



**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON FEBRUARY 14, 2018 AT 10:30 A.M. EST**

**NOTICE OF MEETING AND  
MANAGEMENT INFORMATION CIRCULAR**

**January 12, 2018**

**ORVANA MINERALS CORP.**

**Notice of Annual General and Special Meeting of Shareholders**

**NOTICE** is hereby given that the annual general and special meeting of the holders of common shares of Orvana Minerals Corp. (the "Company") will be held at the Stikeman Elliott LLP Barristers & Solicitors 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario on Wednesday, February 14, 2018 at 10:30 a.m. (Toronto time) (the "Meeting") for the following purposes:

- (a) to receive the Company's comparative audited consolidated financial statements as at and for the fiscal year ended September 30, 2017 and the auditor's report thereon;
- (b) to elect directors of the Company to hold office until the close of the next annual meeting of shareholders;
- (c) to appoint PricewaterhouseCoopers LLP as the Company's auditor for the ensuing year and to authorize the Board of Directors, upon the recommendation of the Audit Committee, to fix the auditor's remuneration;
- (d) to consider and, if thought advisable, to pass with or without variation, a resolution approving a new stock option plan for the Company; and
- (e) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting.

Shareholders are invited to attend the Meeting. Registered shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and send it in the enclosed envelope or otherwise to the Secretary of the Company c/o AST Trust Company (Canada), Proxy Dept., P.O. Box 721, Agincourt, Ontario, M1S 0A1. Non-registered shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received by AST Trust Company (Canada) not later than 5:00 p.m. (Toronto time) on Monday, February 12, 2018 or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjourned meeting.

**DATED** as of the 12<sup>th</sup> day of January, 2018.

**By order of the Board of Directors**



**James Gilbert  
Chairman**

## ORVANA MINERALS CORP.

### MANAGEMENT INFORMATION CIRCULAR FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

#### VOTING INFORMATION

##### Solicitation of Proxies

This Management Information Circular (the “Circular”) is provided in connection with the solicitation, by or on behalf of the management of Orvana Minerals Corp. (“Orvana” or the “Company”), of proxies to be used at the Company’s annual general and special meeting of the holders of its common shares (the “Common Shares”) to be held on February 14, 2018 (the “Meeting”) or at any adjournment thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Company without special compensation, or by the Company’s transfer agent, AST Trust Company (Canada), at nominal cost. The cost of solicitation will be borne by the Company.

The Company is sending the Notice of Meeting and this Circular along with, for those holders of Common Shares who have so requested, the Company’s comparative audited consolidated financial statements as at and for the fiscal year ended September 30, 2017 and the auditor’s report thereon and the Management Discussion & Analysis for the year ended September 30, 2017 (collectively, the “Proxy-Related Materials”) directly to registered holders and non-registered holders of Common Shares who have not objected to intermediaries disclosing their beneficial ownership information and who have requested this information. The Company will pay for the cost of intermediaries to deliver the Proxy-Related Materials and voting instruction form to non-registered holders who have not objected to intermediaries disclosing their beneficial ownership information. Neither the Company nor its subsidiaries will reimburse shareholders, nominees or agents for the cost incurred in obtaining authorization to execute forms of proxy from their principals or beneficial owners.

##### Who Can Vote

The Company’s board of directors (the “Board”) has fixed January 8, 2018 as the record date for the Meeting. Any holder of Common Shares of record at the close of business on the record date will be entitled to vote the Common Shares held by such shareholder as at such date on each matter to be acted upon at the Meeting.

If you are a registered holder of Common Shares, a form of proxy is enclosed that you can use to vote at the Meeting or you may attend in person and vote at the Meeting.

If you are a non-registered holder and your Common Shares are held by an intermediary (such as a broker or financial institution), you may receive either a form of proxy or voting instruction form and should follow the instructions provided with such form.

##### Voting Matters

At the Meeting, shareholders are voting on the following matters:

- the election of directors of the Company;
- the appointment of the Company’s auditor for the ensuing year and the authorization of the Board, upon the recommendation of the Audit Committee, to fix the auditor’s remuneration; and
- the approval of a new stock option plan for the Company.

##### Voting Your Common Shares

All shareholders are advised to carefully read the voting instructions below that are applicable to them.

### **Registered Shareholders**

If you were a registered shareholder on the record date, you may vote in person at the Meeting or give another person authority to represent you and vote your shares at the Meeting, as described below under the heading "Appointment of Proxyholder".

### **Non-Registered Shareholders**

It is possible that your Common Shares may be registered in the name of an intermediary, which is usually a trust company, securities broker or other financial institution. A substantial number of shareholders do not hold Common Shares in their own name. If your Common Shares are registered in the name of an intermediary, you are a non-registered shareholder, which is sometimes referred to as a beneficial owner. You should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.

Your intermediary is entitled to vote the Common Shares held by it and beneficially owned by you on the record date. However, without specific instructions from the beneficial holder, a broker and its agents and nominees are prohibited from voting Common Shares for such beneficial holder. Therefore, if you are a beneficial shareholder rather than a registered shareholder, you should follow the instructions of your intermediary with respect to the procedures to be followed for voting. Generally, intermediaries will provide non-registered shareholders with either: (i) a voting instruction form for completion and execution by you, or (b) a proxy form, executed by the intermediary and restricted to the number of Common Shares owned by you, but otherwise uncompleted. These procedures are to permit non-registered shareholders to direct the voting of the Common Shares that they beneficially own.

Please note that if you are a non-registered shareholder and you wish to attend the Meeting, you will not be recognized at the Meeting for the purpose of voting Common Shares registered in the name of an intermediary unless you appoint yourself as a proxyholder. Accordingly, if you are a non-registered shareholder, to vote your Common Shares in person at the Meeting, you should take the following steps:

- appoint yourself as the proxyholder by writing your own name in the space provided on the voting instruction form or form of proxy; and
- follow the instructions of the intermediary for return of the executed form or other method of response.

Do not otherwise complete the form as your vote, or your designate's vote, will be taken at the Meeting.

### **Appointment of Proxyholder**

**Each shareholder has the right to appoint as proxyholder a person (who need not be a shareholder of the Company) other than the persons designated by management of the Company in the enclosed form of proxy to attend and act on the shareholder's behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy. If you leave the space in the proxy form blank, the persons designated in the form, who are officers of the Company, are appointed to act as your proxyholder.

The persons designated by management of the Company in the enclosed form of proxy are officers of the Company. In the case of **registered shareholders**, the completed, dated and signed form of proxy should be sent (i) in the enclosed envelope by mail, courier or delivered in person to the Secretary of the Company c/o AST Trust Company (Canada), Proxy Dept., P.O. Box 721, Agincourt, Ontario, M1S 0A1, or (ii) by facsimile to (416) 368-2502 or 1-866-781-3111 (within North America). To be effective, a proxy must be received by AST Trust Company (Canada) not later than 5:00 p.m. (Toronto time) on February 12, 2018, or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjourned meeting.

In the case of **non-registered shareholders** who receive these materials through their broker or other intermediary, the shareholder should communicate his or her voting instructions in accordance with the instructions provided by the shareholder's intermediary.

## Revocation of Proxy

A shareholder who has given a proxy may revoke it at any time before it is used by doing one of the following:

- by depositing an instrument in writing or another proxy form signed by the shareholder or by the shareholder's attorney, who is authorized in writing or by electronic signature, or
- by delivering or transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder's attorney, who is authorized in writing or by electronic signature,

in either case, to or at the registered office of the Company at 170 University Avenue, Suite 900, Toronto, Ontario, M5H 3B3 by facsimile transmission to (416) 369-1402 or by electronic delivery to proxy@orvana.com, in each case, at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjourned meeting. You may also attend the Meeting and notify the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjourned meeting that you are revoking your proxy. You may also revoke your proxy in any other manner permitted by law.

## Voting of Proxies

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the persons designated by management of the Company in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions given on the proxy. If you have not specified how to vote on a particular matter, then your proxyholder can vote your Common Shares as he or she sees fit. **If neither you nor your proxyholder gives specific instructions, your Common Shares will be voted as follows:**

- **FOR** the election of each nominee as a director of the Company;
- **FOR** the appointment of PricewaterhouseCoopers LLP as the Company's auditor for the ensuing year and the authorization of the Board, upon the recommendation of the Audit Committee, to fix the auditor's remuneration; and
- **FOR** the resolution approving the new stock option plan of the Company.

## Additional Matters Presented at the Meeting

The enclosed proxy form or voting instruction form confers discretionary authority upon the persons named as proxies therein with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.

If you sign and return the form of proxy and do not appoint a proxyholder by filling in a name, and any other matter is presented at the Meeting, or at any postponement or adjournment thereof, in addition to, or as an amendment or variation to, the matters described in the Notice of Meeting, the Orvana representatives named as proxies will vote in their best judgment. When this Circular was mailed to shareholders, management of the Company was not aware of any matters to be considered at the Meeting other than the matters described in the Notice of Meeting or any amendments or variations to the matters described in such Notice of Meeting.

## Voting Shares

As at January 8, 2018, the Company had 136,623,171 Common Shares outstanding, each carrying the right to one vote per Common Share. The presence of at least two persons present in person, each being a shareholder entitled to vote at the Meeting or a duly appointed proxyholder or representative for a shareholder entitled to vote at the Meeting, is necessary for a quorum at the Meeting. A simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of the matters that are submitted to a vote at the Meeting.

## Principal Shareholders

To the knowledge of the directors and senior officers of the Company, as at January 8, 2018, no person beneficially owned, or controlled or directed, directly or indirectly, more than 10% of the voting rights attached to the outstanding Common Shares of the Company except as stated below:

Name	Aggregate Number of Common Shares	Percentage of Outstanding Common Shares
Fabulosa Mines Limited <sup>(1)</sup> <sup>(2)</sup>	70,915,027	51.9%

- (1) On March 12, 2012, the Company entered into an agreement with Fabulosa Mines Limited ("Fabulosa") pursuant to which, for so long as it owns at least 10% of the outstanding Common Shares, Fabulosa has the right to designate, at any shareholders' meeting at which directors are to be elected, that number of management's nominees for election as directors of the Company that is the same proportion as its ownership interest is of the Common Shares.
- (2) The Company has issued a number of warrants to Fabulosa in respect of various loan agreements and amendments thereto since 2011. As at January 8, 2018, Fabulosa held 600,000 Common Share purchase warrants with exercise prices ranging from C\$0.49 to C\$0.54, expiring between 2018 to 2019 (the "Warrants"). All of the Warrants are exercisable as of the January 8, 2018, with Fabulosa's combined holdings of common shares and warrants representing 50.4% of the Common Shares outstanding on a fully diluted basis. If Fabulosa were to exercise all of its 600,000 Warrants, its ownership would represent 52.1% of the currently outstanding Common Shares.

## Notice to United States Shareholders

The solicitation of proxies by the Company is not subject to the requirements of Section 14(a) of the United States Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), by virtue of an exemption applicable to proxy solicitations by "foreign private issuers" as defined in Rule 3b-4 promulgated under the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Shareholders in the United States should be aware that such requirements are different than those of the United States applicable to proxy statements under the U.S. Exchange Act.

## MATTERS TO BE ACTED UPON AT THE MEETING

The Meeting will address the following matters:

1. receiving the Company's comparative audited consolidated financial statements as at and for the fiscal year ended September 30, 2017 and the auditor's report thereon (the "2017 Financials");
2. electing directors who will serve until the next annual meeting of shareholders of the Company;
3. appointing the auditor of the Company that will serve until the next annual meeting of shareholders and authorizing the Board, upon the recommendation of the Audit Committee, to set the auditor's remuneration;
4. approving the new stock option plan of the Company; and
5. any such other business as may properly be brought before the Meeting.

## Receiving the Financial Statements

The 2017 Financials are being mailed to the Company's registered and beneficial shareholders who requested such financial statements. Management of the Company will review the financial results set out in the 2017 Financials at the Meeting and shareholders and proxyholders will be given an opportunity to discuss these results with management of the Company. The 2017 Financials are available on the Company's website at [www.orvana.com](http://www.orvana.com) and on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

## Election of Directors

The Company's articles provide that the Board may consist of a minimum of three and a maximum of ten directors. The Board is currently comprised of six directors. After a review of the size and composition of the Board in fiscal 2017, the Board determined that the size of the Board should consist of seven members

to facilitate its effective functioning and to strengthen its technical expertise. The Board has determined to nominate each of the seven persons listed below for election as a director of the Company at the Meeting and has fixed the size of the Board at seven. All of the nominees, other than Mr. Alfredo Garcia Gonzalez, are current members of the Board and have been directors of the Company since the date indicated in the table below opposite the proposed nominee's name.

Under the by-laws of the Company, directors of the Company are elected annually. Each director will hold office until the next annual meeting of the shareholders of the Company or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the by-laws.

The Board has adopted a majority voting policy as part of its corporate governance practices pursuant to which any nominee proposed for election as a director in an uncontested election who receives, from the Common Shares voted at the Meeting in person or by proxy, a greater number of Common Shares withheld than Common Shares voted in favour of their election, must promptly tender his or her resignation to the Chair of the Board, to take effect on acceptance by the Board. The Compensation, Nominating and Corporate Governance Committee will expeditiously consider the director's offer to resign and make a recommendation to the Board on whether to accept it. The Board will then make a final decision and announce such matter. See "Statement of Corporate Governance Practices" attached as Schedule A to this Circular.

**The Board recommends that shareholders vote FOR the election as directors of the Company of each of the seven nominees set out in the Circular. Unless authority to do so with respect to one or more directors is withheld, the persons named in the accompanying form of proxy intend to vote FOR the election of each of such nominees.**

Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the persons designated by management of the Company in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each proposed nominee for election as a director of the Company as at the date of this Circular, including the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates:

Name, Province/State and Country of Residence	Principal Occupations For Past Five Years	Director Since <sup>(1)</sup>	Common Shares Beneficially Owned or Over Which Control or Direction is Exercised <sup>(2)</sup>
George Darling <sup>(4)(5)</sup> Ontario, Canada	Senior Mine Consultant and Regional Director at Hatch Ltd., a mining business and technical consulting company (current)  Senior Mine Consultant and Regional Director of SNC-Lavalin	February 2017	42,250
Alan Edwards <sup>(3)(5)</sup> Arizona, USA	President of AE Resources Corp., a mining consulting company (current)  Non-Executive Chairman of the Board of Rise Gold Corp., a gold exploration company (current)  Non-Executive Chairman of the Board of Mason Resources Corp., a copper exploration and development company (current)  Principal of Gladiator Mining Group LLC (current)  Director, Chairman of the Technical Committee of Entrée Resources Ltd., a mineral resource company (current)  Director, Chairman of the Sustainability and Technical Committee of Americas Silver Corporation, a junior silver producer (current)  Non-Executive Chairman of the Board of AQM Copper Inc., a company that explores and develops copper deposits  Non-Executive Chairman of the Board, Director, Chairman of the Sustainability Committee of AuRico Gold Corporation, a gold mining and exploration company  Non-Executive Chairman of the Board Director, President, Chief Executive Officer, and Director of Oracle Mining Corp., a junior mining company <sup>(6)</sup>	May 2016	Nil
Alfredo Garcia Gonzalez Santiago, Chile	Businessman with over 40 years' experience in the mining business, most of them related with base metals and gold exploration (current)  Regional Exploration Manager (International Division) of Antofagasta plc, a Chilean copper mining group, from 2011 to 2017.	n/a	Nil



Name, Province/State and Country of Residence	Principal Occupations For Past Five Years	Director Since <sup>(1)</sup>	Common Shares Beneficially Owned or Over Which Control or Direction is Exercised <sup>(2)</sup>
James Gilbert <sup>(5)</sup> Virginia, USA	<p>Chief Investment Officer of Minera S.A., an international mining holding company and affiliate of Fabulosa (current) <sup>(7)</sup></p> <p>Director, Chairman of the Audit Committee of First Point Minerals Corp., a junior exploring for a unique style of nickel mineralization</p> <p>President and Chief Executive Officer of First Point Minerals Corp.</p> <p>President and Chief Executive Officer, and Director of Minera S.A.</p>	May 2016	Nil
Ed Guimaraes, CPA, CA <sup>(3)</sup> Ontario, Canada	<p>Chief Financial Officer of Sierra Metals Inc., a precious and base metals producer in Latin America (current)</p> <p>Director, Independent business consultant of Aldridge Minerals Inc., a development stage mining company</p>	February 2013	Nil
Sara Magner <sup>(4)</sup> Virginia, U.S.A.	<p>Corporate Secretary and General Counsel of Minera S.A. and Director of Fabulosa (current)</p> <p>Associate, Greenberg Traurig LLP, a multinational law firm</p>	November 2015	Nil
Gordon Pridham <sup>(3)(4)(8)</sup> Ontario, Canada	<p>Principal of Edgewater Capital, a sector focused private equity firm (current)</p> <p>Director and Chair of Newalta Corporation and director of Americas Silver Corporation, a silver producer (current)</p> <p>Director and Chair of the board of CHC Student Housing Corp., an owner and operator of student housing properties (current)</p> <p>Advisory board member of EnerTech Capital, a venture capital firm that invests in early- to growth-stage energy and clean energy companies (current)</p> <p>Executive Chairman of Titanium Corporation Inc., a company developing sustainable technology</p> <p>Director of Roxgold Inc., a gold mining company with operations in West Africa.</p>	November 2014	Nil

(1) The term of office of each director expires at the close of the next annual meeting of shareholders of the Company. An officer of the Company serves until such officer resigns or his or her replacement is appointed.

(2) Information as to Common Shares beneficially owned or over which control or direction is exercised and as to employment history, not being within the knowledge of the Company, has been furnished by the respective proposed nominees. This information does not include options exercisable for the purchase of Common Shares issued under the Company's 2006 Stock Option Plan or Deferred Share Units issued under the Company's Deferred Share Unit Plan for Non-Employee Directors. See "Directors' Compensation" below for additional information.

(3) Member of the Audit Committee.

(4) Member of the Compensation, Nominating and Corporate Governance Committee.

(5) Member of the Technical, Safety, Health, Environment and Sustainability Committee.

(6) Mr. Edwards was Chairman of the Board of Oracle Mining Corp. ("Oracle") until his resignation effective February 15, 2015. On December 23, 2015, Oracle announced that the Superior Court of Arizona had granted the application of Oracle's lender to appoint a receiver and manager over the assets, undertaking and property of Oracle Ridge Mining LLC.

(7) Mr. Gilbert is on secondment from Minera S.A. to the Company to act as Chairman of the Board and Chief Executive Officer of the Company (see "Compensation Decisions for the Year Ended September 30, 2017 – CEO" below).

- (8) Mr Pridham was subject to a management cease trade order for late filing of financial statements for CHC Student Housing in May 2017, which was subsequently lifted in July 2017.

To the knowledge of the Company, other than as disclosed in the table above, no current or proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of the Circular, a director, CEO or CFO of any company (including the Company) that:
- i. was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - ii. was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect 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 the proposed director was acting in the capacity as director, CEO or CFO of such company; 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.

