporation; and
- all matters as required under applicable law and stock exchange rules and regulations.

Position Descriptions

The Corporation does not have specific position descriptions for its Board members as any matters which have not been delegated specifically to senior management or to a committee are the responsibility of the full Board.

The Board and the CEO have not developed a written position description for the CEO, given the size and scope of operations of the Corporation. The Corporation considers the CEO to be primarily responsible for carrying out all strategic plans and policies as established by the Board on an executive level. The CEO reports to the Board and advises and makes recommendations to the Board. The CEO facilitates communication between the Board and other members of management and employees, and between the Corporation and its shareholders.

The Board does not have a written position description for the Chairman given the size and scope of operations of the Corporation, but considers the Chairman to be primarily responsible for carrying out all strategic plans and policies as established by the Board on a Board level. The Chairman generally chairs the meetings of the Board and actively seeks out the views of independent directors on all Board matters.

The Board has not developed a written position description for the Chair of each of the Audit Committee, Compensation Committee, Corporate Governance Committee or Nominating Committee. The Board considers the Chair of each to be responsible for setting the tone for the committee work, ensuring that members have the information needed to do their jobs, overseeing the logistics of the committee's operations, reporting to the board of directors on committee's decisions and recommendations, setting the agenda and running and maintaining minutes of the meetings of the committee.

Orientation and Continuing Education

The Corporate Governance Committee is responsible for providing an orientation for new directors. Director orientation and on-going training which may include arranging presentations by senior management to familiarize directors with the Corporation's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors. On occasions where it is considered advisable, the Board provides individual directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board ensures that each director is up-to-date with current information regarding the business of the Corporation, the role the director is expected to fulfil and basic procedures and operations of the Board. Board members are given access to management and other employees and advisors, who can answer any questions that may arise. Regular technical presentations are made to the directors to keep them informed of the Corporation's operations.

Ethical Business Conduct

On January 31, 2006, the Board adopted a Whistleblower Policy which allows its directors, officers and employees who feel that a violation of the high standards of business conduct and ethics has occurred, or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such violation or concerns to the Chair of the Audit Committee on a confidential and anonymous basis. All complaints are to be forwarded to the Chair of the Audit Committee for investigation and corrective and disciplinary action, if appropriate. The Corporation's Whistleblower Policy was last amended on July 9, 2012 and is available on the Corporation's website at www.mawsonresources.com.

In addition to the Whistleblower Policy, the Board adopted a Code of Business Conduct and Ethics on June 22, 2012. The Code of Business Conduct and Ethics affirms the Corporation's commitment to uphold high moral and ethical principles and specifies the basic norms of behavior for those conducting business on its behalf. While the Corporation's business practices must be consistent with the business and social practices of the communities in which the Corporation operates, the Corporation believes that honesty is the essential standard of integrity in any locale. Thus, though local customs may vary, the Corporation's activities are to be based on honesty, integrity and respect. The Corporation's Code of Business Conduct and Ethics is posted on the Corporation's website at www.mawsonresources.com. In addition to the Corporation's Code of Business Conduct and Ethics, each director, officer and employee is expected to comply with relevant corporate and securities laws and, where applicable, the terms of their employment agreements.

The Corporate Governance Committee (the "**Corporate Governance Committee**") monitors the compliance with the Code of Business Conduct and Ethics and also ensures that management encourages and promotes a culture of ethical business conduct.

Environmental, Health and Safety Policy

On June 22, 2012, the Board of Directors adopted an Environmental, Health and Safety Policy to affirm the Corporation's commitment to protecting the environment as well as the health and safety of its directors, officers, employees and consultants and the communities in which the Corporation conducts its activities. Pursuant to the Environmental, Health and Safety Policy, management will ensure that environmental, health and safety policies, programs, and performance standards are an integral part of our planning and decision-making. The Corporation's directors, officers, employees and consultants are responsible and accountable for compliance and have an obligation to bring issues forward to management for resolution. The Environmental, Health and Safety Policy was last amended on September 13, 2016. Ms. Raasakka in the only member.