### Appointment of Auditor

The auditor of the Company is currently PricewaterhouseCoopers LLP ("PwC"). At the Meeting, holders of Common Shares will be requested to re-appoint PwC as the Company's independent auditor to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the Board to fix the auditor's remuneration. PwC has been the auditor of the Company since September 2004.

The Board recommends that you vote FOR the re-appointment of PwC as independent auditor for the Company until the next annual meeting of shareholders or until a successor is appointed and the authorization of the Board, upon the recommendation of the Audit Committee, to fix the auditor's remuneration. **Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the appointment of PwC as the auditor of the Company until the close of the next annual meeting of the shareholders of the Company, or until its successor is appointed, and the authorization of the Board, upon recommendation of the Audit Committee, to fix the auditor's remuneration.**

During the fiscal year ended September 30, 2017, fees charged by PwC totaled US\$328,000, of which US\$266,000 was for audit services, US\$50,000 was for audit-related services, US\$2,000 was for tax-related services and US\$10,000 was for other fees. All non-audit services provided by PwC are subject to pre-approval by our Audit Committee. Additional information regarding the compensation of PwC is contained in our Annual Information Form for the fiscal year ended September 30, 2017 under the heading "Audit Committee Disclosure". Our Annual Information Form may be found on our website at [www.orvana.com](http://www.orvana.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## Approval of 2018 Stock Option Plan

At the Meeting, holders of Common Shares will be asked to consider and, if thought advisable, to approve, with or without amendment, a resolution (the "2018 Plan Resolution") authorizing the adoption of the 2018 Stock Option Plan of the Company (the "2018 Stock Option Plan"). The full text of the 2018 Stock Option Plan is attached to this Circular as Schedule B to this Circular. Reference should be made to the provisions of the 2018 Stock Option Plan with respect to any particular provision described below.

In addition to the proposed 2018 Stock Option Plan, the Company currently has the 2006 Stock Option Plan (as that term is defined below). The number of Common Shares that may be issued from treasury under the 2006 Stock Option Plan and outstanding at any time shall not exceed 6,000,000 Common Shares. Since the 2006 Stock Option Plan's inception and to the date hereof, 11,184,348 options have been granted, of which 5,196,668 have been cancelled and 1,409,999 have been exercised. Accordingly, as of the date hereof, 4,577,681 options are currently under grant, representing 3.35% of the issued and outstanding Common Shares of the Company. No further grants of options will be made by the Company pursuant to the 2006 Stock Option Plan. As of the date of this Circular, the Company has 136,623,171 Common Shares issued and outstanding. Accordingly, if shareholders approve the 2018 Plan Resolution, an aggregate of 9,084,636 options would remain issuable under the 2018 Stock Option Plan (representing 6.65% of the issued and outstanding Common Shares of the Company) on the date of approval.

The principal terms of the 2018 Stock Option Plan are as follows:

- Directors, executive officers and employees of, and consultants to, the Company and its subsidiaries will be eligible to participate in the 2018 Stock Option Plan.
- The aggregate number of Common Shares that may be issued under the 2018 Stock Option Plan, and any other securities-based compensation arrangements of the Company (including without limitation, the 2006 Stock Option Plan) shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis). As a result, should the Company issue additional Common Shares in the future, the number of Common Shares issuable under the 2018 Stock Option Plan will increase accordingly. The 2018 Stock Option Plan of the Company is considered an "evergreen" plan, since the Common Shares covered by options which have been exercised shall be available for subsequent grants under the 2018 Stock Option Plan and the number of options available to grant increases as the number of issued and outstanding Common Shares of the Company increases.
- The Company's annual burn rate, as described in Section 613(d) of the TSX Company Manual, under the 2006 Stock Option Plan was 0.16% in fiscal 2015, 0% in fiscal 2016 and 0.69% in fiscal 2017. Management expects that the burn rate in fiscal 2018 will be approximately 2.28% per annum. The burn rate is subject to change from time to time, based on the number of options granted and the total number of Common Shares issued and outstanding.
- The maximum number of Common Shares issuable to insiders of the Company at any time pursuant to (a) options granted under the 2018 Stock Option Plan; (b) the 2006 Stock Option Plan; and (c) any other securities-based compensation arrangements of the Company, shall not exceed in the aggregate 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis).
- The maximum number of Common Shares issued within any one-year period to insiders of the Company (a) upon the exercise of options granted under the 2018 Stock Option Plan; (b) upon the exercise of options granted under the 2006 Stock Option Plan; and (c) pursuant to any other securities-based compensation arrangements of the Company shall not exceed in the aggregate 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis).
- The total number of Common Shares that may be issued to an individual participant under the 2018 Stock Option Plan upon the exercise of options granted thereunder, together with the number of Common Shares issuable to such participant under (a) the 2006 Stock Option Plan; and (b) any other securities-based compensation arrangements of the Company, shall not exceed, in the aggregate, 5% of the Company's

total outstanding Common Shares issued and outstanding from time to time (calculated on a non-diluted basis).

- The exercise price of each option shall be determined by the Board, provided that in no instance will the exercise price be less than the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange for the five trading days immediately preceding the day on which such option is granted.
- The schedule and dates for vesting of options granted under the 2018 Stock Option Plan shall be determined by the Board, provided that in no event shall more than 50% of the Common Shares issuable under an option be issuable within twelve (12) months after the date the option is granted and that in any event all of the Common Shares shall be issuable under the option not later than 36 months following the date the option is granted.
- The term of the options granted shall be determined by the Board, provided that, unless the Board otherwise determines, options shall terminate and may not be exercised after the earliest to occur of a date that is no later than five years following the date of the granting of such options and if:
  - an optionholder resigns from the Company, each unvested option held by the optionholder will automatically terminate and become void immediately upon resignation, and each vested option will cease to be exercisable on the earlier of the original expiry date of the option and ninety (90) days following the effective resignation date;
  - an optionholder retires, each unvested option held by such optionholder will continue to vest for a period of twelve (12) months from the date of his or her retirement and all vested options held by such optionholder will continue to be exercisable for a period ending on the earlier of (i) the original expiry date of the option, and (ii) the date that is twenty-four (24) months following the date of the optionholder's retirement;
  - upon death of an optionholder, each unvested option held by such optionholder will vest immediately and the legal representative of the optionholder may exercise the optionholder's options for the period ending on the earlier of (i) the original expiry date of the option, and (ii) the date that is twelve (12) months following the date of the optionholder's death;
  - an optionholder ceases to be a director, executive officer, employee or consultant of the Company as a result of his or her disability, each unvested option held by such optionholder will continue to vest in accordance with the terms of grant of such option and each vested option held by such optionholder will remain exercisable until the original expiry date of the option;
  - an optionholder's service, consulting relationship, or employment with the Company or a subsidiary having been terminated for cause, each option held by the optionholder will automatically terminate and become void; and
  - an optionholder's service, consulting relationship, or employment with the Company or a subsidiary having been terminated without cause, or the optionholder resigns from his or her employment for good reason, each unvested option held by the optionholder will automatically terminate and become void on the termination date and each vested option will cease to be exercisable on the earlier of the original expiry date of the option and ninety (90) days following the termination date, unless otherwise determined by the Board, in its sole discretion.
- Options granted under the 2018 Stock Option Plan may not be assigned by the optionholder.
- The Board may, from time to time, amend any of the provisions of the 2018 Stock Option Plan or suspend or terminate the 2018 Stock Option Plan or amend the terms of any then outstanding options granted

pursuant to the 2018 Stock Option Plan, provided that no such amendment, suspension or termination shall be made at any time to the extent that such action would materially adversely affect the existing rights of a 2018 Stock Option Plan participant with respect to any then outstanding options, other than with such participant's consent in writing.

- Subject to any applicable rules of the TSX, the Board may from time to time, in its absolute discretion and without the approval of shareholders, make the following amendments to the 2018 Stock Option Plan or any option: (a) amend the vesting provisions of the 2018 Stock Option Plan and any stock option certificate; (b) amend the 2018 Stock Option Plan, any stock option certificate or any option as necessary to comply with applicable law or the requirements of the TSX or any other regulatory body having authority over the Company, the 2018 Stock Option Plan or the shareholders; (c) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the 2018 Stock Option Plan, correct or supplement any provision of the 2018 Stock Option Plan that is inconsistent with any other provision of the 2018 Stock Option Plan, correct any grammatical or typographical errors or amend the definitions in the 2018 Stock Option Plan regarding administration of the plan; (d) any amendment respecting the administration of the 2018 Stock Option Plan; and (e) any other amendment that does not require approval of the shareholders under Section 3.5(4) of the 2018 Stock Option Plan (specific matters requiring shareholder approval).

In addition, the Company shall obtain shareholder approval of: (i) any amendment to the maximum number of Common Shares issuable pursuant to options granted under the 2018 Stock Option Plan and the 2006 Stock Option Plan taken together (such maximum being 10% of the Company's issued and outstanding shares in the aggregate), (ii) any amendment that would reduce the exercise price of any option, cancellation and reissue of options granted, extension of the expiry date of an option or a substitution of options with cash or other awards on the terms that are more favourable to the optionholder (iii) any amendment to the insider participation limit; (iv) any amendment to the amendment provisions at Subsections 3.5(3) and (4) of the 2018 Stock Option Plan; (v) any amendment to the transfer restriction provision at Section 4.6 of the 2018 Stock Option Plan; and (vi) any change that would materially modify the eligibility requirements for participation in the 2018 Stock Option Plan.

The Board has determined it is advisable to adopt the 2018 Stock Option Plan as it believes that it will further the Company's ability to attract, motivate and retain key personnel given the competitive market for individuals with superior talent and experience in which the Company operates, and accordingly, is in the best interests of the Company's shareholders. The Company believes that stock options most effectively align directors', executives' and shareholders' interest in share price growth and their compensation to the Company's performance. With respect to executives' incentive compensation, the Board determined that all grants of long-term incentive compensation in respect of fiscal 2017 and beyond will be in stock options and there will be no future grants of RSUs and SARs (as those terms are defined below – see "Long-term Incentive Compensation" section below). With respect to directors' compensation, the Board determined that after the completion of fiscal 2018, there will be no future grants of DSUs (as that term is defined below – see "Directors' Compensation" section below) and that all grants of long term compensation in respect of fiscal 2019 and beyond for Members of the Board will be in stock options. In this regard, the 2018 Stock Option Plan will allow the Company to transition away from the granting of RSU, SARs and DSUs, and grant long term compensation in stock options.

The Common Shares issuable under the 2018 Stock Option Plan have been conditionally approved for listing by the Toronto Stock Exchange, subject to shareholder approval.

The shareholders of the Company will be asked to pass the following resolution:

"BE IT RESOLVED THAT:

1. the 2018 Stock Option Plan of the Company as disclosed in this Circular be and is hereby approved;
2. all unallocated options under the 2018 Stock Option Plan be and are hereby approved;

3. the Company has the ability to continue granting options under the 2018 Stock Option Plan until February 13, 2021, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
4. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.”

In order to become effective, the 2018 Plan Resolution must be approved by a majority of the votes cast by the holders of Common Shares present or represented by proxy at the Meeting.

The board of directors recommends a vote “FOR” the adoption of the 2018 Stock Option Plan. **In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the 2018 Plan Resolution.**

#### **Other Matters**

The Company knows of no other matters to be submitted to the shareholders at the Meeting. If any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares they represent in accordance with their judgement on such matters.

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

National Policy 58-201 – Corporate Governance Guidelines of the Canadian Securities Administrators (“CSA”) sets out a series of guidelines for effective corporate governance (the “Corporate Governance Guidelines”). The Corporate Governance Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. As it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance with the Corporate Governance Guidelines, National Instrument 58-101 - Disclosure of Corporate Governance Practices of the CSA (“NI 58-101”) requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Corporate Governance Guidelines. The Company’s approach to corporate governance in relation to the Corporate Governance Guidelines is set out in Schedule A to this Circular.

### **EXECUTIVE COMPENSATION**

Under applicable securities legislation, the Company is required to include in this Circular certain information concerning the compensation earned from the Company and any of the Company’s subsidiaries by the Company’s Chief Executive Officer (the “CEO”) and its Chief Financial Officer (the “CFO”) (regardless of the amount of compensation of those individuals) and each of the other three most highly compensated executive officers of the Company, including any of its subsidiaries, whose total compensation exceeded \$150,000 during the Company’s most recently completed fiscal year (collectively, the “NEOs” and each an “NEO”).

Unless otherwise noted herein, all dollar amounts in this Circular are in Canadian dollars. As at September 29, 2017, the last business day of the Company’s fiscal 2017 year, the closing rate of one US dollar has been converted to Canadian dollars at the exchange rate of 1.2480 (based on the Bank of Canada closing rate) and one Euro has been converted to Canadian dollars at the exchange rate of 1.4687 (based on the European Central Bank closing rate).

#### **Compensation Discussion and Analysis**

##### ***Objectives of the Executive Compensation Program***

Orvana’s executive compensation program is designed to be market competitive with a long-term view in order to attract, engage and retain high performing talent. The objectives of Orvana’s executive compensation program are:

- *To provide compensation that is fair and reasonable to senior executives*

Orvana awards compensation based on performance against both quantitative and qualitative measures aligned with the Company's business strategy, while ensuring that participants are rewarded at market competitive compensation levels. Orvana determines compensation with the goal of attracting and retaining executives who are highly qualified, experienced and have a proven track record of performance, while maintaining internal pay equity such that executives in similar positions are treated equitably.

- *To motivate senior executives and managers to create value for the Company*

Under Orvana's executive compensation program, an appropriate portion of total compensation is variable and linked to performance, thus rewarding executives when they successfully achieve corporate, operation-specific and individual performance objectives over the short and long-term. Orvana ensures that the total compensation package provided to senior executives includes a significant portion of compensation that is at risk and tied to value creation, reinforcing the importance of achieving performance goals and the ability of senior executives to influence business outcomes and financial performance. In doing so, Orvana uses corporate financial and operational results as key performance measures.

- *To align performance metrics and compensation to the Company's business strategy*

Orvana's executive compensation program aligns the interests of employees with the interests of shareholders through the link to long-term value creation. Orvana aligns compensation with corporate longevity and sustainability by promoting a pay-for-performance culture, providing that a significant portion of executive compensation is variable or at risk (and therefore not guaranteed) and implementing an executive compensation program that is designed to mitigate against excessive risk-taking by employees.

### ***Elements of Executive Compensation***

The elements of the Company's executive compensation program, which include both fixed compensation and performance-based variable compensation, are: base salary, short-term incentive plan compensation, long-term incentive plan compensation and a benefits program. The sum of these compensation elements comprises the total direct compensation of the Company's executive officers. The Company does not have a Company-sponsored pension plan.

#### ***Base Salary***

The base salary establishes the competitive foundation of the executive compensation program. Base salary is a fixed component of the compensation program and is used to determine other elements of compensation and benefits. Base salaries are intended to reward executives for knowledge, qualifications, experience and individual performance/behaviour required to perform their role. The assessment of base salary is discretionary and is reviewed on an annual basis. In certain cases, base salary may be set above or below the median level in the benchmark group used by the Company to recognize the high performing track record and/or developing nature of incumbents in certain roles.

#### ***Short-Term Incentive Compensation***

The Company's Short-Term Incentive Plan ("STIP") generally consists of a cash bonus paid based on annual performance. The STIP provides a variable component of compensation designed to reward full-time executives for corporate, operations specific or individual achievements against challenging yet attainable objectives that contribute to shareholder value. The STIP is designed to attract, retain and motivate high quality professionals and provide competitive, performance-based opportunities aligned with the Company's business strategy and is reflective of market practice for companies of similar size, scope and complexity. Award opportunities vary by employee level, role and responsibilities and align with market practice. The STIP utilizes performance measures and targets that are both quantitative and qualitative in nature. STIP minimum, maximum and target award levels (as a percentage of base salary) are set pursuant to employment agreements or, otherwise, on an annual basis along with performance measures and weightings. To ensure a pay-for-performance culture, STIP payouts may only be made if certain minimum performance levels are met.

#### ***Long-term Incentive Compensation***

The elements of the compensation program that are intended to provide long-term incentives are the grants of stock options, which may be granted annually or in connection with the initial appointment of certain executives. These grants of equity-linked compensation are intended to better align the interests of an

executive with those of shareholders by connecting a significant portion of an executive's compensation to the Company's share price performance. The incremental vesting of awards over a period of time is also intended to aid in executive retention as well as to mitigate against undue risk-taking by executives.

During fiscal 2017, the Board, upon advice from the Compensation/Governance Committee, determined that all grants of long-term incentive compensation in respect of fiscal 2017 and beyond will be in stock options instead of restricted share units and stock appreciation rights. Orvana believes that stock options most effectively align executives' and shareholders' interest in share price growth and their compensation to the Company's performance.

(i) *Stock Options*

The Company grants stock options in connection with the initial appointment of certain executives (including NEOs). The value of stock options is directly linked to the performance of the price of the Common Shares. The purpose of grants of stock options in connection with the initial appointment of certain executives is to assist in attracting talented executives and to align their interests with those of the Company's shareholders from the date of their initial appointment. Grants of additional stock options may be made to an executive based on the recommendation of the Compensation, Nominating and Corporate Governance Committee (the "Compensation/Governance Committee"), taking into account such factors as: an exceptional level of Company or individual performance, the number of stock options awarded to such executive in the past and other factors that might justify an additional grant.

During fiscal 2017, the Board, upon advice from the Compensation/Governance Committee, determined that all grants of long-term incentive compensation in respect of fiscal 2017 and beyond will be in stock options and there will be no future grants of RSUs and SARs. Orvana believes that stock options most effectively align executives' and shareholders' interest in share price growth and their compensation to the Company's performance. Outstanding RSUs and SARs will continue to be governed by the RSU Plan and SAR Plan, as applicable.

Stock options are granted under the Company's stock option plan adopted by the Company effective on February 16, 2006 (the "2006 Stock Option Plan"). The number of Common Shares that may be issued from treasury under the 2006 Stock Option Plan and outstanding at any time shall not exceed 6,000,000 Common Shares. Directors, officers, employees and consultants of the Company or its subsidiaries are eligible to participate in the 2006 Stock Option Plan. The number of Common Shares issuable to insiders at any time and in any one-year period under the 2006 Stock Option Plan and any other security based compensation arrangements of the Company shall not exceed in the aggregate 10% of the Company's total issued and outstanding Common Shares. The number of Common Shares which may be issued to a participant under the 2006 Stock Option Plan and any other security based compensation arrangements of the Company shall not exceed in the aggregate 5% of the Company's total issued and outstanding Common Shares. Stock options granted under the 2006 Stock Option Plan have an exercise price of not less than the volume-weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the trading day prior to the option grant date.

Such options become fully-vested not later than three years following the date on which they are granted, provided that not more than 50% of the Common Shares shall be issuable under an option within 12 months of the grant date. Stock options granted to a participant shall terminate and generally may not be exercised after the earliest to occur of: (i) the fifth anniversary of the date on which they are granted, (ii) 12 months from the date that the participant ceases to be employed by, or provide services to the Company or a subsidiary thereof (other than where such cessation is due to the participant being terminated for "cause", but including without limitation where such cessation is due to retirement, long term disability or the death of the participant); and (iii) immediately in the event of a termination for "cause" of the participant.