Nomination of Directors

The Corporation has a nominating committee (the "**Nominating Committee**") that consists of Messrs. David Henstridge (Chair) and Colin Maclean both of whom are independent (as defined in NI 58-101). As a result, the Nominating Committee is composed entirely of independent directors. The Nominating Committee implemented a written charter which was adopted by the Board on June 22, 2012 and was last amended on August 27, 2015. A copy of the charter is available on the Corporation's website at www.mawsonresources.com. The Nominating Committee's mandate is to, among others:

- (a) conduct an analysis of the collection of tangible and intangible skills and qualities necessary for an effective Board given the Corporation's current operational and financial condition, the industry in which the Corporation operates and the strategic outlook of the Corporation;
- (b) periodically compare the tangible and intangible skills and qualities of the existing Board members with the analysis of required skills and identifying opportunities for improvement; and

- (c) recommend, as required, candidates to be considered against objective criteria, having due regard for the benefits of diversity, to reflect the needs of the Board.

Compensation

The Corporation has a compensation committee (the “**Compensation Committee**”) that consists of Messrs. David Henstridge (Chair) and Colin Maclean both of whom are independent (as defined in NI 58-101). As a result, the Compensation Committee is composed entirely of independent directors. The Compensation Committee implemented a written charter which was adopted by the Board on June 22, 2012, a copy of which is available on the Corporation’s website at www.mawsonresources.com. The Compensation Committee’s mandate is to, among others:

- (a) discharge the Board’s responsibilities relating to compensation of the Corporation’s executive officers;
- (b) recommend levels of executive compensation that are competitive and motivating in order to attract, hold and inspire the chief executive officer, senior officers and other key employees and for recommending compensation for directors; and
- (c) administer the Corporation’s stock option plan.

The Compensation Committee reviews and makes recommendations to the Board regarding the granting of stock options to directors and executive officers of the Corporation as well as compensation for executive officers of the Corporation as well as compensation for executive officers and directors’ fees, if any, from time to time. Executive officers and directors may be compensated in cash and/or equity for their expert advice and contribution towards the success of the Corporation. In addition to stock option grants, each director of the Corporation may be paid \$1,500 per month in their capacity as a director. The form and amount of cash such compensation will be evaluated by the Compensation Committee, which will be guided by the following goals:

- (i) compensation should be commensurate with the time spent by executive officers and directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Corporation; and
- (ii) the structure of the compensation should be simple, transparent and easy for shareholders to understand. Shareholders will be given the opportunity to vote on all new or substantially revised equity compensation plans for directors as required by regulatory policies.

The Compensation Committee also performs any other duties or responsibilities delegated to the Compensation Committee by the Board from time to time relating to the Corporation’s compensation programs.

Assessments

The Corporation’s Corporate Governance Committee is comprised of Messrs. David Henstridge (Chair) and Colin Maclean both of whom are independent (as defined in NI 58-101). As a result, the Corporate Governance Committee is comprised entirely of independent directors. The Corporate Governance Committee implemented a written charter which was adopted by the Board on June 22, 2012, a copy of which is available on the Corporation’s website at www.mawsonresources.com.

The Corporate Governance Committee is responsible for assessing the Board and its committees and specifically arranging for annual surveys of the directors to be conducted with respect to their views on the effectiveness of the Board, its committees and the directors. In conjunction therewith, the Corporate Governance Committee will assess the effectiveness of the Board, as well as the effectiveness and contribution of each of the Board’s committees and will report to the Board thereon.

Additionally, the Corporate Governance Committee is responsible for monitoring and making recommendations with respect to the following matters:

- (a) shareholder and investor issues including the adoption of shareholders rights plans and related matters;
- (b) policies regarding management serving on outside boards;
- (c) retirement policy for directors based upon age, health or other considerations;
- (d) the Corporation's charitable and political donation policies;
- (e) the Corporation's Code of Business Conduct and Ethics and compliance therewith, including the granting of any waivers from the application of the Code;
- (f) the Corporation's Stock Trading Policy and compliance therewith, including reviewing systems for ensuring that all directors and officers of the Corporation who are required to file insider reports pursuant to the Policy do so;
- (g) the Corporation's Corporate Disclosure Policy and compliance therewith;
- (h) the retainer, subject to the Committee's approval and at the expense of the Corporation, of outside advisors for individual members of the Board in appropriate circumstances and the procedures relating thereto;
- (i) policies regarding director responsibilities;
- (j) policies regarding director access to management; and
- (k) policies regarding management succession.