From time to time, the Board may amend, suspend or terminate any of the provisions of the 2006 Stock Option Plan or amend the terms of any then outstanding option granted pursuant to the 2006 Stock Option Plan, provided, however, that: (a) such amendment, suspension or termination is in accordance with applicable laws and the results of any stock exchange on which the Common Shares are listed; (b) no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of a participant with respect to any then outstanding option without his or her consent in writing; and (c) the Company shall obtain shareholder approval for any amendment to the



maximum number of shares issuable under the 2006 Stock Option Plan, any amendment that would reduce the exercise price of or extend the term of an outstanding option of an insider. The options granted under the 2006 Stock Option Plan are non-transferable.

The NEOs may not sell “short” or sell a “call option” on any securities of the Company or purchase a “put option” where they do not own the underlying securities.

*(ii) Restricted Share Units*

On October 1, 2008, the Company adopted the Restricted Share Unit Plan for Designated Executives (the “RSU Plan”). As described below, RSUs were used by the Company to provide certain executive officers (including the NEOs) with long-term incentive compensation that was measured against the achievement of certain performance objectives. As RSUs were granted based on past performance, executives were not considered eligible to receive grants of RSUs until the end of the fiscal year in which they join the Company. The amount of the grant was variable from year to year in relation to performance.

RSUs were granted on an annual basis and made up a portion of the annual long-term incentive compensation of the NEO’s long-term compensation. The number of RSUs included in a grant was determined by dividing the value of the RSU award by the average closing price of the Common Shares on the TSX for the five trading days immediately prior to the grant date which occurs after the end of the fiscal year in which the services to which the grant relates were rendered.

RSUs vest on December 1 of the third calendar year following the end of the calendar year in which the executive provided the services to which the grant relates (where such services straddle two calendar years, the first calendar year in which the services to which the grant of such RSUs relate were rendered) or such other date as may be specified in the terms of the grant.

Pursuant to the RSU Plan, at vesting, each RSU will have a value equal to the average closing price of one Common Share for the five trading days prior to the vesting date. Executives who continue in employment with the Company or one of its affiliates on the vesting date shall receive a payment in respect of the vested RSUs. RSUs may be forfeited in the event of cessation of the executive’s employment by the Company and its affiliates prior to vesting.

There will be no future grants of RSUs. During fiscal 2017, the Board, upon advice from the Compensation/Governance Committee, determined that all grants of long-term incentive compensation in respect of fiscal 2017 and beyond will be in stock options instead of RSUs. Orvana believes that stock options most effectively align executives’ and shareholders’ interest in share price growth and their compensation to the Company’s performance. Outstanding RSUs will continue to be governed by the RSU Plan, as applicable.

*(iii) Stock Appreciation Rights*

The Board implemented a stock appreciation rights plan (the “SAR Plan”) commencing in respect of fiscal 2014. Pursuant to the SAR Plan, stock appreciation rights (“SARs”) were issued to executives on an annual basis and made up a portion of the annual long-term incentive compensation package.

SARs vest in equal parts on the first, second and third anniversaries following the date of grant. After vesting, a holder of SARs is entitled to receive a cash payment equal to the excess (if any) of the fair market value of the SARs as of the exercise date over the fair market value of the SARs as of the date of grant, as such terms are defined in the SAR Plan. The exercise period for the SARs is the earlier of (i) December 24 (or such later date on or before December 31 as the Company may permit) of the first calendar year from and after the year in which the SAR vested and in which an increase in value has occurred over the fair market value of the SAR on the grant date, and (ii) the third anniversary of the date on which the SAR vested.

Subject to the terms of the SAR Plan, the Board has discretion to determine other terms or conditions governing SARs vesting and/or payout, based on factors including, without limitation, the financial performance or results of the Company and the return to shareholders (with or without reference to other comparable companies).

There will be no future grants of SARs. During fiscal 2017, the Board, upon advice from the Compensation/Governance Committee, determined that all grants of long-term incentive compensation in

respect of fiscal 2017 and beyond will be in stock options instead of SARs. Orvana believes that stock options most effectively align executives' and shareholders' interest in share price growth and their compensation to the Company's performance. Outstanding SARs will continue to be governed by the SAR Plan, as applicable.

#### *Other Compensation*

Benefits and perquisites are not intended to form a significant part of the overall executive compensation program. Orvana's philosophy is to reward executives primarily through a performance-driven total compensation package. The Company's NEOs do, however, receive certain benefits that the Company believes are reasonable and consistent with its overall executive compensation program. These benefits include medical, dental, disability, accidental death and dismemberment insurance and life insurance. These benefits vary depending on the jurisdiction and contracting arrangement with the executive.

#### **How the Company Determines Executive Compensation - Report of Executive Compensation**

The Compensation/Governance Committee reviews each component of compensation for each NEO and makes compensation recommendations to the Board. In making its recommendations, the Compensation/Governance Committee considers, among other things, recommendations made by any external compensation consultant retained by the Compensation/Governance Committee, if any, evaluations in respect of corporate and individual performance and the recommendations of the CEO in respect of the other NEOs. The Board reviews the recommendations of the Compensation/Governance Committee and provides final approval of the compensation of the NEOs.

As at the date of the Circular, the Compensation/Governance Committee is comprised of Gordon Pridham (Chair), George Darling and Sara Magner. Mr. Pridham and Mr. Darling are independent directors of the Company (within the meaning of applicable Canadian securities laws). Ms. Magner is not an independent director of the Company by virtue of her position as the Corporate Secretary and General Counsel of Minera S.A., an affiliate of Fabulosa (the Company's majority shareholder) ("Minera"). Each such member of the Compensation/Governance Committee has extensive experience in the mining industry, managing businesses and managing executives. In such capacities, such members have addressed compensation and performance matters. The Compensation/Governance Committee has also continued to rely on advice received from external independent compensation consultants as discussed in more detail below.

*Executive Compensation-Related Fees:* In respect of fiscal 2015, the Compensation/Governance Committee retained Roger Gurr & Associates ("RG") to obtain certain assistance in connection with its compensation mandate including the receipt of updates on (i) current mining sector compensation market information and trends affecting the approaches, levels and types of compensation provided to the Company's executives and (ii) general levels and trends to assist in the review of compensation in respect of fiscal 2015 and expected approaches to executive compensation at the end of calendar 2015 considering the Company's fiscal year end is September 30, 2016. A comparator group comprised of the following ten operating mining companies was generally considered in this review (collectively the "2015 Comparator Group"): Argonaut Gold Inc., Copper Mountain Mining Corporation, Endeavour Silver Corp., Great Panther Silver Ltd., Kirkland Lake Gold Inc., Luna Gold Corp., Richmond Mines Inc., St. Andrew Goldfields Ltd., Timmins Gold Corp. and Trevali Mining Corporation. These companies were considered similar in size, production and complexity to Orvana. RG received a fee of \$10,000 for fiscal 2015 in connection with such compensation consulting services. Neither RG nor any of its affiliates have provided any other services to the Company.

As a guiding principle in determining executive compensation, Orvana has been seeking to position base salaries and target annual and long-term incentive awards near the effective median of its competitive market, with the opportunity for an executive to earn above median total compensation for superior performance. Base salaries have been reviewed annually by the Compensation/Governance Committee following which a recommendation regarding base salary for the upcoming year is provided to the Board. In its annual review, the Committee considers the compensation levels in benchmark companies to ensure that the base salary of each NEO properly reflects Orvana's goal of setting compensation relative to benchmark companies as well as the NEO's expertise and performance in fulfilling their role and responsibilities.

The Compensation/Governance Committee works with the CEO and the other NEOs to establish key performance objectives designed to reflect both the Company's short-term goals and its long-term strategic

objectives and to set target amounts for short-term bonus and long-term incentive compensation of each NEO by reference to the effective median of benchmark companies. The Compensation/Governance Committee also considers major risks that face the Company such as health, safety and environmental risks, and ensures that the objectives of the NEOs include managing such risks. The amount of incentive compensation is determined in part by the Company achieving such objectives and in part by the overall view of the executive's effectiveness and contribution to the Company.

### **Compensation Decisions for the Year Ended September 30, 2017**

During the 2017 fiscal year, the NEOs were (i) Mr. James Gilbert, the current Chairman and CEO, effective August 4, 2016; (ii) Mr. Jeffrey Hillis, the current CFO; (iii) Mr. Juan Gavidia, the current Vice President, Operations; (iv) Mr. Joaquin Zenteno, the current General Manager of Empresa Minera Paititi S.A. ("EMIPA"); and (v) Ms. Nuria Menendez Martinez, the General Manager of OroValle Minerals S.L. ("OroValle").

The performance objectives established for fiscal 2017 included: (i) health, safety and environment; (ii) operations, production and production quality; and (iii) financial condition, including balance sheet management, operating costs, capital expenditures.

During the 2017 fiscal year, the Board, upon advice from the Compensation/Governance Committee, determined that all grants of long-term incentive compensation in respect of fiscal 2017 and beyond will be in stock options and there will be no future grants of RSUs and SARs. Orvana believes that stock options most effectively align executives' and shareholders' interest in share price growth and their compensation to the Company's performance. Outstanding RSUs and SARs will continue to be governed by the RSU Plan and SAR Plan, as applicable.

Following the completion of fiscal 2017, the Compensation/Governance Committee reviewed corporate performance in respect of fiscal 2017 and the success of each NEO in achieving the objectives and considered certain performance achievements in making its recommendations for executive compensation to the Board in respect of fiscal 2017. The Compensation/Governance Committee also considered the continuing challenging economics facing the global mining sector, the reduced number of senior executives managing Orvana's operations and strategic direction relative to the size and complexity of the organization, and in comparison to other companies considered similar in size, production and complexity to Orvana.

Please refer to the "Summary Compensation Table" below for further detail.

### **CEO**

Mr. Gilbert was appointed Chairman and CEO of the Company, effective August 4, 2016. The Company entered into an agreement with Minera and Mr. Gilbert for the secondment of Mr. Gilbert in such capacity (the "Minera Secondment Agreement"). Pursuant to the Minera Secondment Agreement, Orvana pays Minera a monthly amount of management fees representing Mr. Gilbert's salary, benefits and other employee expenses. Said fees total annually approximately \$403,104 (US\$323,000) in base salary and approximately \$100,378 (approximately US\$80,431) in benefits and other employee expenses. In respect of fiscal 2017, the targeted amounts for each of annual performance bonus and long-term incentive compensation are established as 50% to a maximum of 75% of base salary. The combined maximum for the annual performance bonus and long-term incentive compensation was limited to 150% of base salary. The annual performance bonus is reimbursed by the Company to Minera upon its payment of the same to Mr. Gilbert and the long-term incentive compensation is granted in options to Mr. Gilbert.

In connection with his performance in fiscal 2017, Mr. Gilbert received (i) an annual performance bonus of \$220,726 (approximately US\$176,864) representing the targeted amount of 54.76% of his base salary, and (ii) long-term incentive compensation consisting of 1,938,023 stock options.

Minera pays to Mr. Gilbert the entire amount of the compensation payable by Orvana to Minera under the Minera Secondment Agreement for the services provided to Orvana. Minera does not pay Mr. Gilbert any other compensation, except as set forth below in "Termination and Change of Control Benefits."

## **CFO**

Mr. Hillis was CFO of the Company during fiscal 2017. Mr. Hillis's base salary was \$285,000. The targeted amounts for each of annual performance bonus and long-term incentive compensation were established as 40% to a maximum of 60% and 80% to a maximum of 100%, respectively of his base salary. The combined maximum for the annual performance bonus and long-term incentive compensation was limited to 160% of his base salary.

In connection with his performance in fiscal 2017, Mr. Hillis received (i) an annual performance bonus of \$88,635 representing the targeted amount of 31% of his base salary, and (ii) long-term incentive compensation consisting of 757,564 stock options.

## ***Vice President, Operations***

Mr. Gavidia has been engaged as an independent consultant to the Company since February 4, 2016. In connection with his appointment as Vice President Operations on August 4, 2016, Mr. Gavidia and the Company entered into a new independent consulting agreement (the "Second Independent Consulting Agreement"). Prior to this time, Mr. Gavidia was a director of the Company from November 24, 2015 through February 4, 2016.

Under the Second Independent Consulting Agreement, Mr. Gavidia received a consulting fee of approximately \$287,040 (US\$230,000) annually in addition to an allowance for health insurance premiums of approximately \$22,464 (US\$18,000) annually and an allowance for housing of approximately \$14,976 (US\$12,000) annually. In respect of his performance in fiscal 2017, Mr. Gavidia received an annual performance bonus of approximately \$173,899 (US\$139,342). The targeted amount for the annual performance bonus is 60% with a threshold of 40% and maximum of 100% under the Second Independent Consulting Agreement. A one-time payment of approximately \$93,600 (US\$75,000) was also paid to Mr. Gavidia in fiscal 2017 relating to his consulting services to the Company.

## ***General Manager of Empresa Minera Paititi S.A.***

Mr. Joaquin Zenteno has been an employee of EMIPA since December 9, 2013. He was subsequently appointed General Manager of EMIPA, effective August 1, 2016. In his capacity as General Manager, Mr. Zenteno's annual base salary (including legally required bonus amounts under Bolivian employment laws) is approximately \$173,406 (US\$138,947) during fiscal 2017. Annually, EMIPA has the discretion to pay a bonus for performance considering the salary level and the performance of Mr. Zenteno. In connection with Mr. Zenteno's performance in fiscal 2017, he received a cash bonus of approximately \$31,200 (US\$25,000).

Mr. Zenteno has no outstanding options to purchase Common Shares, RSUs or SARs as of the date of the Circular and did not receive long-term incentive compensation in respect of fiscal 2017.

## ***General Manager of OroValle Minerals S.L.***

Ms. Nuria Menendez has been an employee of OroValle Minerals S.L. ("OroValle"), a wholly-owned subsidiary of the Company, which owns and operates the Company's El Valle and Carlés mines in Spain, since September 10, 2014. In September 2016, Ms. Menendez was appointed General Manager of OroValle.

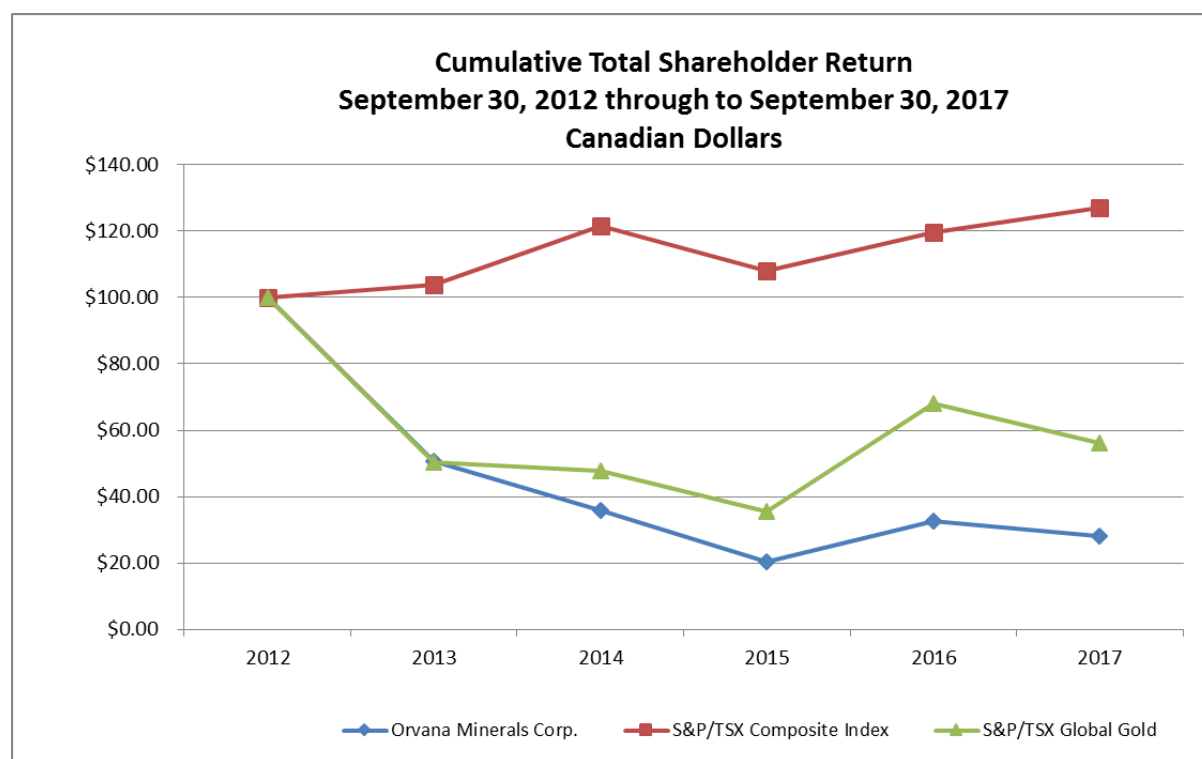
Ms. Menendez's base salary was \$132,183 (€90,000) in fiscal 2017. OroValle has the discretion to pay an annual bonus for Ms. Menendez's performance during the year. In connection with Ms. Menendez's performance in fiscal 2017, she was awarded a cash bonus of approximately \$44,061 (€30,000).

Ms. Menendez has no outstanding options to purchase Common Shares, RSUs or SARs as of the date of the Circular and did not receive long-term incentive compensation in respect of fiscal 2017.

## **Performance Graph**

The following graph compares the yearly percentage change in the Company's cumulative total shareholder return on its Common Shares with the cumulative total return of the S&P/TSX Composite Index (the "S&P/TSX Index") and the S&P/TSX Global Gold Index for the five most recently completed fiscal years. The graph illustrates the cumulative return on a \$100 investment in Common Shares made on September 30, 2012 as compared with the cumulative return on a \$100 investment in the S&P/TSX Index

and the S&P/TSX Global Gold Index made on the same date. The Common Share performance as set out in the graph does not necessarily indicate future price performance.



Year ended September 30	2012	2013	2014	2015	2016	2017
<b>Orvana Minerals Corp.</b>	\$100.00	\$50.56	\$35.96	\$20.22	\$32.58	\$28.09
<b>S&amp;P/TSX Composite Index</b>	\$100.00	\$103.81	\$121.46	\$108.03	\$119.55	\$126.93
<b>S&amp;P/TSX Global Gold Index</b>	\$100.00	\$50.40	\$47.68	\$35.54	\$67.93	\$56.18

The Company is of the view that the trend in the Company's share price shown in the performance graph is consistent with the trend in the Company's performance and compensation to officers of the Company during that period, taking into account the following factors:

- As reported in the Company's Management Discussion & Analysis for the year ended September 30, 2017:
  - mine production increased significantly at the El Valle Mine, over fiscal 2017 by 53% to 733,086 tonnes compared with fiscal 2016, supported by the investments made into infrastructure and heavy equipment through the year. As a result, plant throughput was sustained at nameplate capacity through the latter half of the year, achieving an average of 2,230 tonnes per day. Despite declining metal grades in mined skarn areas during fiscal 2017, gold, copper and silver production increased by 15%, 29% and 26% at El Valle, respectively, compared with fiscal 2016;
  - gold production achieved at Don Mario during fiscal 2017 reached its highest levels since fiscal 2009, supported by the re-commissioned carbon-in-leach circuit completed in early 2017. Gold recovery rates averaged 87.8% over the second half of fiscal 2017, exceeding Don Mario's targeted average gold recovery of 80%; and

- as a result of the above productivity increases, the Company reached record gold production of 90,292 ounces during fiscal 2017, a 37% increase compared to fiscal 2016. The Company also realized significant decreases in its unitary costs, exceeding the Company's unitary cost guidance targets for fiscal 2017.
- EMIPA closed \$11.3 million of debt facilities comprised of an \$8.3 million term facility and a \$3.0 million revolving working capital facility. Since the beginning of 2013, gold prices fell from historically high levels and only experienced a recovery in fiscal 2016 and 2017. The gold industry has been uniformly affected by falling gold prices as reflected in the year-over-year decline of the S&P/TSX Global Gold Index and in the Company's share performance.
- The Company's executive compensation program is designed to be competitive with a long-term view in order to attract, engage and retain high performing talent.

### Summary Compensation Table

The following table sets forth information concerning the compensation earned from the Company and any of the Company's subsidiaries by each person who was an NEO during the fiscal year ended September 30, 2017. Salaries for the current NEOs are set out in Canadian dollars and salaries for the current NEOs are paid in Canadian dollars with the exceptions of (i) Mr. James Gilbert who is paid in U.S. dollars, (ii) Mr. Juan Gavidia who is paid in U.S. dollars, (iii) Mr. Joaquin Zenteno who is paid in U.S. dollars, and (iv) Ms. Nuria Menendez who is paid in Euros. For reporting purposes, the compensation information set out in the below tables for each of Messrs. Gilbert, Gavidia and Zenteno is converted to Canadian dollars at the exchange rate of US\$1.00 = \$1.2480 (based on the Bank of Canada closing rate for September 29, 2017) and Ms. Menendez's compensation information has been converted to Canadian dollars at the exchange rate of €1.00 = \$1.4687 (based on the European Central Bank closing rate for September 29, 2017).

#### Summary Compensation Table for Fiscal Year ended September 30, 2017

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(6)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plan <sup>(7)</sup>	Long-term incentive plans			
James Gilbert <sup>(1)</sup> Chairman and CEO	2017	403,104	Nil	250,005	220,726	Nil	Nil	100,378	974,213
	2016	70,613	12,500	Nil	Nil	Nil	Nil	51,286	134,399
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jeffrey Hillis <sup>(2)</sup> CFO	2017	285,000	Nil	97,725	88,635	Nil	Nil	17,170	488,531
	2016	315,454	102,000	129,389	102,000	Nil	Nil	18,868	667,711
	2015	116,875	52,275	61,258	12,750	Nil	Nil	5,844	249,002
Juan Gavidia Vice President, Operations <sup>(3)</sup>	2017	287,040	Nil	Nil	173,899	Nil	Nil	131,040	591,979
	2016	241,880	Nil	Nil	Nil	Nil	Nil	38,492	280,372
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joaquin Zenteno General Manager, EMIPA <sup>(4)</sup>	2017	173,406	Nil	Nil	31,200	Nil	Nil	26,490	231,096
	2016	120,442	Nil	Nil	20,987	Nil	Nil	18,806	158,924
	2015	112,622	Nil	Nil	20,018	Nil	Nil	14,674	155,321
Nuria Menendez <sup>(5)</sup> General Manager, OroValle	2017	132,183	Nil	Nil	44,061	Nil	Nil	6,345	182,589
	2016	123,291	Nil	Nil	23,504	Nil	Nil	10,262	157,057
	2015	81,270	Nil	Nil	15,034	Nil	Nil	22,082	118,386

- (1) Mr. Gilbert was appointed as a director and Chairman of the Board commencing May 20, 2016. Mr. Gilbert was appointed as CEO commencing August 4, 2016. After his appointment as CEO, no separate compensation was paid for his service as director or Chairman of the Board. All compensation paid after Mr. Gilbert was appointed CEO on August 4, 2016 is pursuant to the Minera Secondment Agreement (see above "Compensation Decisions for the Year Ended September 30, 2017 – CEO" and below "Termination and Change of Control Benefits"). The effective annual base salary under the Minera Secondment Agreement is approximately \$403,104 (US\$323,000). The amount in All Other Compensation is attributable to payments to Minera for benefits and other employee expenses under the Minera Secondment Agreement.
- (2) Mr. Hillis was the CFO of the Company during fiscal 2017 and formerly served as CFO and Interim CEO from February 21, 2016 through August 4, 2016. Mr. Hillis's effective annual salary as CFO during fiscal 2017 was \$285,000. Amounts in All Other Compensation in respect of fiscal 2017 include benefits.

- (3) Mr. Gavidia served as a director of the Company from November 24, 2015 through February 4, 2016. Mr. Gavidia has been engaged as an independent consultant to the Company since February 4, 2016. As of August 1, 2016, Mr. Gavidia and the Company entered into the Second Independent Consulting Agreement and Mr. Gavidia was appointed Vice President, Operations. Under the Second Independent Consulting Agreement, Mr. Gavidia received a consulting fee in respect of fiscal 2017 of approximately \$287,040 (US\$230,000) in addition to an allowance for health insurance premiums of approximately \$22,464 (US\$18,000) annually and an allowance for housing of approximately \$14,976 (US\$12,000) annually. Included in All Other Compensation are his allowances and a one-time payment of approximately \$93,600 (US\$75,000) related to his consulting services to the Company.
- (4) Mr. Zenteno was the General Manager of EMIPA during fiscal 2017. Amounts in All Other Compensation are comprised of legally required bonuses under applicable Bolivian employment legislation.
- (5) Ms. Menendez was the General Manager of OroValle during fiscal 2017. Amounts in All Other Compensation are comprised of employee benefits.
- (6) These amounts include the grant date fair value of stock options granted to the respective NEOs. In respect of fiscal 2017, Mr. Gilbert was granted 1,938,023 options and Mr. Hillis was granted 757,564 options on December 21, 2017. The methodology used to calculate the amount of this grant was the Black-Scholes model and the following assumptions were used: volatility of 74.84%, dividend yield of nil, interest rate of 1.80%, expected life of 5 years and exercise price of \$0.21. There is no difference between the Black-Scholes compensation value of the stock options and the accounting fair value for financial statements purposes, other than the conversion from the Canadian dollar value to the presentation currency of our financial statements (US Dollar).
- (7) Amounts under "Annual incentive plan" represented cash bonuses as part of the NEO's short-term incentive compensation paid in respect of such year.

## Incentive Plan Awards

The following table provides information regarding all incentive plan awards for each NEO outstanding as of September 30, 2017.

### Outstanding Share-based Awards and Option-based Awards as at September 30, 2017

Name	Option-based Awards <sup>(1)</sup>				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	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 that have vested (\$)
James Gilbert	Nil	Nil	Nil	Nil	Nil	Nil	18,382
Jeffrey Hillis	100,000 944,444	\$0.37 \$0.23	May 14, 2020 December 22, 2021	Nil 18,889	773,403	193,351	32,535
Juan Gavidia	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joaquin Zenteno	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nuria Menendez	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (1) The Option-based Awards disclosed in the above table do not include the SARs which have been issued to the NEOs pursuant to the SARs Plan. As at September 30, 2017, Mr. Hillis held 602,362 SARs, of which 200,788 were vested as of September 30, 2017. The value of vested and unexercised SARs at September 30, 2017 was \$26,102, calculated using the closing price of the Common Shares on the TSX on September 30, 2017 of \$0.25 and subtracting the Initial Fair Market Value (as defined in the SARs Plan) of the SARs of \$0.12. The Option-based Awards disclosed in the above table also do not include the stock options which were issued to Mr. Gilbert and Mr. Hillis in December 2017 in respect of fiscal 2017 as they were not outstanding at September 30, 2017. Please see "Compensation Decisions for the Year Ended September 30, 2017" for additional disclosure on these stock options.
- (2) Calculated using the closing price of the Common Shares on the TSX on September 30, 2017 of \$0.25 and subtracting the exercise price of the outstanding stock options.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each NEO for the fiscal year ended September 30, 2017.

**Incentive Plan Awards Vested or Earned During Fiscal Year ended September 30, 2017**

<b>Name</b>	<b>Option-based awards – value vested during year (\$)<sup>(1)</sup></b>	<b>Share-based awards – value vested during year (\$)<sup>(2)</sup></b>	<b>Non-equity incentive plan compensation – value earned during year (\$)</b>
James Gilbert	Nil	Nil	220,726
Jeffrey Hillis	Nil	32,535	88,635
Juan Gavidia	Nil	Nil	173,899
Joaquin Zenteno	Nil	Nil	Nil
Nuria Menendez	Nil	Nil	Nil

(1) The Option-based awards included in the table above do not include the SARs which have been issued to the NEOs pursuant to the SAR Plan. During fiscal 2017, 200,788 of Mr. Hillis' SARs vested. If these SARs had been exercised on their vesting date, the aggregate dollar value that would have been realized was \$24,095.

(2) The value of vested of RSU awards is calculated using the market price of the Common Shares on the day of vesting. Details regarding the RSU Plan, RSUs, the process for awarding RSUs and RSU awards are provided above under "Executive Compensation - Compensation Discussion and Analysis".

**Termination and Change of Control Benefits**

The Company entered into the Minera Secondment Agreement in respect of Mr. Gilbert's service as Chairman and CEO which agreement provides for certain entitlements in the event of termination of the Minera Secondment Agreement. Under the terms of the Minera Secondment Agreement, in the event that the Company terminates the Minera Secondment Agreement without cause or in the event that Minera terminates the Minera Secondment Agreement for good reason, the Company will be required to pay Minera an amount equal to one month's base salary per month of service provided by Mr. Gilbert under the Minera Secondment Agreement, subject to a minimum amount of twelve months' base salary and a maximum amount of eighteen months' base salary.

No notice or severance payment is required for a termination for cause.

In the event of either a termination without cause/for good reason, any entitlements in respect of long-term incentive compensation granted to Mr. Gilbert which have vested as of the date of termination of employment shall continue to be exercisable for a period of 15 business days and any entitlements in respect of long-term incentive compensation granted to Mr. Gilbert which are unvested as at the date of termination will cease and no longer be exercisable or payable. Refer to "Long-Term Incentive Compensation" for information regarding the Company's long-term incentive compensation plans.

In the event that, within one month following a "change of control", the Minera Secondment Agreement is terminated, the Company will be required to pay to Minera an amount equal to twenty-four (24) months' base salary, not subject to mitigation. In addition, any entitlements in respect of long-term incentive compensation which are unvested as at the date of termination shall fully vest immediately on the date of termination and all entitlements in respect of long term incentive compensation shall continue to be exercisable for a period of fifteen (15) business days following termination. For the purposes of the Minera Secondment Agreement, a "change of control" arises where: (i) any person, or any group of persons acting jointly or in concert, (other than Fabulosa or any affiliate thereof) becomes the beneficial owner, directly or indirectly, of more than 50% of Orvana's then outstanding voting securities; (ii) an amalgamation or arrangement of Orvana with or into any person, or any other corporate reorganization takes place, which results in the shareholders of Orvana prior to such amalgamation, arrangement or reorganization owning less than 50% of the outstanding voting securities of the entity resulting from the transaction; or (iii) Orvana sells, leases or otherwise disposes of all or substantially all of the Company's consolidated assets, other than to an affiliated entity. Pursuant to an agreement between Mr. Gilbert and Minera, in any circumstances in which these "change of control" payments are triggered, Minera will pay to Mr. Gilbert a success fee equal to 1% of the value of the consideration received by Minera in the change of control transaction, subject to a minimum cash payment of the payment received by Minera from Orvana of twenty-four (24) months' base salary.



The Company has entered into a written employment agreement with Mr. Hillis that sets out the terms of his employment, including his entitlements in the event of termination. Under the terms of his agreement, in the event that he is unable to perform his duties for 180 days out of any consecutive 12-month period, the Company may choose to terminate his employment. In the event of such a termination, Mr. Hillis will be entitled to (i) an amount equal to four months of his base salary; and (ii) an amount equal to one-third of the short term incentive compensation for the most recently completed financial year for which short term incentive compensation has been awarded.

In the event that the Company terminates the employment of Mr. Hillis without cause or in the event that Mr. Hillis resigns for good reason, the Company will be required to pay Mr. Hillis: (a) an amount equal to 18 months' base salary for Mr. Hillis, the last 6 months of which are subject to mitigation by Mr. Hillis; (b) a lump sum pro-rata bonus amount equal to the product of (i) one year's annual short term incentive compensation (based on the amount of short term incentive compensation awarded for the most recently completed financial year for which short term incentive compensation has been awarded), and (ii) a fraction, the numerator of which shall be the number of days Mr. Hillis was employed by the Company in the calendar year before the termination and the denominator of which shall be 365; and (c) such amount necessary to maintain his participation in any benefit plan that he participated in immediately prior to the termination date for a period of 12 months following termination.

No notice or severance payment is required for a termination for cause.

In the event of either a termination due to disability or a termination without cause/resignation for good reason, any entitlements in respect of SARs granted to Mr. Hillis following the date of his employment agreement and which have vested as of the date of termination of employment shall continue to be exercisable for a period of 15 business days and any entitlements in respect of SARs granted to Mr. Hillis following the date of his employment agreement and which are unvested as at the date of termination will cease and no longer be exercisable or payable. Any entitlements of Mr. Hillis in respect of RSUs, stock options or long term incentive compensation granted to such executives prior to the date of their respective employment agreements will, following the date of termination, be governed by the terms of the agreements under which such grants were made. Refer to "Long-Term Incentive Compensation" for information regarding the Company's RSU Plan, 2006 Stock Option Plan and SAR Plan.

In the event that, prior to the second anniversary following a "change of control", the Company terminates the employment of Mr. Hillis without cause or in the event that Mr. Hillis resign for good reason (as such term is defined in his employment agreement), the Company will be required to pay to Mr. Hillis: (a) an amount equal to 24 months' base salary; (b) two years' annual short-term incentive compensation, and (c) such amount necessary to maintain his participation in any benefit plan that he participated in immediately prior to the termination date for a period of 12 months following termination, the last 12 months of which are subject to mitigation by Mr. Hillis. In addition, any entitlements in respect of long-term incentive compensation which are unvested as at the date of termination shall fully vest immediately on the date of termination and all entitlements in respect of long term incentive compensation shall continue to be exercisable for a period of 15 business days following termination. For the purposes of his employment agreement, a "change of control" arises where: (i) any person, or any group of persons acting jointly or in concert, (other than Fabulosa or any affiliate thereof) becomes the beneficial owner, directly or indirectly, of more than 50% of Orvana's then outstanding voting securities; (ii) an amalgamation or arrangement of Orvana with or into any person, or any other corporate reorganization takes place, which results in the shareholders of Orvana prior to such amalgamation, arrangement or reorganization owning less than 50% of the outstanding voting securities of the entity resulting from the transaction; (iii) Orvana sells, leases or otherwise disposes of all or substantially all of the Company's consolidated assets, other than to an affiliated entity; or (iv) Orvana completes a going private transaction.

The Company has entered into the Second Independent Consulting Agreement in respect of Mr. Gavidia's service as Vice President, Operations. The Second Independent Consulting Agreement provides that either the Company or Mr. Gavidia can terminate the Second Independent Consulting Agreement on thirty (30) days' notice. If the Company terminates the Second Independent Consulting Agreement, the Company may ask Mr. Gavidia to immediately cease providing services and provide payment in lieu of notice.

The Company has entered into a written employment agreement with Mr. Zenteno that sets out the terms of his employment, including his entitlements in the event of termination. Under the terms of his agreement,

in the event that the Company terminates the employment of Mr. Zenteno without cause, the Company will be required to pay Mr. Zenteno an amount equal to three (3) months' base salary for Mr. Zenteno and other social benefits set by applicable Bolivian labour law.

The Company has entered into a written employment agreement with Ms. Menendez that sets out the terms of her employment, including her entitlements in the event of termination. Under the terms of his agreement, in the event that the Company terminates the employment of Ms. Menendez without cause, the Company will be required to pay Ms. Menendez an amount equal to 33 days of salary for each year worked, with a maximum of 24 months' salary, under applicable Spanish employment law.

The following table provides details regarding the estimated incremental payments by the Company to the executives indicated below under the above-described agreements in the event of (i) termination without cause/resignation for good reason, and (ii) termination without cause upon a "change of control", assuming the event took place on September 30, 2017.

#### Estimated Incremental Payment on Termination as at September 30, 2017

Name	Triggering event	Base salary (\$) <sup>(2)</sup>	Bonus under short-term incentive compensation (\$)	Long-term incentive compensation (\$)	Other benefits (\$)	Total (\$)
James Gilbert Chairman and CEO <sup>(1)</sup>	Termination Without Cause/Resignation for Good Reason	403,104	Nil	Nil	Nil	470,288
	Termination on Change of Control	806,208	Nil	Nil	Nil	806,208
Jeffrey Hillis CFO	Termination Without Cause/Resignation for Good Reason	427,500	88,635	Nil <sup>(3)</sup>	7,000	523,135
	Termination on Change of Control	570,000	177,270	193,351 <sup>(4)</sup>	14,000	954,621
Juan Gavidia Vice President, Operations	Termination for Any Reason <sup>(5)</sup>	23,920	Nil	Nil	Nil	23,920
Joaquin Zenteno General Manager, EMIPA	Termination Without Cause <sup>(6)</sup>	44,228	Nil	Nil	Nil	44,228
Nuria Menendez General Manager, OroValle	Termination Without Cause <sup>(7)</sup>	57,528	Nil	Nil	Nil	57,528

(1) Pursuant to the Minera Secondment Agreement.

(2) Amounts set out under "Base Salary" in respect of Mr. Gilbert were calculated based on the amount of monthly management fees payable to Minera under the Minera Secondment Agreement attributed to base salary of approximately \$403,104 (US\$323,000). Amounts set out under "Base Salary" in respect of Mr. Hillis were calculated using the base salary in effect as at the date of this Circular. The amount set out under "Base Salary" in respect of Mr. Gavidia was calculated based on the annual consulting fee of approximately \$287,040 (US\$230,000) under the Second Independent Consulting Agreement.

(3) Amounts were calculated based on the long-term incentive compensation vested at September 30, 2017 and the closing price of the Common Shares on September 30, 2017 of \$0.25.

(4) Amounts were calculated based on the long-term incentive compensation outstanding at September 30, 2017 and the closing price of the Common Shares on September 30, 2017 of \$0.25.

(5) Pursuant to the Second Independent Consulting Agreement, Mr. Gavidia is entitled to thirty (30) days' notice or payment of the portion of the annual consulting fee of approximately \$287,040 (US\$230,000) due during the notice period in lieu of the notice period. This amount represents payment in lieu of notice.

(6) Pursuant to the employment agreement with Mr. Zenteno, Mr. Zenteno is entitled to a termination payment equal to three (3) months' base salary for Mr. Zenteno.

(7) Pursuant to Spanish employment legislation, Ms. Menendez is entitled to a termination payment equal to 33 days of salary for each year worked with a maximum of 24 months' salary if Ms. Menendez is dismissed without cause.