Majority Voting Policy

On October 15, 2014, the Board adopted the Majority Voting Policy as required by the policies of the TSX. Pursuant to the Majority Voting Policy, each director of the Corporation must be elected by a majority (50%+1 vote) of the votes cast (meaning the majority of any "for" or "withheld" votes cast with respect to a director's election, excluding any failures to vote, defective votes or broker non-votes with respect to that director's election) with respect to his or her election other than at contested meetings (a contested meeting is a meeting at which the number of directors nominated for election is greater than the number of seats available on the Board). If a nominee for election as director does not receive the vote of at least a majority of the votes cast at any uncontested meeting for the election of directors at which a quorum has been confirmed, the director, duly elected in accordance with the requirements of the *Business Corporations Act* (British Columbia) and the Corporation's Articles, shall nonetheless immediately tender his or her resignation from the Board to the Board following said election. Each director nominated for election or re-election to the Board shall acknowledge in writing his or her agreement to be bound by the Majority Voting Policy. Following receipt of a resignation submitted pursuant to the Majority Voting Policy, and in any event, within 90 days after the shareholder meeting, the Board shall determine whether or not to accept the offer of resignation through a process managed by the Corporate Governance and Nominating Committee. The Board shall accept the resignation absent exceptional circumstances. In considering whether or not to accept the resignation, the Board will consider factors that may be provided as guidance by the TSX and all factors deemed relevant by the Board including, without limitation, the stated reasons why shareholders withheld votes from the election of that nominee, the length of service and the qualifications of the director whose resignation has been submitted, such director's contributions to the Corporation, and the Corporation's legal obligations under applicable laws. A director who tenders his or her resignation pursuant to the Majority Voting Policy shall not be permitted to participate in any meeting of the Board at which his or her resignation is to be considered, but will be counted for the purpose of determining whether

the Board has a quorum if required in the event that a sufficient number of the Board members did not receive a majority of the votes cast in the same election. The Corporation must promptly issue a news release with the Board's decision, a copy of which must be provided to the TSX. If a director's resignation is not accepted by the Board, such director will continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal, as provided for in the Corporation's Articles, or the director shall otherwise serve for such shorter time and under such other conditions as determined by the Board, considering all of the relevant facts and circumstances. If a resignation is accepted, the Board may in accordance with the provisions of the Corporation's Articles, appoint a new director to fill any vacancy created by the resignation.

The full text of the Majority Voting Policy is available for download at www.mawsonresources.com, however, it may be sent without charge to any shareholder upon request. Requests should be made (a) by mail to 1090 West Georgia Street, Suite 1305, Vancouver, British Columbia V6E 3V7 (Attention: Mariana Bermudez, Corporate Secretary) or (b) by facsimile transmission to 604-683-1585 (Attention: Mariana Bermudez, Corporate Secretary).

Director Term Limits and Other Mechanisms of Board Renewal

For a discussion of director term limits and other mechanisms of board renewal see "Election of Directors – Director Term Limits" above.

Policies Regarding the Representation of Women on the Board

For a discussion of policies regarding the representation of women on the Board, consideration of the representation of women in the director identification and selection process, consideration given to the representation of women in executive officer appointments and related targets, see "Election of Directors - Policies Regarding the Representation of Women on the Board " above.

Other Board Committees

Except as described above, the Board has no other standing committees other than the Audit Committee.

AUDIT COMMITTEE

For information concerning the Corporation's Audit Committee see the section titled "**Audit Committee**" in the Corporation's Annual Information Form for the year ended May 31, 2016 available at www.sedar.com and on the Corporation's website at www.mawsonresources.com

DISCLOSURE RESPECTING SECURITY-BASED COMPENSATION ARRANGEMENTS

The TSX requires that issuers disclose the terms of any security based compensation arrangements which they have in place. The only security based compensation arrangement which the Corporation has in place is the Stock Option Plan. The Stock Option Plan was approved by the TSX and most recently by the shareholders of the Corporation on December 22, 2014. This information is being provided to meet the Corporation's disclosure obligations under TSX policies.

The Stock Option Plan is administered by the Board or a committee of the Board duly authorized for this purpose by the Board and consisting of not less than three directors. The following is a summary of the terms of the Stock Option Plan:

1. Any director, officer, employee (whether part-time or full-time), dependent contractor or consultant of the Corporation or any of its subsidiaries (each an "**Eligible Person**") is eligible to receive stock options under the Stock Option Plan.

2. The number of shares available for purchase pursuant to stock options granted under the Stock Option Plan will not exceed 10% of the number of common shares which are issued and outstanding on the particular date of grant.
3. In accordance with the Stock Option Plan, the Board may, at any time, without further approval by the shareholders of the Corporation, amend the Stock Option Plan or any stock option granted thereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to:
 - a. amend typographical, clerical and grammatical errors;
 - b. reflect changes to applicable securities laws;
 - c. include the addition of a cashless exercise feature, payable in cash or securities;
 - d. ensure that the options granted under the Stock Option Plan will comply with any provisions respecting the income tax and other laws in force in any country or jurisdiction of which an Eligible Person to whom a stock option has been granted may from time to time be resident or a citizen;
 - e. amend the exercise price or the term of a stock option for an optionee who is not an insider;
 - f. amend the vesting provisions of the Stock Option Plan and/or a particular option granted under the Stock Option Plan;
 - g. amend the term or cancel options; and
 - h. terminate the Stock Option Plan.
4. Optionees have the option of electing to make payment of the aggregate exercise price of the common shares being purchased upon the exercise of an option by either cash or by exchanging the option or the portion of the option being exercised for such number of common shares calculated in accordance with the following formula:

$$X = \frac{Y(A-B)}{A} \quad \text{Where:}$$

X = The number of shares to be issued to the participant

Y = The number of shares purchasable under the part of the Option being exchanged (as adjusted to the date of such calculation)

A = The Fair Market Value of one of the shares to which the option pertains as of the exercise date

B = The exercise price of the option (as adjusted to the date of such calculation)

For the purposes of this section, "Fair Market Value" means:

- a. if traded on the TSX or any other stock exchange or quotation system, the closing price of the common shares on the business day immediately preceding the exercise date; and
 - b. if the above is not applicable, the value determined in good faith by the Board.
5. The exercise price of each stock option shall be not less than the closing price of the common shares on the TSX on the business day immediately preceding the date of grant.

6. The stock options are non-assignable and may be exercised for a period not to exceed 10 years, such period and any vesting schedule to be determined by the Board.
7. Stock options held by an optionee that ceases to be an Eligible Person for any reason other than cause and death, will cease to be exercisable as follows:
 - a. on or before the earlier of the expiry date of the Option and 90 days after the date (the "**Termination Date**") a participant ceases to be an Eligible Person for an Eligible Person who is a director, officer and/or employee (whether part-time or full-time); or
 - b. on or before the earlier of the expiry date of the Option and 30 days after the Termination Date for an Eligible Person who is a consultant and/or dependent contractor who is not a director, officer and/or employee of the Corporation.
8. If an optionee dies while an Eligible Person, the legal representative of the optionee may exercise the optionee's stock options within twelve months after the date of the optionee's death, but only to the extent the stock options were by their terms exercisable on the date of death.
9. If an optionee ceases to be an Eligible Person for cause, each option held by that optionee expires immediately on termination of the services being provided by the optionee.
10. The number of common shares subject to an Option granted to any one optionee shall be determined by the Board subject to: (a) the number of common shares issuable to insiders at any time, under all share compensation arrangements, cannot exceed 10% of the issued and outstanding common shares of the Corporation; and (b) the number of common shares issued to insiders as a group pursuant to the exercise of options granted under the Stock Option Plan and all other share compensation arrangements, in any 12 month period, cannot exceed 10% of the issued and outstanding common shares of the Corporation.
11. The expiry date of outstanding options held by participants which expire during a restricted trading period imposed by the Corporation in accordance with applicable securities laws (a "**Blackout Period**"), will be extended for a period of 10 business days commencing on the first business day after the date the Blackout Period has ceased, in order to provide such participants with an extension of the right to exercise such options.
12. The Stock Option Plan contains adjustment provisions in the event of the subdivision or consolidation of the shares of the Corporation, or in the event that the Corporation is re-organized, amalgamated or merged with or consolidated into another corporation or in the event there is a change in control of the Corporation.
13. In the event of a takeover bid for the Corporation, including a corporate combination, the Stock Option Plan provides, inter alia, that notwithstanding any vesting restriction that would otherwise apply, all outstanding stock options may be exercised in whole or in part by the optionee so as to permit the optionee to tender the shares received upon such exercise pursuant to the takeover bid.
14. There is no financial assistance available to optionees under the Stock Option Plan.