## DIRECTORS' COMPENSATION

### Cash Fees and Expenses

For the periods from October 1, 2016 to June 30, 2017; and from July 1, 2017 to September 30, 2017, annual fees for non-management directors were as follows:

	October 1, 2016 to June 30, 2017 (Fiscal 2017 Q1, Q2 and Q3)	July 1, 2017 to September 30, 2017 (Fiscal 2017 Q4)
	Annual Fee <sup>(1)</sup>	Annual Fee <sup>(2)</sup>
Lead Independent Director	\$30,000	\$45,000
Non-Executive Board Member	\$25,000	\$35,000
Chair of the Audit Committee	\$15,000	\$15,000
Member of the Audit Committee	\$7,500	\$7,500
Chair of the Compensation/Governance Committee	\$10,000	\$10,000
Member of the Compensation/Governance Committee	\$5,000	\$5,000
Chair of the Technical, Safety, Health, Environment and Sustainability Committee	\$10,000	\$10,000
Member of the Technical, Safety, Health, Environment and Sustainability Committee	\$5,000	\$5,000

- (1) The applicable annual fee for each non-executive board member, chair of a committee and member of a committee were prorated for each month during this period.
- (2) The applicable annual fee for each non-executive board member, chair of a committee and member of a committee were prorated for each month during this period.

For the period from October 1, 2016 to June 30, 2017, in addition to the annual fees, each non-management director was paid a fee of \$1,500 for each Board or committee meeting attended in person and a fee of \$1,000 for each meeting attended by telephone. If a Board meeting and a committee meeting take place on the same day, no separate meeting fee was paid for the committee meeting. For the period from July 1 to September 30, 2017, all meeting fees described above were discontinued.

All reasonable expenses incurred by directors in attending meetings of the Board, committees of the Board or shareholders' meetings, together with all expenses reasonably incurred by directors in the conduct of the Company's business or in the discharge of directors' duties, are paid by the Company. Where round trip travel to attend meetings is four hours or less, these directors were paid an additional fee of \$750 per trip, unless the travel took place on the same day as a meeting of the Board. Where round trip travel to attend meetings exceeded four hours, these directors were paid an additional fee of \$1,500 per trip, unless the travel took place on the same day as a meeting of the Board. Directors also receive a consulting fee of \$1,500 per day for anytime spent consulting for the Company.

The directors of the Company may not sell "short" or sell a "call option" on any securities of the Company or purchase a "put option" where they do not own the underlying securities.

### Deferred Share Units

The Company adopted its Deferred Share Unit Plan for directors ("DSU Plan") with effect from October 1, 2008, amended as of October 23, 2009 and amended and restated as of February 3, 2016. The purposes of the DSU Plan are: (i) to promote a greater alignment of interests between directors of the Company and the shareholders of the Company; (ii) to provide a compensation system for directors that, together with the other director compensation mechanisms of the Company, is reflective of the responsibility,

commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board; (iii) to assist the Company to attract and retain individuals with experience and ability to act as directors; and (iv) to allow directors of the Company to participate in the long-term success of the Company.

Annually, each director who is not an executive of the Company receives a grant of deferred share units ("DSUs") under the DSU Plan. DSUs granted in respect of fiscal 2015 and previous fiscal years were granted after the completion of the fiscal year and fully vested upon being credited to a director's account. During fiscal 2016, the Board amended and restated the DSU Plan, on advice of the Compensation/Governance Committee. Pursuant to the DSU Plan, DSU grants for fiscal 2016 and beyond are granted in respect of the prospective fiscal year. The award date is December 1<sup>st</sup> of the fiscal year in respect of which the grant is made and the DSUs vest in equal parts on each of the day they are awarded and the first day of the remaining quarters of the fiscal year in respect of which they are awarded, unless the Board determines a different award date or vesting schedule.

In respect of DSUs granted for fiscal 2017, the Board determined that the award date was December 1, 2016 and that the DSUs would vest according to the DSU Plan.

The number of DSUs to be credited to a director in respect of the 2017 fiscal year was calculated by dividing (A) \$25,000 by (B) the average closing price for Common Shares on the TSX on the five trading days immediately prior to December 1, 2016.

A director may elect up to two separate dates as of which either a portion (specified in whole percentages or number of DSUs on any one date) or all of the vested DSUs shall be redeemed by the director (or if the director is deceased, by his or her beneficiary), provided that no redemption date shall be prior to the date on which the director ceases to be a director of the Company or later than December 15 of the first calendar year commencing immediately after the date on which the director ceases to act as a director of the Company. Any DSUs that are unvested at the date on which the director ceases to be a director of the Company shall be forfeited. Where a director does not elect a particular date or dates for redemption of his or her DSUs, there shall be a single redemption date on December 15 of the first calendar year commencing immediately after the date on which the director ceases to act as a director of the Company. The value of each DSU redeemed by or in respect of a director shall be the average closing price for Common Shares on the TSX on the five trading days immediately prior to such redemption date and shall be paid by the Company to the director (or if the director is deceased, to the director's beneficiary) in the form of a lump sum cash payment, less any applicable withholding taxes, as soon as practicable after such redemption date.

Upon advice from the Compensation, Nominating and Corporate Governance Committee, the Board determined that after the completion of fiscal 2018, there will be no future grants of DSUs and that all grants of long term incentive compensation in respect of fiscal 2019 and beyond for Members of the Board will be in stock options. Orvana believes that stock options most effectively align directors' and shareholders' interest in share price growth and their compensation to the Company's performance.

## **Options**

The Company may grant stock options to directors in connection with their initial appointment to the Board and in connection with their serving as the chair of one or more committees of the Board. The purpose of these awards is to assist in attracting talented directors to the Board. Stock options are granted under the 2006 Stock Option Plan and have an exercise price of not less than the volume-weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the trading day prior to the option grant date. Such options become fully-vested not later than three years following the date on which they are granted, provided that not more than 50% of the Common Shares shall be issuable under a stock option within 12 months of the grant date. Stock options expire not later than the fifth anniversary of the date on which they are granted. Additional stock options may be granted to directors after the expiry or exercise of their initial stock options granted upon joining the Board, in recognition of (i) longevity of service to the Board, and (ii) the importance of aligning ongoing director compensation to enhance their alignment with maximizing shareholder value.

The Company did not grant options to directors during fiscal 2017.

## Summary of Directors' Compensation

The following table provides information regarding compensation paid to all individuals who were directors of the Company during the fiscal year ended September 30, 2017 (other than directors who were also NEOs). All directors' fees are paid in Canadian dollars.

**Directors' Compensation Table for Fiscal Year ended September 30, 2017**

Name	Fees earned (\$) <sup>(1)</sup>	Share-based awards (\$) <sup>(2)</sup>	Option- based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
George Darling <sup>(3)</sup>	36,458	Nil	Nil	Nil	Nil	Nil	36,458
Alan Edwards <sup>(4)</sup>	124,712	25,000	Nil	Nil	Nil	Nil	149,712
Ed Guimaraes <sup>(5)</sup>	53,212	25,000	Nil	Nil	Nil	Nil	78,212
Sara Magner <sup>(6)</sup>	42,000	25,000	Nil	Nil	Nil	Nil	67,000
Gordon Pridham <sup>(7)</sup>	99,462	25,000	Nil	Nil	Nil	Nil	124,462

(1) These amounts include consulting fees of \$1,500 per day for anytime a director spent consulting for the Company. In respect of Mr. Darling, Mr. Edwards and Mr. Pridham, consulting fees of \$4,500, \$28,500 and \$4,500, respectively, were included in "Fees earned" in the above table.

(2) These amounts represent the Canadian dollar value of DSUs granted to directors in respect of fiscal 2017. Each DSU was valued at \$0.212, representing the average closing price for Common Shares on the TSX on the five trading days immediately prior to December 1, 2016.

(3) Mr. Darling has been a director of the Company since February 8, 2017 and is a member of the Compensation/Governance Committee and a member of the Technical, Safety, Health, Environment and Sustainability Committee.

(4) Mr. Edwards has been a director of the Company since May 3, 2016 and is the chair of the Technical, Safety, Health, Environment and Sustainability Committee and a member of the Audit Committee.

(5) Mr. Guimaraes has been a director of the Company since February 28, 2013 and is the chair of the Audit Committee.

(6) Ms. Magner has been a director of the Company since November 24, 2015 and is a member of the Compensation/Governance Committee.

(7) Mr. Pridham has been a director of the Company since November 3, 2014 and is the chair of the Compensation/Governance Committee, a member of the Audit Committee and, effective August 4, 2016, the Lead Independent Director.

## Share-based Awards and Option-based Awards

The following table provides information regarding all share-based awards and option-based awards granted to all individuals who were directors of the Company during the fiscal year ended September 30, 2017 and outstanding as of September 30, 2017 (other than awards granted to directors who are also NEOs):

### Outstanding Share-based Awards and Option-based Awards as at September 30, 2017

Option-based Awards					Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	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 that have vested (\$) <sup>(2)</sup>
George Darling	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alan Edwards	Nil	Nil	Nil	Nil	Nil	Nil	41,688
Ed Guimaraes	125,000 25,000	\$1.02 \$1.05	March 7, 2018 March 29, 2018	Nil	Nil	Nil	125,617
Sara Magner	Nil	Nil	Nil	Nil	Nil	Nil	79,087
Gordon Pridham	125,000	\$0.30	December 18, 2019	Nil	Nil	Nil	109,648

- (1) Calculated using the closing price of the Common Shares on the TSX on September 30, 2017 of \$0.25 and subtracting the exercise price of the in-the-money stock options.
- (2) Calculated using the closing price of the Common Shares on the TSX on September 30, 2017 of \$0.25. These DSUs have not been redeemed and the value on redemption will depend on the applicable value of these units determined on the redemption date.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each of the Company's directors (other than directors who are NEOs) for the fiscal year ended September 30, 2017:

### Incentive Plan Awards Vested or Earned During Fiscal Year ended September 30, 2017

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$) <sup>(1)</sup>
George Darling	Nil	Nil
Alan Edwards	Nil	28,597
Ed Guimaraes	Nil	28,597
Sara Magner	Nil	28,597
Gordon Pridham	Nil	28,597

- (1) These amounts represent the number of DSUs vested in fiscal 2017 held by each director of the Company multiplied by the closing share price on the vesting date. Please see "Deferred Share Units" for additional disclosure on these DSUs.

The Company does not have a non-equity incentive compensation plan for its directors.

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets out certain information as at September 30, 2017 regarding the Company's 2006 Stock Option Plan and the options to purchase Common Shares issued thereunder:

#### Equity Compensation Plan Information

Plan Category	Number of Common Shares to be Issued upon Exercise of Outstanding Options <sup>(1)</sup> , Warrants <sup>(2)</sup> and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Common Shares Available for Future Issuance Under Equity Compensation Plans (Excluding Outstanding Options, Warrants and Rights) <sup>(3)</sup>
Equity Compensation Plans Approved by Shareholders	2,169,444	\$0.43	4,590,001
Equity Compensation Plans not Approved by Shareholders	Nil	Nil	Nil
<b>Total</b>	<b>2,169,444</b>	<b>\$0.43</b>	<b>4,590,001</b>

- (1) For more information on the Company's 2006 Stock Options Plan see "Compensation Discussion and Analysis - Elements of Executive Compensation" above.
- (2) For more information on Warrants, see "Principal Shareholders" above.
- (3) The maximum number of Common Shares that may be issued pursuant to the Company's 2006 Stock Option Plan is 6,000,000.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our current or former directors, executive officers or employees or those of any of our subsidiaries had any indebtedness outstanding to the Company or any of our subsidiaries during the fiscal year ended September 30, 2017 or as at the date hereof. Additionally, the Company has not provided any guarantee, support agreement, letter of credit or other similar arrangement or undertaking in respect of any indebtedness of any such person to any other person or entity.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the directors and executive officers of the Company, no "informed person", any proposed nominee or any associate or affiliate of any informed person or proposed nominee, has had any material interest, direct or indirect, in any transaction since October 1, 2016 or has had any such interest in any proposed transaction that has materially affected us or would materially affect us or any of our subsidiaries, except as set forth below.

"Informed Person" means (a) a director or executive officer of the Company, (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, Common Shares or a combination of both carrying more than 10% of the voting rights attached to all of the Common Shares, and (d) the Company, if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Fabulosa, owner of more than 10% of the voting rights attached to the Common Shares, with an address of Themistokli Dervi 3, Julia House, 1066, Lefkosia, Cyprus has a material interest in the full amount of the Minera Secondment Agreement as Minera is an affiliate of Fabulosa. Mr. Gilbert, Chairman and CEO of the Company, with an address of 9838 Faust Drive Vienna, Virginia 22182, United States, also has a material interest in the full amount of the Minera Secondment Agreement as this agreement largely determines the compensation Mr. Gilbert receives from Minera. Ms. Wagner does not have a material interest in the Minera Secondment Agreement apart from her position as Corporate Secretary and General Counsel of Minera. Please see "Compensation Decisions for the Year Ended September 30, 2017 - CEO"

and “Termination and Change of Control Benefits” above for a fulsome description of the Minera Secondment Agreement.

### **INSURANCE COVERAGE**

The Company has purchased insurance for the benefit of directors and officers of the Company and its subsidiaries against any liability incurred by them in their capacity as directors and officers, subject to certain limitations contained in the *Business Corporations Act* (Ontario). During fiscal 2017, the directors and officers of the Company were covered under a directors’ and officers’ insurance policy that provided aggregate coverage of \$50,000,000, subject to a deductible of \$50,000. The twelve month policy period from July 1, 2016 to June 30, 2017 was at a premium of \$120,044. The policy was renewed for a twelve month period from July 1, 2017 to June 30, 2018 on similar terms and at a premium of \$121,150.

In accordance with the provisions of the *Ontario Business Corporations Act*, the Company’s by-laws provide that the Company will indemnify a director or officer, a former director or officer, or another individual who acts or acted at the Company’s request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or to satisfy a judgment, reasonably incurred in respect of any civil, criminal, administrative, investigative or other proceeding to which the individual is involved because of the association with the Company or the other entity, if: (i) the individual acted honestly and in good faith with a view to the Company’s best interests or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Company’s request; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual has reasonable grounds for believing that the individual’s conduct was lawful.

The Company has entered into indemnification agreements with each of our directors and officers, which agreements provide that the Company undertakes and agrees to indemnify the director or officer to the fullest extent permitted by law, against any reasonable expense that such individual may suffer or incur in respect of any claim, action, suit or proceeding (including, without limitation, any claim, demand, suit, proceeding, inquiry, hearing, discovery or investigation whether civil, criminal, administrative or investigative and whether brought by or on behalf of us or otherwise) involving the director or officer or to which the director or officer is made party and which arises as a direct or indirect result of the director or officer being or having been a director or officer of the Company or having acted, at the Company’s request, as a director or officer or in a similar capacity of another entity, including any act or thing done or not done in the individual’s capacity as director or officer provided the individual has acted as set out above in accordance with the Company’s by-laws.

If we become liable under the terms of our by-laws or the indemnification agreements, the directors’ and officers’ insurance coverage may extend to such liability for certain claims; however, each claim will be subject to a deductible of \$50,000.

### **ADDITIONAL INFORMATION**

Additional information regarding the Company is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company’s website at [www.orvana.com](http://www.orvana.com). Financial information regarding the Company is contained in the 2017 Financials and the related management’s discussion and analysis (“MD&A”). The Company will provide the 2017 Financials and MD&A to any shareholder upon request to the Corporate Secretary of the Company at 416-369-6272 or [info@orvana.com](mailto:info@orvana.com).



**DIRECTORS' APPROVAL**

The contents and the sending of this Circular have been approved by the Board.

**DATED** as of January 12, 2018.

**By Order of the Board of Directors**

A handwritten signature in blue ink, appearing to read "James Gilbert", with a long horizontal flourish extending to the right.

**James Gilbert  
Chairman**

**SCHEDULE "A"**

**ORVANA MINERALS CORP.**

**STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

**AND CHARTER OF THE BOARD OF DIRECTORS**

## SCHEDULE A – ORVANA MINERALS CORP.

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Company has adopted these corporate governance guidelines to promote the effective functioning of the Board of Directors and its committees, to promote the interests of shareholders and to establish a common set of expectations as to how the Board, its various committees, individual directors and senior management should perform their functions. The following sets out the Company's approach to corporate governance in relation to the Corporate Governance Guidelines (terms not otherwise defined herein are defined in the Circular):

#### **Board of Directors**

**Responsibilities of the Board:** The business and affairs of the Company are managed by or under the supervision of the Board in accordance with applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators. The responsibility of the Board is to provide direction and oversight. The Board approves the strategic direction of the Company and oversees the performance of the Company's business and senior management. The senior management of the Company is responsible for presenting strategic plans to the Board for review and approval and for implementing the Company's strategic direction.

In performing their duties, the primary responsibility of the directors is to exercise their business judgment in what they reasonably believe to be the best interests of the Company. In discharging that obligation, directors should be entitled to rely on the honesty and the integrity of the Company's senior management and outside advisors and auditors. In fulfilling its statutory mandate and discharging its duty of stewardship of the Company, the Board assumes responsibility for those matters set forth in its mandate, a copy of which is attached as Appendix 1 hereto.

**Size of the Board:** The size of the Board as at the date of the Circular is six members. After a review of the size and composition of the Board in fiscal 2017, the Board determined that the size of the Board should consist of seven members to facilitate its effective functioning and to strengthen its technical expertise. The Board has fixed the number of directors to be elected at the Meeting at seven and is recommending the seven nominees set out in the Circular for election by shareholders as directors of the Company at the Meeting.

**Composition of the Board:** NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Company. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgement. In determining whether a particular director is an "independent director" or a "non-independent director", the Board considers the factual circumstances of each director in the context of the Corporate Governance Guidelines.

The following sets out all of the individuals who were directors of the Company since the beginning of fiscal 2017 and whether each of them was or is "independent" within the meaning of NI 58-101 during the time each of them served as a director of the Company: George Darling (independent); Alan Edwards (independent); James Gilbert (not independent); Ed Guimaraes (independent); Sara Magner (not independent) and Gordon Pridham (independent). During fiscal 2017, a majority of the members of the Board were "independent directors" within the meaning of NI 58-101.

The Board is currently comprised of six members (Messrs. Darling, Edwards, Gilbert, Guimaraes and Pridham and Ms. Magner), four of which are "independent directors" within the meaning of NI 58-101. The four independent directors are Messrs. Darling, Edwards, Guimaraes and Pridham. Mr. Gilbert is the Company's Chairman and Chief Executive Officer and is on secondment from Minera and, therefore, is not independent. Ms. Sara Magner is considered to have a material relationship with the Company by virtue of her position as the Corporate Secretary and General Counsel of Minera, and, therefore, is not considered to be independent. Mr. Garcia, the new director nominee, is considered to be an independent director within the meaning of NI 58-101.

Various individuals who were directors during fiscal 2017 also served as directors of certain other public companies. The nominees for election as directors of the Company at the Meeting listed below served as directors of the following other public companies as at the date of the Circular:

Director	Director of Other Public Company
George Darling	None
Alan Edwards	Rise Gold Corp. Entrée Resources Ltd. Americas Silver Corporation Mason Resources Corp.
Alfredo Garcia Gonzalez	None
James Gilbert	FPX Nickel Corp.
Ed Guimaraes, CPA, CA	None
Sara Magner	None
Gordon Pridham	CHC Student Housing Corp. Newalta Corporation Americas Silver Corporation

**Selection of Directors:** The Compensation/Governance Committee is responsible for identifying and recommending to the Board potential candidates to become directors of the Company. There are no specific written criteria for Board membership, however, the Company attempts to attract and retain directors with an understanding of the Company's business and a particular knowledge of mineral exploration and development or other areas (such as accounting and finance) which provide knowledge which would assist in guiding management of the Company. The Compensation/Governance Committee also considers the composition of the Board at the time of such review with a view to ensure that the backgrounds, experiences and knowledge-base of the members of the Board are diverse and complementary. The Board, taking into consideration the recommendations of the Compensation/Governance Committee, is responsible for selecting the nominees for election to the Board, for appointing directors to fill vacancies and determining whether a nominee or appointee is independent. In fiscal 2016, Jacques McMullen stepped down as the Chairman of the Board and a director of the Company after serving as Chairman of the Board since February 2015 and a director of the Company from February 2014 through his retirement in May 2016. Mr. Gilbert was appointed as Chairman of the Board following Mr. McMullen stepping down. Other current directors that joined the Board in fiscal 2016 are Ms. Magner and Mr. Edwards. Mr. Darling subsequently joined the Board in fiscal 2017. Mr. Garcia is the new director nominee. These individuals bring in-depth industry experience to the Board which will allow them to assist the achievement of the Company's strategic goals.

**Election of Directors:** Each director should be elected by the vote of a majority of the Common Shares represented in person or by proxy at any meeting for the election of directors. If any nominee for election as director receives, from the Common Shares voted at the meeting in person or by proxy, a greater number of votes "withheld" than votes "for" his or her election, the director will be expected to tender his or her resignation to the Chairman of the Board following the meeting, to take effect upon acceptance by the Board. The Compensation/Governance Committee will expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept such offer. Within 90 days of the meeting of shareholders, the Board will make a final decision concerning the acceptance of the director's resignation. This process applies only in circumstances involving an "uncontested" election of directors - where the number of director nominees does not exceed the number of directors to be elected and where no proxy materials are circulated in support of one or more nominees who are not part of the slate supported by the Board for election at the meeting. Subject to any corporate law restrictions, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next

annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to elect a new nominee to fill the vacant position.

**Chairman of the Board:** The Chairman is a director who is appointed by the Board. The current Chairman of the Board, Mr. Gilbert is not an independent director. The role of the Chairman is to assume the leadership of the Board. The Chairman's responsibilities include chairing all meetings of directors, providing leadership to the Board, managing the Board, acting as a liaison between the Board and other members of management of the Company and representing the Company.

**Lead Independent Director:** The Lead Independent Director is a director who is independent and not a member of senior management who is appointed by the Board. The current Lead Independent Director of the Board, Mr. Pridham is an independent director. The role of the Lead Independent Director is, with the committees of the Board, to foster and preserve the independence of the Board. The Lead Independent Director responsibilities also include assisting the Chairman with providing leadership to the Board, managing the Board, acting as a liaison between the Board and management of the Company and representing the Company.

**Meetings of the Board:** The Board's written mandate requires the Board to hold at least two meetings per year (either regularly scheduled or unscheduled) at which management of the Company is not present, and, at any time that the Chairman of the Board is not independent, to consider other possible steps and processes to ensure that leadership is provided to the Board's independent directors. During fiscal 2016, the Board appointed a Lead Independent director to ensure that leadership is provided the Board's independent directors and facilitate open discussion among its independent directors. Additionally, the Board generally holds an in-camera session at its meetings without the presence of management of the Company. In fiscal 2017 (between October 1, 2016 until September 30, 2017), the Board held 7 directors' meetings. All of the members of the Board who were directors at the time of such meetings attended all of such meetings.

## **Board Committees**

The Board has established the Audit Committee, the Compensation/Governance Committee, the Technical, Safety, Health, Environment and Sustainability Committee (the "Technical Committee"), and the Strategy Committee, the activities of which were suspended after fiscal 2015. The Audit Committee and the Technical Committee are each composed of members who satisfy the membership criteria set out in the relevant committee charter.

Members of committees are appointed by the Board. The Board generally designates one member of each committee as chair of that committee.

**Audit Committee:** The Board has established the Audit Committee currently comprised of three directors of the Company, Ed Guimaraes (Chair), Gordon Pridham and Alan Edwards. All of members of the Audit Committee must be financially literate for the purposes of National Instrument 52-110 - *Audit Committees* ("NI 52-110"). All of the members of the Audit Committee are independent for the purposes of NI 52-110. During fiscal 2017, all of the directors who were members of the Audit Committee were financially literate and independent for the purposes of NI 52-110. The responsibilities and operation of the Audit Committee are described in the Company's Annual Information Form dated December 12, 2017 on page 36 under the heading "Audit Committee Disclosure" and in the copy of the Charter of the Audit Committee attached to such Annual Information Form as Appendix A. A copy of such Annual Information Form is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com), on the Company's website at [www.orvana.com](http://www.orvana.com) and, upon request, will be provided promptly and free of charge to any shareholder of the Company.

During fiscal 2017, the Audit Committee held 4 meetings. Each of the current members of the Audit Committee attended all of the meetings thereof while such individual was a member of such committee.

**Compensation, Nominating and Corporate Governance Committee:** The Compensation/Governance Committee is currently comprised of Gordon Pridham (Chair), George Darling and Sara Magner. The charter of the Compensation/Governance Committee provides that the Compensation/Governance Committee should be comprised of at least three members and the majority of such members should be independent in accordance with NI 52-110. Mr. Pridham and Mr. Darling are independent directors for

the purposes of NI 52-110. Ms. Magner is not an independent director of the Company for the purposes of NI 52-110. In general terms, the committee's responsibilities include (i) reviewing the compensation and performance of the CEO, (ii) determining compensation of directors and other senior officers, (iii) identifying potential candidates to become Board members, (iv) evaluating the performance of the Board, committees of the Board and individual directors, (v) periodically reviewing Orvana's corporate governance practices; (vi) evaluating each director against the independence criteria established by NI 58-101 on at least an annual basis; (vii) reviewing, in conjunction with management and prior to publication, the corporate governance disclosure for Orvana's management proxy circulars; (viii) reviewing and, if advisable, approving and recommending for approval by the Board any proposed material changes to Orvana's senior management organizational structure; and (ix) monitoring conflicts of interest of both the Board and management in accordance with the Company's code of business conduct and ethics. The Compensation/Governance Committee operates pursuant to a written charter which was reviewed and updated during fiscal 2017 and reconfirmed by the Board.

During fiscal 2017, the Compensation/Governance Committee held 5 meetings. Each of the current members thereof attended all of the meetings of such committee while such individual was a member of such committee.

**Technical, Safety, Health, Environment and Sustainability Committee:** The Board has established the Technical Committee currently comprised of Alan Edwards (Chair), George Darling and James Gilbert. The purpose of the Technical Committee is to provide support for the Company's safety, health, environmental and sustainability programmes and to assist in reviewing the technical, safety, health, environmental and sustainability performance of the Company. This committee operates pursuant to a written charter which was reviewed and updated during fiscal 2017 and reconfirmed by the Board.

During fiscal 2017, the Technical Committee held 4 meetings. Each of the current members of the Technical Committee attended all of the meetings thereof while such individual was a member of such committee.

**Strategy Committee:** During fiscal 2015, the Board established the Strategy Committee comprised of four directors of the Company. The purpose of the Strategy Committee was to review, analyze and make recommendations to the Board, in consultation, with management with respect to the strategic focus of the Company. This committee operates pursuant to a written charter which was established in fiscal 2014. The activities of the Strategy Committee were suspended subsequent to the end of fiscal 2015.

### **Position Descriptions**

The Board has developed written position descriptions for the Chairman of the Board, the CEO and the CFO and, if applicable, the Chief Operating Officer in order to delineate their respective roles and responsibilities. The Board has not to date developed formal position descriptions for the Chair of each of the committees of the Board as the responsibilities of those positions are generally delineated in the charters of such committees.

### **Orientation and Continuing Education**

While the Company currently has no formal program to orient new directors to the role of the Board, its committees and its directors and the nature and operation of the Company's business, it has been the Company's practice for new directors to be thoroughly briefed by management of the Company and to be provided the opportunity to discuss with management, both formally and informally, the Company's activities. New directors are provided with copies of relevant policies and similar materials to ensure that they are familiarized with the Company and its business as well as the procedures of the Board. The Board actively encourages each director to attend at least one industry trade show or associated educational program each year.

The Compensation/Governance Committee has responsibility for overseeing development of any orientation programs for new directors. That Committee also oversees the development of any director development programs. Although the Company does not have a formal program for the continuing education of directors, the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors of the Company by scheduling presentations to the Board from time to time to educate directors and keep them informed of developments within the Company and of disclosure

and governance requirements and standards along with providing information relating to education programs provided by other industry and market participants such as audit and legal firms.

### **Disclosure Policy**

The Board has adopted a written disclosure policy (the “Disclosure Policy”) to provide a framework for the Company’s approach to disclosure. The Disclosure Policy is reviewed periodically by the Compensation/Governance Committee and the Board. The policy extends to all employees, consultants, officers, the Board and those authorized to speak on its behalf. The Disclosure Policy addresses disclosures in documents filed with the securities regulators and written statements made in the Company’s annual and quarterly reports, press releases, letters to shareholders, presentations by senior management and information contained on the Company’s website and other electronic communications. It also extends to oral statements made in meetings and telephone conversations with members of the investment community, interviews with the media, as well as speeches and conference calls and dealings with the public generally. A committee consisting of the President and Chief Executive Officer, the Chief Financial Officer, the VP Finance and the Director, Legal and the Investor Relations Officer has overall responsibility for overseeing the Company’s disclosure practices and meets as the circumstances dictate. A copy of the Disclosure Policy is available on the Company’s website at [www.orvana.com](http://www.orvana.com).

### **Ethical Business Conduct**

The Board has adopted a written code of business conduct and ethics for the Company’s directors, officers and employees that sets out the Board’s expectations for the conduct of such persons in their dealings on behalf of the Company (the “Code”). The Board reviewed and updated the Code shortly following the end of fiscal 2016. The Company also has an Anti-Corruption Policy. The Board has established anonymous and confidential reporting procedures pursuant to the Company’s Whistleblower Policy in order to encourage employees, directors and officers to raise concerns regarding various matters, including matters addressed by the Code and other policies of the Company, on a confidential basis free from discrimination, retaliation or harassment. Employees who violate the Code may face disciplinary actions, including dismissal. The Audit Committee along with the Chief Financial Officer and Director, Legal monitor compliance with the Code and the Whistleblower Policy and review and investigate complaints, if any, made thereunder. A copy of the Code, Anti-Corruption Policy and Whistleblower Policy are available on the Company’s website at [www.orvana.com](http://www.orvana.com).

Subject to certain exceptions prescribed under the *Business Corporations Act* (Ontario) (the “OBCA”), a director who is a party to a material contract or proposed material contract with the Company or who is a director or officer of a party to such a contract or otherwise has a material interest in a party to such a contract must disclose the nature and extent of the director’s interest to the Company and any material change in that interest. The Code and the OBCA also provides that, subject to certain exceptions prescribed under the OBCA, the interested director shall not attend any part of a meeting of directors during which the matter in which the director has a material interest is discussed and shall not vote on any resolution to approve such matter.

### **Compensation**

The Compensation/Governance Committee is responsible for, among other things, periodically reviewing and recommending for approval by the Board the appropriate levels of compensation for directors and senior management of the Company. The process by which executive compensation is established is described above under the heading “Executive Compensation - Compensation Discussion and Analysis”. The Compensation and Nominating Committee reviews periodically the form and amount of compensation of directors, including in relation to directors of similar companies, to ensure that the compensation of the Board reflects the responsibilities, time commitment and risks involved in being an effective director of the Company.

The responsibilities, powers and operation of the Compensation/Governance Committee is described above in this Schedule A under the heading “Compensation, Nominating and Corporate Governance Committee”. The Compensation/Governance Committee is not composed entirely of independent directors. As more fully described above under the heading “Executive Compensation - Compensation

Discussion and Analysis”, in order to ensure an objective process for determining compensation for the Company’s directors and officers, the Compensation/Governance Committee has continued to rely on advice received by third party consultants to stay updated on current mining sector compensation market information and receive objective advice relating to compensation of the Company’s NEOs. The Compensation/Governance Committee attempts to position compensation near the effective median of its competitive market. Additionally, the Board approves all compensation decisions relating to NEOs.

### **Assessments**

The responsibilities of the Compensation/Governance Committee include assessing, on a periodic basis, the contributions of the Board as a whole, of each of the committees of the Board and of each of the individual directors, in order to determine their effectiveness and contribution to the Company. The Board adopted a formal process that it has followed since 2008 for regularly evaluating the effectiveness of the Board, its committees, and the Chairman of the Board. This process includes the completion of evaluation questionnaires by each member of the Board and committees and discussion of the responses thereto.

### **Director Term Limits and Other Mechanisms of Board Renewal**

Of the current nominees for director, none has served as Director of the Company for more than three years, except for Ed Guimaraes who has served as Director of the Company since February 2013 and Gord Pridham who has served as Director of the Company since November 2014. The Board reviews its size and composition periodically, along with recommendations of the Compensation/Governance Committee in this regard, and determines appropriate adjustments to its size and/or composition. The Company has not adopted term limits for its directors and has adopted a mechanism for Board renewal which takes place at the annual meeting of shareholders of the Company. Under the by-laws of the Company, at each annual meeting of shareholders, the directors then in office, if qualified, are eligible for re-election at that meeting.

### **Policies Regarding the Representation of Women on the Board**

The Company has not adopted a written policy relating to the identification and nomination of women directors to the Company’s Board. While the Company does not have a specific policy, diversity of race, ethnicity, gender, age, cultural background and professional experience are considered when evaluating candidates for Board membership. This commitment is evident when looking at the membership of the Board. The directors of the Company come from different cultural backgrounds, age groups and professional experiences. During fiscal 2017, up to 1/6<sup>th</sup> of the Board was comprised of women directors.

### **Consideration of the Representation of Women in the Director Identification and Selection Process**

In identifying and nominating candidates for election or re-election to the Board, the Compensation/Governance Committee seeks appropriately qualified potential nominees. The Committee recognizes the importance of diversity with respect to cultural background, gender, age and professional experience and considers this as part of its process of selecting the most qualified directors. In light of the challenges junior companies face in attracting highly qualified director candidates, the Company believes that this approach enables it to make decisions regarding the composition of the Board based on what is in the best interests of the Company and its shareholders.

### **Consideration of the Representation of Women in Executive Officer Appointments**

In appointing executive officers to the management team, the Company seeks appropriately qualified individuals. The Company recognizes the importance of diversity with respect to cultural background, gender, age and professional experience and considers this as part of its process of selecting the most qualified executive officers. In light of the challenges junior companies face attracting a highly qualified senior management team, the Company believes that this approach enables it to make decisions regarding the composition of its senior management team based on what is in the best interests of the Company and its shareholders.



**Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

The Company has not adopted a specific target for women on the Board. The Company believes in diversity of the composition of the Board, however, the Company has determined not to choose or exclude a director nominee solely or largely because of gender. In selecting a director nominee, the Compensation/Governance Committee focuses on skills, expertise, experience and background that would complement the existing members of the Board.

The Company has not adopted a target for women in executive officer positions. The Company believes in diversity of the composition of its management team, however, the Company has determined not to choose or exclude a candidate for an executive officer position solely or largely because of gender. In selecting candidates, the Company considers the skills, expertise, experience and background of the individual and that would complement the existing management team.

**Number of Women on the Board and in Executive Officer Positions**

As of the date of the Circular there is one woman on the Board, representing one-sixth of the Company's directors. As of the date of the Circular there are no women executive officers of the Company.

## **APPENDIX 1 - ORVANA MINERALS CORP. – CHARTER OF THE BOARD OF DIRECTORS**

### **1. Purpose**

The Board of Directors (the “Board”) of Orvana Minerals Corp. (the “Corporation”) has a duty to supervise the management of the business and affairs of the Corporation. The Board, directly and through its committees and its Chair, shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Corporation.

### **2. Membership**

All matters concerning the membership and organization of the Board (including: the number, qualifications and remuneration of directors; the number of Board meetings; residency requirements; quorum requirements; meeting procedures; appointment of a chair; and notices of meetings) are as established by the Ontario *Business Corporations Act* and the by-laws and resolutions of the Corporation.

At least annually, the Board shall, with the assistance of the Compensation, Nominating and Corporate Governance Committee, determine the independence of each director based on the definition of independence contained in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) and the independence of each Audit Committee member based on the definition of independence in National Instrument 52-110 – *Audit Committees*. It shall be an objective that at least a majority of the directors shall be independent as determined in accordance with NI 58-101, and if at any time less than a majority of directors are independent, the Board shall consider possible steps and processes to facilitate its exercise of independent judgement in carrying out its responsibilities.

If at any time the Chair of the Board is not independent, the Board shall consider possible steps and processes to ensure that leadership is provided for the Board’s independent directors.

Directors may serve on the boards of other companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Board in advance of accepting an invitation to serve on the board of another public company.

Each director must have an understanding of the Corporation’s principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstance, including a change in their principal occupation, are expected to advise the chair of the Compensation and Nominating Committee.

### **3. Functions and Responsibilities**

The Board shall have the functions and responsibilities set out below. In addition to these functions and responsibilities, the Board shall perform such duties as may be required by the binding requirements of any stock exchanges on which the Corporation’s securities are listed and all other applicable laws.

- (a) **Strategic Planning** – At least annually, the Board shall review and, if advisable, approve the Corporation’s strategic planning process and short- and long-term strategic and business plans prepared by management. In discharging this responsibility, the Board shall review the plan in light of management’s assessment of emerging trends, the competitive environment, risk issues, and significant business practices and products. At least annually, the Board shall review management’s implementation of the Corporation’s strategic and business plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.
- (b) **Risk Management** – At least annually, the Board shall, with the assistance of the Audit Committee and the Technical, Safety, Health, Environment and Sustainability Committee: (i) identify the risks inherent in the business of the Corporation and review and approve management’s risk philosophy

and risk management policies necessary to address, as much as reasonably possible, those identified risks, and (ii) review management reports demonstrating compliance with risk management policies and confirm that management has taken reasonable steps to ensure compliance with standards.