The full text of the Stock Option Plan will be sent without charge to any shareholder upon request. Requests should be made (a) by mail to 1090 West Georgia Street, Suite 1305, Vancouver, British Columbia V6E 3V7 (Attention: Mariana Bermudez, Corporate Secretary) or (b) by facsimile transmission to 604-683-1585 (Attention: Mariana Bermudez, Corporate Secretary).

PARTICULARS OF SPECIAL BUSINESS TO BE ACTED UPON

A. *Approval of Extension of Warrants Held by Sentient Global Resources Fund IV, L.P.*

On October 3, 2016, the Corporation announced that it proposed to amend an aggregate of 4,562,120 outstanding warrants (the “**Outstanding Warrants**”) that were issued to both arm’s length investors and an insider of the Corporation. The Outstanding Warrants were issued in connection with the closing of a non-brokered private placement financing in October 2014.

Each Outstanding Warrant entitles the holder to purchase one common share of the Corporation at an exercise price of \$0.50 per common share. The amendment to the Outstanding Warrants extended the expiry date of the Warrants by three months, to January 10, 2017. All of the terms of the Outstanding Warrants remain unchanged.

Sentient Global Resources Fund IV, L.P. (the “**Sentient Fund**”), an insider and control person of the Company, holds 1,515,152 Warrants (the “**Insider Warrants**”). The Sentient Fund and its affiliates currently hold 32,378,779 common shares of the Corporation or 35.85% of the issued and outstanding common shares on a non-diluted basis. If the Sentient Fund exercises all of the Insider Warrants, the Sentient Fund and its affiliates would hold 33,893,931 common shares of the Corporation or 37.53% of the Corporation’s issued and outstanding common shares on a partially diluted basis.

The Sentient Fund is part of a group of funds held by the Sentient Group, an independent private equity investment firm specialising in the global resources industry. The Sentient Group is based in the Cayman Islands with subsidiary offices and affiliates in Sydney (Australia), Montreal (Canada), and Munich (Germany). The Sentient Group manages over US\$2.3 billion in the development of quality metal, mineral and energy assets across the globe through its Cayman-based, 10 year closed-end private equity Sentient Global Resources Funds. For more information about the Sentient Group, please visit the Sentient Group’s website at www.thesentientgroup.com.

The TSX’s acceptance of the amendment to the Insider Warrants was conditional on, among other things, the Corporation obtaining disinterested shareholder approval to amend the Insider Warrants. Therefore, the votes cast by the Sentient Group and its funds and other affiliates will be excluded to satisfy the approval condition.

At the Meeting, disinterested shareholders of the Corporation will be asked to approve the following resolutions (the “**Warrant Amendment Resolution**”) approving an amendment to the terms of the Insider Warrants, to extend the expiry dates of the Insider Warrants by three months:

“BE IT RESOLVED THAT:

1. The amendment to the terms of 1,515,152 warrants of the Corporation held by insiders of the Corporation extending the expiry date from October 10, 2016 to January 10, 2017, be and is hereby approved;
2. The Board of Directors of the Corporation may revoke this resolution before it is acted upon without further approval; and
3. Any one officer or director of the Corporation is hereby authorized and directed to do all such acts and things and to execute and deliver all such instruments and documents as may be necessary to give full effect to this resolution.”

Management of the Company recommends that the disinterested shareholders vote in favour of the Warrant Amendment Resolution. It is the intention of persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the Warrant Amendment Resolution.

OTHER MATTERS

Management of the Corporation knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Shareholders may contact the Corporation at #1305 - 1090 West Georgia Street, Vancouver, BC, V6E 3V7 or by telephone at 604-685-9316 to request copies of the Corporation's financial statements and MD&A for its most recently completed financial year. Financial information is provided in the Corporation's comparative financial statements and MD&A for its most recently completed financial year.