- (c) **Controls and Systems** – The Board shall, with the assistance of the Audit Committee, verify that internal financial, non-financial and business control, information systems and data security procedures have been established by management and that the Corporation is applying appropriate standards of corporate conduct for these controls.
- (d) **Human Resources** – The Board shall, with the assistance of the Compensation, Nominating and Corporate Governance Committee, periodically: (i) review the Corporation’s approach to human resource management and executive compensation, and (ii) review succession plans for the Chair of the Board, the Chief Executive Officer and senior management of the Corporation.
- (e) **Corporate Governance** – The Board shall, with the assistance of the Compensation, Nominating and Corporate Governance Committee, periodically: (i) review the Corporation’s approach to corporate governance; (ii) evaluate the Board’s ability to act independently from management in fulfilling its duties; (iii) review reports provided by management relating to compliance with, or material deficiencies of, the Corporation’s Code of Business Conduct and Ethics; and (iv) satisfy itself as to the culture of integrity within the Corporation and of the executive officers of the Corporation.
- (f) **Financial Information** – The Board shall, with the assistance of the Audit Committee, periodically: (i) review the Corporation’s internal controls relating to financial information and reports provided by management on material deficiencies in, or material changes to, these controls, and (ii) review the integrity of the Corporation’s financial information and systems, the effectiveness of internal controls and management’s assertions on internal control and disclosure control procedures.
- (g) **Communications** – The Board in conjunction with the Chief Executive Officer shall periodically review the Corporation’s overall communications strategy, including measures for receiving feedback from the Corporation’s shareholders. In developing the Corporation’s communication policy reference shall be made to NP 51-201 – *Disclosure Standards*.
- (h) **Disclosure** – The Board shall periodically review management’s compliance with the Corporation’s disclosure policies and procedures. The Board shall, if advisable, approve material changes to the Corporation’s disclosure policies and procedures.
- (i) **Position Descriptions**. – Periodically, the Board shall review a report of the Compensation, Nominating and Corporate Governance Committee reviewing the position description of the Chief Executive Officer and such corporate goals and objectives. The Board has approved position descriptions for the Chair of the Board and the Chair of each Board committee, and for the Chief Executive Officer, which includes delineating management’s responsibilities and approving the corporate goals and objectives that the Chief Executive Officer is responsible for meeting.

#### 4. **Committees of the Board**

- (a) **Committees Established** – The Board has established an Audit Committee, a Compensation, Nominating and Corporate Governance Committee, and a Technical, Safety, Health, Environment and Sustainability Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.
- (b) **Committee Charters** – The Board has approved charters for each Board committee and shall approve charters for any new Board Committee. Each charter shall be reviewed periodically, and, based on recommendations of the relevant committee and the Chair of the Board, be approved by the Board.
- (c) **Delegation to Committees** – The Board has delegated for approval or review the matters set out in each Board committee’s charter and may further delegate matters to such committees from time

to time. As required, the Board shall consider for approval the specific matters delegated for review to Board committees.

- (d) **Committee Reporting to Board** – To facilitate communication between the Board and its committees, each committee Chair shall provide a report to the Board on material matters considered by the committee at the next Board meeting after each meeting of the committee.

## 5. Meetings

- (a) **General** — The rules and regulations relating to the calling and holding of and proceedings at meetings of the Board shall be those established by the Ontario *Business Corporations Act* and the by-laws and resolutions of the Corporation.
- (b) **Secretary and Minutes** — The Corporate Secretary, his or her designate or any other person the Board requests, shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.
- (c) **Meetings Without Management** — The Board shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which members of management are not present at least twice per year.
- (d) **Attendance and Preparedness** — Directors are expected to attend regularly scheduled Board meetings and to have prepared for the meetings by, at a minimum, reviewing in advance of the meeting the materials delivered in connection with the meeting. The attendance record of individual directors will be disclosed in the Corporation's proxy circular as required by NI 58-101.

## 6. Director Development and Evaluation

New directors shall be provided with such orientation sessions, including site visits, as the Board determines are appropriate from time to time. With the assistance of the Compensation and Nominating Committee, the Board shall periodically consider how directors may maintain the skill and knowledge necessary to meet their obligations as directors, including through continuing education programs, and evaluate and review the performance of the Board, each of its committees and each of the directors.

## 7. Access to Information

In its discharge of the foregoing duties and responsibilities, the Board shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to officers of the Corporation and to the relevant books, records and systems of the Corporation as considered appropriate.

## 8. Independent Advisors

The Board shall have the authority to engage and terminate such independent counsel and other advisors as it may from time to time deem necessary or advisable for its purposes and to set and cause to be paid by the Corporation the compensation of any such counsel or advisors.

## 9. Self-Assessment

The Board shall, together with the Compensation and Nominating Committee, at least annually, assess the Board's effectiveness with a view to ensuring the effective performance of the Board.

**10. Board Review of Charter**

The Board shall periodically review the adequacy of the Board's charter. In accordance with NI 58-101, the text of this mandate shall be included in the Corporation's management information circular.

**11. No Rights Created**

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of Orvana. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of Orvana's Articles and By-laws, it is not intended to establish any legally binding obligations.

**SCHEDULE "B"**

**ORVANA MINERALS CORP.**

**2018 STOCK OPTION PLAN**

**ORVANA MINERALS CORP.**  
**STOCK OPTION PLAN**

**Effective as of February 14, 2018**

**ORVANA MINERALS CORP.  
STOCK OPTION PLAN  
ARTICLE 1  
PURPOSE**

**Section 1.1 Purpose**

The purpose of this Plan is to advance the interests of the Corporation by: (i) providing Eligible Persons with additional incentive; (ii) encouraging stock ownership by such Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation; (iv) promoting growth and profitability of the Corporation; (v) encouraging Eligible Person to take into account long-term corporate performance; (vi) rewarding Eligible Persons for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhancing the Corporation's ability to attract, retain and motivate Eligible Persons.

**ARTICLE 2  
INTERPRETATION**

**Section 2.1 Defined Terms**

For the purposes of this Plan, the following terms have the following meanings:

- (a) **"Affiliate"** means any person that controls or is controlled by the Corporation or that is controlled by the same person that controls the Corporation;
- (b) **"Associate"** has the meaning specified in Section 1 of the *Securities Act* (Ontario);
- (c) **"Board"** means the board of directors of the Corporation as constituted from time to time;
- (d) **"Broker"** has the meaning specified in Section 3.9(2);
- (e) **"Business Day"** means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are authorized or obligated by law to close for business in Toronto, Ontario;
- (f) **"Cause"** means any act or omission of the Participant that would in law permit the Corporation to, without notice or payment instead of notice, terminate the employment of the Participant;
- (g) **"Change of Control Event"** means:
  - (i) the occurrence of any transaction or series of related transactions, whether or not the Corporation is a party thereto, after giving effect to which in excess of fifty percent (50%) of the Corporation's voting power is owned, directly or indirectly, through one or more entities, by any person and its affiliates; or
  - (ii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation, other than in connection with an internal reorganization,

provided, however, that a "Change of Control Event" shall not include any transfer of Shares occurring as a result of (I) a Shareholder's (or group of affiliated Shareholders') corporate reorganization, or (II) the death or incapacitation of any Shareholder (or group of affiliated Shareholders), who individually or collectively previously held Shares representing in excess of fifty percent (50%) of the Corporation's voting power;

- (h) **"Consultant"** means an individual, other than an employee, executive officer or director of the Corporation or of an Affiliate, that:



- (i) is engaged to provide services to the Corporation or an Affiliate, other than services provided in relation to a distribution of the Corporation's securities;
- (ii) provides the services under a written contract with the Corporation or an Affiliate; and
- (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate;

and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

- (i) "**Corporation**" means Orvana Minerals Corp., a corporation existing under the laws of the Province of Ontario, and includes any successor corporation thereto;
- (j) "**Disability**" means an injury or disability for which benefits were claimed or received by the Participant under an established insurance plan;
- (k) "**Eligible Person**" means any director, executive officer, employee or Consultant of the Corporation or any of its Affiliates;
- (l) "**Exercise Price**" has the meaning specified in Section 4.2;
- (m) "**Expiry Date**" has the meaning specified in Section 4.4(1);
- (n) "**Good Reason**" means
  - (i) a substantial diminution in the Participant's authorities, duties, responsibilities, status (including officers, titles, and reporting requirements) from those in effect immediately prior to a Change of Control Event;
  - (ii) the Corporation requires the Participant to be based at a location in excess of one hundred (100) kilometers from the location of the Participant's principal job location or office immediately prior to a Change of Control Event, except for required travel on Corporation business to an extent substantially consistent with the Participant's business obligations immediately prior to a Change of Control Event;
  - (iii) a reduction in the Participant's base salary, or a substantial reduction in the Participant's target compensation under any incentive compensation plan, as in effect as of the date of a Change of Control Event;
  - (iv) the failure to increase the Participant's base salary in a manner consistent (both as to frequency and percentage increase) with practices in effect immediately prior to the Change of Control Event or with practices implemented subsequent to the Change of Control Event with respect to similarly positioned employees; or
  - (v) the failure of the Corporation to continue in effect the Participant's participation in the Corporation's Share Compensation Arrangements and any employee benefit and retirement plans, policies or practices, at a level substantially similar or superior to and on a basis consistent with the relative levels of participation of other similarly-positioned employees, as existed immediately prior to a Change of Control Event.
- (o) "**Insider**" means a "reporting insider" as defined in National Instrument 55-104 -*Insider Reporting Requirements and Exemptions*;

- (p) **"Market Price"** means the VWAP on the Stock Exchange for the five trading days immediately preceding the date of grant of the Option;
- (q) **"Option"** means an option to purchase Shares granted to an Eligible Person pursuant to the terms of this Plan;
- (r) **"Option Period"** has the meaning specified in Section 4.4(1);
- (s) **"Participant"** means an Eligible Person to whom Options have been granted and are outstanding;
- (t) **"Plan"** means this Orvana Minerals Corp. Stock Option Plan, as it may be amended from time to time;
- (u) **"Retirement"** the retirement of a Participant in accordance with the retirement policy of the Corporation as such policy may exist from time to time;
- (v) **"Share"** means a common share in the capital of the Corporation;
- (w) **"Share Compensation Arrangement"** means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise, including without limitation this Plan;
- (x) **"Shareholders"** means the registered or beneficial holders of Shares;
- (y) **"Stock Exchange"** means the Toronto Stock Exchange or, if the Shares are not listed or posted for trading on the Toronto Stock Exchange at a particular date, any other stock exchange on which the majority of the trading volume and value of the Shares are listed or posted for trading;
- (z) **"Stock Option Certificate"** has the meaning specified in Section 4.1(1);
- (aa) **"Termination Date"** means, in respect of a Participant, such Participant's last date of actual and active employment with the Corporation or an Affiliate, which date may be determined unilaterally by the Corporation or an Affiliate or by mutual agreement between the Corporation or an Affiliate and the Participant;
- (bb) **"VWAP"** means the volume weighted average trading price of the Shares, calculated by dividing the total value by the total volume of Shares traded for the relevant period;
- (cc) **"Withholding Obligations"** has the meaning specified in Section 3.9(1).

In this Plan, words importing the singular number include the plural and vice versa.

### **ARTICLE 3 ADMINISTRATION**

#### **Section 3.1 Administration**

- (1) Subject to Section 3.2, this Plan will be administered by the Board.
- (2) Subject to the terms and conditions set forth in this Plan, (including Appendix "A" hereto which is applicable to Participants whose compensation is subject to Section 409A of the United States Internal Revenue Code of 1986, as amended, despite the other provisions of this Plan) the Board is authorized

to provide for the granting, exercise and method of exercise of Options, all on such terms (which may vary between Options granted from time to time) as it determines. In addition, the Board has the authority to (i) construe and interpret this Plan and all agreements entered into under this Plan; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board will be binding on all Participants and on their legal, personal representatives and beneficiaries.

- (3) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Option Agreement or any Option granted pursuant to this Plan.

### **Section 3.2 Delegation to Committee**

Despite Section 3.1 or any other provision contained in this Plan, the Board has the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable.

### **Section 3.3 Shares Reserved**

- (1) Subject to Section 3.3(4), the securities that may be acquired by Participants under this Plan will consist of authorized but unissued Shares.
- (2) The Corporation will at all times during the term of this Plan ensure that it is authorized to issue such number of Shares as are sufficient to satisfy the requirements of this Plan.
- (3) The total number of Shares issuable under this Plan, and under all other Share Compensation Arrangements, is unlimited; provided, however, that the aggregate number of Shares issuable under this Plan (and under all other Share Compensation Arrangements) does not exceed 10% of the total number of Shares issued and outstanding from time to time (calculated on a non-diluted basis). Any Shares subject to an Option which has been exercised by a Participant or for any reason is cancelled or terminated without having been exercised, will again be available for grants under this Plan, and under all other Share Compensation Arrangements. Fractional shares will not be issued and will be treated as specified in Section 3.10(3).
- (4) If there is a change in the issued and outstanding Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board will make, with the intent that the rights of Participants under their Options are, to the extent possible, preserved despite the occurrence of such events, and subject where required to the prior approval of the Stock Exchange, appropriate substitution or adjustment in:
  - (a) the number or kind of securities of the Corporation (including Shares) reserved for issuance pursuant to this Plan; and
  - (b) the number and kind of securities of the Corporation (including Shares) subject to unexercised Options granted prior to such change and in the Exercise Price of such securities,

without any change in the total price applicable to the unexercised portion of the Option but with a corresponding adjustment in the price for each Share covered by the Option; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional Shares. If the Corporation is reorganized, amalgamated with another corporation or consolidated, the Board will make

such provisions for the protection of the rights of Participants as the Board in its sole discretion deems appropriate.

#### **Section 3.4 Limits with Respect to Insiders**

- (1) The maximum number of Shares, including Shares issuable under any other Share Compensation Arrangement:
  - (a) issuable to Eligible Persons who are Insiders and their Associates at any time pursuant to the exercise of Options granted under this Plan, must not exceed 10% of the Shares issued and outstanding from time to time (calculated on a non-diluted basis); and
  - (b) that may be issued to Eligible Persons who are Insiders and their Associates within any one year period pursuant to the exercise of Options granted under this Plan, must not exceed 10% of the Shares issued and outstanding from time to time (calculated on a non-diluted basis).
- (2) The total number of Shares issuable to any one Participant (including an Insider), at any time, pursuant to the exercise of Options granted under this Plan, including Shares issuable under any other Share Compensation Arrangement, must not exceed 5% of the Shares issued and outstanding from time to time (calculated on a non-diluted basis).

#### **Section 3.5 Amendment and Termination**

- (1) The Board may suspend or terminate this Plan at any time, or from time to time amend or revise the terms of this Plan or of any Option granted under this Plan and any Stock Option Certificate relating to it, provided that no such suspension, termination, amendment or revision will be made:
  - (a) except in compliance with applicable law and with the prior approval, if required, of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the Shareholders; and
  - (b) in the case of an amendment or revision to this Plan or any Option Agreement, if it would materially adversely affect the rights of any Participant, without the consent of the Participant.
- (2) If this Plan is terminated, the provisions of this Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights granted pursuant to this Plan remain outstanding and, despite the termination of this Plan, the Board may make such amendments to this Plan or to the terms of any outstanding Options as they would have been entitled to make if this Plan were still in effect.
- (3) Subject to any applicable rules of the Stock Exchange, the Board may from time to time, in its absolute discretion and without the approval of Shareholders, make the following amendments to this Plan or any Option:
  - (a) amend the vesting provisions of this Plan and any Stock Option Certificate;
  - (b) amend this Plan, any Stock Option Certificate or any Option as necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the Shareholders;
  - (c) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of this Plan, correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan, correct any grammatical or typographical errors or amend the definitions in this Plan regarding administration of this Plan;

- (d) any amendment respecting the administration of this Plan; and
  - (e) any other amendment that does not require the approval of Shareholders under Section 3.5(4).
- (4) Shareholder approval is required for the following amendments to this Plan:
- (a) any increase in the maximum number of Shares that may be issuable pursuant to Options granted under this Plan as set out in Section 3.3(3);
  - (b) any reduction in the Exercise Price of an Option, cancellation and reissue of Options, extension of the Expiry Date of an Option or a substitution of Options with cash or other awards on terms that are more favourable to the Participant;
  - (c) any amendment to the Insider participation limit set out in Section 3.4;
  - (d) any amendment to Section 3.5(3) and (4);
  - (e) any change that would materially modify the eligibility requirements for participation in this Plan; and
  - (f) any amendment to Section 4.6.

### **Section 3.6 Compliance with Legislation**

- (1) This Plan, the terms of the issue or grant of, and the grant and exercise of, any Option under this Plan, and the Corporation's obligation to sell and deliver Shares upon the exercise of Options, is subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Stock Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation is not obliged by any provision of this Plan or the grant of any Option under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations or any condition of such approvals.
- (2) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations.
- (3) No Option will be granted, and no Shares issued under this Plan, where such grant, issue or sale would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or purported issue of Shares under this plan in violation of this provision is void.
- (4) The Corporation has no obligation to issue any Shares pursuant to this Plan unless such Shares have been duly listed, upon official notice of issuance, with the Stock Exchange. Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.
- (5) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares will terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

### **Section 3.7 Effective Date**

This Plan will be effective upon the approval of this Plan by:

- (a) the Stock Exchange, and will comply with the requirements from time to time of the Stock Exchange; and
- (b) the Shareholders, by the affirmative vote of a majority of the votes attached to the Shares entitled to vote and represented and voted at an annual or special meeting of Shareholders held, among other things, to consider and approve this Plan.

### **Section 3.8 Proceeds from Exercise of Options**

The proceeds from any sale of Shares issued upon the exercise of Options will be added to the general funds of the Corporation and afterwards will be used from time to time for such corporate purposes as the Board may determine.

### **Section 3.9 Tax Withholdings**

- (1) Despite any other provision contained in this Plan, in connection with the exercise of an Option by a Participant from time to time, the Corporation may withhold from any amount payable to a Participant, including the issuance of Shares to a Participant upon the exercise of such Participant's options, such amounts as are required by law to be withheld or deducted as a consequence of his or her exercise of Options or other participation in this Plan ("**Withholding Obligations**"). The Corporation has the right, in its sole discretion, to satisfy any Withholding Obligations by:
  - (a) selling or causing to be sold, on behalf of any Participant, such number of Shares issued to the Participant on the exercise of Options as is sufficient to fund the Withholding Obligations;
  - (b) retaining the amount necessary to satisfy the Withholding Obligations from any amount which would otherwise be delivered, provided or paid to the Participant by the Corporation, whether under this Plan or otherwise;
  - (c) requiring the Participant, as a condition of exercise pursuant to Section 4.4 to (i) remit the amount of any such Withholding Obligations to the Corporation in advance; (ii) reimburse the Corporation for any such Withholding Obligations; or (iii) cause a broker who sells Shares acquired by the Participant on behalf of the Participant to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligation and to remit such amount directly to the Corporation; and/or
  - (d) making such other arrangements as the Corporation may reasonably require.
- (2) The sale of Shares by the Corporation, or by a broker engaged by the Corporation (the "**Broker**"), under Section 3.9(1) above will be made on the Stock Exchange. The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares on his or her behalf and acknowledges and agrees that (i) the number of Shares sold will be, at a minimum, sufficient to fund the Withholding Obligations net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Shares, the Corporation or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Corporation nor the Broker will be liable for any loss arising out of such sale of the Shares including any loss relating to the pricing, manner or timing of the sales or any delay in transferring any Shares to a Participant or otherwise.

- (3) The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.

### **Section 3.10      Miscellaneous**

- (1) Nothing contained in this Plan will prevent the Board from adopting other or additional Share Compensation Arrangements or compensation arrangements, subject to any required approval.
- (2) This Plan does not grant any Participant or any employee of the Corporation or its Affiliates the right or obligation to serve or continue to serve as a Consultant, director, officer or employee, as the case may be, of the Corporation or its Affiliates. The awarding of Options to any Eligible Person is a matter to be determined solely in the discretion of the Board. This Plan will not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other securities in the capital of the Corporation other than as specifically provided for in this Plan. The grant of an Option to, or the exercise of an Option by, a Participant under this Plan does not create the right for such Participant to receive additional grants of Options under this Plan.
- (3) No fractional Shares will be issued upon the exercise of Options granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 3.3(4), such Participant will only have the right to purchase the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (4) The Corporation makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting the Participant resulting from the grant or exercise of an Option and/or transactions in the Shares. Neither the Corporation, nor any of its directors, officers, employees, Shareholders or agents will be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares under this Plan, with respect to any fluctuations in the market price of Shares or in any other manner related to this Plan.
- (5) The Board may adopt such rules or regulations and vary the terms of this Plan and any Option issued in accordance with this Plan as it considers necessary to address tax or other requirements of any applicable non-Canadian jurisdiction, including, without limitation, Section 409A of the Code.
- (6) Participants (and their legal personal representatives) have no legal or equitable rights, claims, or interest in any specific property or assets of the Corporation or any Affiliate. No assets of the Corporation or any Affiliate will be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any Affiliate under this Plan. Any and all of the Corporation's or any Affiliate's assets are, and remain, the general unpledged, unrestricted assets of the Corporation or Affiliate. The Corporation's or any Affiliate's obligation under this Plan are merely that of an unfunded and unsecured promise of the Corporation or such Affiliate to pay money in the future, and the rights of Participants (and their legal personal representatives) are no greater than those of unsecured general creditors.
- (7) For greater certainty, no amount will be paid to, or in respect of, a Participant under this Plan or pursuant to any other arrangement, and no additional Options will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.
- (8) This Plan is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

## ARTICLE 4 OPTIONS

### Section 4.1      **Grants of Options**

- (1) An Option will be evidenced by a stock option certificate ("**Stock Option Certificate**"), signed on behalf of the Corporation, which Stock Option Certificate will be in substantially the form of Appendix "B" attached to this Plan, or such other form as the Board may approve from time to time.
- (2) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in Section 3.1(2) and Section 4.3 hereof, applicable to the exercise of an Option. An Eligible Person may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.
- (3) The Board may from time to time, in its discretion, grant Options to any Eligible Person upon the terms, conditions and limitations set forth in this Plan and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine, provided that Options granted to any Participant must be approved by the Shareholders if the rules of the Stock Exchange require such approval. Despite the foregoing, no Option will be granted during a black-out period or other trading restriction imposed by the Corporation (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation), or any other time when the Board or the Corporation has any material undisclosed information.

### Section 4.2      **Exercise Price**

An Option may be exercised at a price (the "**Exercise Price**") established by the Board at the time that the Option is granted, but in no event can the Exercise Price be less than the Market Price. The Exercise Price is subject to adjustment in accordance with the provisions of Section 3.3(4) hereof.

### Section 4.3      **Vesting**

Subject to Section 4.7, all Options granted under this Plan will vest in accordance with the terms of the Stock Option Certificate entered into in respect of such Options, provided that in no event shall more than 50% of the Options granted vest within 12 months following the date the Options are granted and that in any event, all of the Options granted shall vest not later than 36 months following the date the Options are granted.

### Section 4.4      **Exercise of Options**

- (1) The period during which an Option may be exercised (the "**Option Period**") will be determined by the Board at the time the Option is granted and set out in the Stock Option Certificate in respect of such Option, provided that:
  - (a) all Options expire on the date (the "**Expiry Date**") set out by the Board on the date of grant and as described in the applicable Stock Option Certificate provided that no Option will be exercisable for a period exceeding five (5) years from the date the Option is granted;
  - (b) Options may not be exercised until they have vested;
  - (c) the Option Period will be automatically reduced in accordance with Section 4.7 below upon the occurrence of any of the events referred to in such section; and
  - (d) no Option in respect of which Shareholder approval is required under the rules of the Stock Exchange will be exercisable until such time as such Option has been approved by the Shareholders.



- (2) Despite any other provision of this Plan, if the Expiry Date of an Option falls on, or within nine (9) Business Days immediately following a date upon which a Participant is prohibited from exercising an Option due to a black-out period or other trading restriction imposed by the Corporation, then the Expiry Date of such Option will be automatically extended to the tenth (10<sup>th</sup>) Business Day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed. Where the Expiry Date of an Option falls immediately after a black-out period or other trading restriction imposed by the Corporation, and for greater certainty, not later than ten (10) days after the black-out period or other trading restriction imposed by the Corporation, then the Expiry Date of such Option will be automatically extended by such number of days equal to ten (10) days less the number of days after the black-out period that the Option expires.
- (3) The Exercise Price of each Share purchased under an Option must be paid in full in cash or by bank draft or certified cheque at the time of such exercise, and upon receipt of payment in full, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable.
- (4) Upon the exercise of Options pursuant to this Section 4.3, the Corporation will immediately deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his or her legal or personal representative) or to the order thereof, the number of Shares with respect to which Options have been exercised (subject to Section 3.9).
- (5) Subject to the other provisions of this Plan and any vesting limitations imposed by the Board at the time of grant, Options may be exercised, in whole or in part, at any time or from time to time, by a Participant by written notice given to the Corporation as required by the Board from time to time.

#### **Section 4.5      Change of Control**

- (1) Despite any other provision of this Plan, in the event of a Change of Control Event all unvested Options then outstanding will be substituted by or replaced with stock options of the surviving corporation (or any affiliate thereof) or the potential successor (or any affiliate thereto) (the “**continuing entity**”) on the same terms and conditions as the original Options.
- (2) If within 12 months of a Change of Control Event, a Participant’s service, consulting relationship, or employment with the Corporation, an Affiliate or the continuing entity is terminated without Cause, or the Participant resigns from his or her employment for Good Reason, the vesting of all Options then held by such Participant (and, if applicable, the time during which such Options may be exercised) will, at the discretion of the Board, be accelerated in full.
- (3) If, upon a Change of Control Event, the continuing entity fails to comply with Section 4.5(1) above, the vesting of all then outstanding Options (and, if applicable, the time during which such Options may be exercised) will, at the discretion of the Board, be accelerated in full.
- (4) No fractional Shares or other security will be issued upon the exercise of any Option and accordingly, if as a result of a Change of Control Event, a Participant would become entitled to a fractional Share or other security, such Participant will have the right to acquire only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (5) Despite anything else to the contrary in this Plan except Section 4.5(2), in the event of a potential Change of Control Event, the Board will have the power, in its sole discretion, to modify the terms of this Plan and/or the Options (including, for greater certainty, to cause the vesting of all unvested Options) to assist the Participants in tendering to a take-over bid or other transaction leading to a Change of Control Event. For greater certainty, in the event of a take-over bid or other transaction leading to a Change of Control Event, the Board has the power, in its sole discretion, to permit Participants to conditionally exercise their Options, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance

with the terms of the take-over bid (or the effectiveness of such other transaction leading to a Change of Control Event). If, however, the potential Change of Control Event referred to in this Section 4.5(5) is not completed within the time specified (as the same may be extended), then despite this Section 4.5(5) or the definition of "Change of Control Event", (i) any conditional exercise of vested Options will be deemed to be null, void and of no effect, and such conditionally exercised Options will for all purposes be deemed not to have been exercised, and (ii) Options which vested pursuant to this Section 4.5(5) will be returned by the Participant to the Corporation and reinstated as authorized but unissued Shares and the original terms applicable to such Options will be reinstated.

- (6) If the Board has, pursuant to the provisions of Section 4.5(5), permitted the conditional exercise of Options in connection with a potential Change of Control Event, then the Board will have the power, in its sole discretion, to terminate, immediately following actual completion of such Change of Control Event and on such terms as it sees fit, any Options not exercised (including all unvested Options).

#### **Section 4.6      Transfer and Assignment**

Options are not transferable or assignable by a Participant otherwise than by will or the laws of descent and distribution, and will be exercisable only by a Participant during the lifetime of the Participant and, subject to Section 4.7(1)(c), after death only by the Participant's legal representative.

#### **Section 4.7      Termination of Service**

- (1) Subject to Section 4.7(2), and except as otherwise determined by the Board in its sole discretion:
- (a) if a Participant ceases to be an Eligible Person as a result of his or her resignation from the Corporation, each unvested Option held by the Participant will automatically terminate and become void immediately upon resignation, and each vested Option will cease to be exercisable on the earlier of the original Expiry Date of the Option and ninety (90) days following the Termination Date;
  - (b) if a Participant ceases to be an Eligible Person as a result of his or her Retirement, each unvested Option held by such Participant will continue to vest for a period of twelve (12) months from the date of his or her Retirement and all vested Options held by such Participant will continue to be exercisable for a period ending on the earlier of (i) the original Expiry Date of the Option, and (ii) the date that is twenty-four (24) months following the date of the Participant's Retirement;
  - (c) if a Participant ceases to be an Eligible Person by reason of death, each unvested Option held by such Participant will vest immediately and the legal representative of the Participant may exercise the Participant's Options for the period ending on the earlier of (i) the original Expiry Date of the Option, and (ii) the date that is twelve (12) months following the date of the Participant's death;
  - (d) if a Participant ceases to be an Eligible Person as a result of his or her Disability, each unvested Option held by such Participant will continue to vest in accordance with the terms of grant of such Option and each vested Option held by such Participant will remain exercisable until the original Expiry Date of the Option;
  - (e) if a Participant ceases to be an Eligible Person as a result of such Participant's service, consulting relationship, or employment with the Corporation or an Affiliate having been terminated for Cause, each Option held by the Participant will automatically terminate and become void; and
  - (f) if, other than in connection with a Change of Control Event as described in Section 4.5(2) above, a Participant ceases to be an Eligible Person as a result of such Participant's service,

consulting relationship, or employment with the Corporation or an Affiliate having been terminated without Cause, or the Participant resigns from his or her employment for Good Reason, each unvested Option held by the Participant will automatically terminate and become void on the Termination Date and each vested Option will cease to be exercisable on the earlier of the original Expiry Date of the Option and ninety (90) days following the Termination Date, unless otherwise determined by the Board, in its sole discretion.

- (2) For the purposes of this Plan, a Participant's employment with the Corporation or an Affiliate is considered to have terminated effective on the last day of the Participant's actual and active employment with the Corporation or Affiliate, whether such day is selected by agreement with the individual, unilaterally by the Corporation or Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by statute, imposed by a court or otherwise, in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment will be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under this Plan.

#### **Section 4.8 Notice**

Any notice required to be given by this Plan must be in writing and be given by registered mail, prepaid postage, or delivered by courier or by facsimile transmission addressed, if to the Corporation, to the office of the Corporation in Toronto, Ontario, Attention: Chief Financial Officer; or if to a Participant, to such Participant at his or her address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

#### **Section 4.9 Rights of Participants**

No person entitled to exercise any Option granted under this Plan has any of the rights or privileges of a Shareholder in respect of any underlying Shares issuable upon exercise of such Option, including without limitation, the right to participate in any new issue of Shares to existing holders of Shares, until such Option has been exercised and such underlying Shares have been paid for in full and issued to such person. For greater certainty, nothing contained in this Plan nor in any Option granted in accordance with this Plan is deemed to give any Participant any interest or title in or to any Shares or any other legal or equitable right against the Corporation or any of its Affiliates whatsoever other than as set forth in this Plan and pursuant to the exercise of any Option.

#### **Section 4.10 Right to Issue Other Shares**

The Corporation is not by virtue of this Plan restricted in any way from declaring and paying stock dividends, issuing further Shares, or varying or amending its share capital or corporate structure.

#### **Section 4.11 Quotation of Shares**

So long as the Shares are listed on the Toronto Stock Exchange, the Corporation must apply to the Toronto Stock Exchange for the listing or quotation, as applicable, of the Shares issued upon the exercise of all Options granted under this Plan, however, the Corporation cannot guarantee that such Shares will be listed or quoted on the Toronto Stock Exchange.

### **ARTICLE 5 BOARD APPROVAL**

#### **Section 5.1 Adoption**

This Plan was initially adopted by the Board on January 12, 2018.

## Appendix “A”

### SPECIAL APPENDIX to the ORVANA MINERALS CORP. Stock Option Plan Special Provisions Applicable to Eligible Persons Subject to Section 409A of the United States Internal Revenue Code

This Appendix sets forth special provisions of the Orvana Minerals Corp. Stock Option Plan (the “**Plan**”) that apply to Eligible Persons whose compensation is subject to section 409A of the United States Internal Revenue Code of 1986, as amended (the “**Code**”) and modifies the terms of the Plan with respect to those Eligible Persons who are subject to income taxation under the laws of the United States. Terms defined in the Plan and used in this Appendix and in any Option Agreement applicable to any Option issued under the Plan will have the meanings set forth in the Plan, as amended from time to time.

#### 1. Definitions

For the purposes of this Appendix:

- (a) “**Code**” means the United States Internal revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder;
- (b) “**Section 409A**” means section 409A of the Code;
- (c) “**Separation From Service**” has the meaning attributed thereto in United States Treasury Regulation Section 1.409A1(h);
- (d) “**US Taxpayer**” means an Eligible Person whose compensation from the Corporation or any of its Affiliates is subject to Section 409A.

#### 2. Non-qualified stock options; Exemption from Section 409A.

(1) Options granted to US Taxpayers are not intended to satisfy the requirements of Section 422 of the Code as “incentive stock options”. Despite any provision of the Plan to the contrary, it is intended that Options granted under the Plan to US Taxpayers be exempt from Section 409A, and all provisions of the Plan will be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

(2) Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any Affiliate will have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

#### 3. Exercise Price.

Despite any other provision of the Plan, so long as at the time of the grant of an Option the Shares are “readily tradable” (as determined under United States Treasury Regulation section 1.409A-1(b)(5)(iv)(G)), the Exercise Price will be the closing sale price of the Shares reported on the Exchange on which the Shares are listed on the last Business Day on which such Exchange is open for trading prior to the date of grant of such Option, and, if at the time of grant the Shares are not “readily tradable” (as determined under United States Treasury Regulation section 1.409A-1(b)(5)(iv)(G)), the Exercise Price will be determined by the reasonable application of a reasonable valuation method in accordance with United States Treasury Regulation Section 1.409A-1(b)(5)(iv)(B).

#### 4. Expiry of Option; Trading Blackouts.

Despite any other provision of the Plan and any provisions of the Option Agreement to the contrary, Options granted to US Taxpayers may not be exercised under any circumstances following the 5<sup>th</sup> anniversary of the date of grant.

**5. Use of Trust.**

No trust will be established or funded with respect to Options granted to US Taxpayers if such trust would cause such Options to be treated as other than a stock right described in United States Treasury Regulation Section 1.409A-1(b)(5)(i)(A) or (B).

**6. Amendment of Appendix.**

The Board retains the power and authority to amend or modify this Appendix to the extent that the Board, in its sole discretion, deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any US Taxpayer.

**7. Non-transferability of Options.**

Despite Section 4.6 and Section 4.7 of the Plan, except as otherwise set forth in the applicable Option Agreement, no Option or any interest or participation therein may be transferred (other than by will or by the laws of descent and distribution) if such transfer would be treated as a "modification" of such Option for the purposes of the Code.

**Appendix "B"**

**STOCK OPTION CERTIFICATE**

This Stock Option Certificate is dated this ● day of ●, 20● between Orvana Minerals Corp. (the "Corporation") and [Name] (the "Optionee").

**WHEREAS** the Optionee has been granted certain options ("**Options**") to acquire common shares in the capital of the Corporation ("**Shares**") under the Orvana Minerals Corp. Stock Option Plan (the "**Option Plan**"), a copy of which has been provided to the Optionee;

**AND WHEREAS** capitalized terms used in this Agreement and not otherwise defined have the meanings given to them in the Option Plan;

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The Corporation confirms that the Optionee has been granted Options under the Option Plan on the following basis, subject to the terms and conditions of the Option Plan:

<b>DATE OF GRANT</b>	<b>NUMBER OF OPTIONS</b>	<b>EXERCISE PRICE (CDN\$)</b>	<b>VESTING SCHEDULE</b>	<b>EXPIRY DATE</b>
●	●	●	●	●

2. Attached to this Stock Option Certificate as Schedule "A" is a form of notice that the Optionee may use to exercise any of his or her Options in accordance with Section 4.4 of the Option Plan at any time and from time to time prior to the Expiry Date of such Options.
3. By accepting this Stock Option Certificate, the Optionee represents, warrants and acknowledges (i) that he or she has read and understands the Option Plan and agrees to the terms and conditions thereof and of this Stock Option Certificate; (ii) that he or she requested and is satisfied that the foregoing be drawn up in the English language; (iii) his or her participation in the trade and acceptance of the Options is voluntary; and (iv) that he or she has not been induced to participate in the Option Plan by expectation of engagement, appointment, employment, continued engagement, continued appointment or continued employment, as applicable, with the Corporation or its Affiliates.
4. This Stock Option Certificate is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. Time is of the essence of this Stock Option Certificate. This Stock Option Certificate will enure to the benefit of and will be binding upon the parties and their heirs, attorneys, guardians, estate trustees, executors, trustees and administrators and the successors of the Corporation.

**IN WITNESS WHEREOF** the parties have executed this Stock Option Certificate.

**ORVANA MINERALS CORP.**

\_\_\_\_\_  
Name of Optionee:

\_\_\_\_\_  
Authorized Signing Officer

**SCHEDULE "A"**  
**ELECTION TO EXERCISE STOCK OPTIONS**

**TO: ORVANA MINERALS CORP. (the "Corporation")**

The undersigned option holder hereby irrevocably elects to exercise options ("**Options**") granted by the Corporation to the undersigned pursuant to a Stock Option Certificate dated ●, 20● **under the** Orvana Minerals Corp. Stock Option Plan (**the "Option Plan"**) for the number of common shares in the capital of the Corporation ("**Shares**") in accordance with as set forth below.

I hereby elect to exercise my Options in accordance with Section 4.4 of the Option Plan:

Number of Shares to be Acquired: \_\_\_\_\_

Option Exercise Price (per Share): \$ \_\_\_\_\_

Aggregate Purchase Price: \$ \_\_\_\_\_

Amount enclosed that is payable on account of withholding of tax or other required deductions relating to the exercise of the Options (contact the Corporation for details of such amount) (the "**Applicable Withholdings and Deductions**"): \$ \_\_\_\_\_

Or check here if alternative arrangements have been made with the Corporation with respect to the payment of Applicable Withholdings and Deductions;

and hereby tenders cash, a certified cheque or bank draft for such Aggregate Purchase Price, and, if applicable, Applicable Withholdings and Deductions, and directs such Shares to be registered in the name of \_\_\_\_\_.

**DATED** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name