

**O R V A N A**  
**M I N E R A L S C O R P .**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON FEBRUARY 27, 2015 AT 11:00 A.M.**

**NOTICE OF MEETING AND  
MANAGEMENT INFORMATION CIRCULAR**

**JANUARY 29, 2015**

**ORVANA MINERALS CORP.**

**Notice of Annual General Meeting of Shareholders**

**NOTICE** is hereby given that the annual general meeting of the holders of common shares of Orvana Minerals Corp. (the "Company") will be held at the TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario on Friday, February 27, 2015 at 11:00 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, 2014 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; and
- (d) 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 CST Trust Company, 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 CST Trust Company not later than 5:00 p.m. (Toronto time) on February 25, 2015, 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 29<sup>th</sup> day of January, 2015.

**By order of the Board of Directors**



**Robert Mitchell, CPA, CA  
Chairman**

## ORVANA MINERALS CORP.

### MANAGEMENT INFORMATION CIRCULAR FOR THE ANNUAL GENERAL 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 meeting of the holders of its common shares (the “Common Shares”) to be held on February 27, 2015 (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, CST Trust Company, at nominal cost. The cost of solicitation will be borne by the Company.

The Company is sending the Notice of Meeting, this Circular, the Company’s comparative audited consolidated financial statements as at and for the fiscal year ended September 30, 2014 and the auditor’s report thereon and the Management Discussion & Analysis for the year ended September 30, 2014 (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 28, 2015 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; and
- 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.

##### **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 CST Trust Company, 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 CST Trust Company not later than 5:00 p.m. (Toronto time) on February 25, 2015, 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 181 University Avenue, Suite 1901, Toronto, Ontario, M5H 3M7, 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; and
- **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.

### **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 28, 2015, 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 28, 2015, 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) (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 amendments since 2011. At January 28, 2015, 1,645,000 warrants were outstanding, which, combined with the Common Shares held by Fabulosa, represent 52.5% of the Common Shares on a fully-diluted basis. The exercise prices of the warrants range from \$0.49 and \$1.90 and the expiry dates range from 2016 to 2019.

## 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, 2014 and the auditor's report thereon (the "2014 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; and
4. any such other business as may properly be brought before the Meeting.

## Receiving the Financial Statements

The 2014 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 2014 Financials at the Meeting and shareholders and proxyholders will be given an opportunity to discuss these results with management of the Company. The 2014 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 eight directors. 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 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 and Nominating 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 it. 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, 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 as at January 28, 2015:

Name, Province/State and Country of Residence	Principal Occupations For Past Five Years	Director Since	Common Shares Beneficially Owned or Over Which Control or Direction is Exercised <sup>(1)</sup>
Gordon J. Bogden Ontario, Canada <sup>(3)(4)(6)</sup>	President and Chief Executive Officer of Alloycorp Mining Inc. (current)  Director of Royal Gold Inc. (current)  Vice Chairman, Mining and Metals at Standard Chartered Bank  Co-founder, President and Managing Partner at Gryphon Partners  Vice Chairman and Head of the Mining Group, Corporate and Investment Banking at National Bank Financial Inc.	February 2014	Nil
Ed Guimaraes, CPA, CA <sup>(2)(4)(6)</sup> Ontario, Canada	Chief Financial Officer of Sierra Metals Inc. (current)  Director of Aldridge Minerals Inc. and Aquila Resources Inc. (current)  Independent business consultant  Executive Vice-President, Finance and Chief Financial Officer of Aur Resources Inc.	February 2013	Nil

Name, Province/State and Country of Residence	Principal Occupations For Past Five Years	Director Since	Common Shares Beneficially Owned or Over Which Control or Direction is Exercised <sup>(1)</sup>
Jacques McMullen Ontario, Canada <sup>(3)(5)(6)</sup>	Principal, Mines and Metals, Partner and non-executive director of BBA, a private Canadian engineering services company (current)  Advisory board member of Minera S.A. (current)  Director of Fire River Gold Corp., IGE Resources AB and Highland Gold Mining Ltd.  Senior Vice President, Technical Services and Projects, Barrick Gold Corporation	February 2014	Nil
Gordon Pridham <sup>(6)</sup> Ontario, Canada	Director and chair of the board of CHC Realty Capital Corp. and Titanium Corporation (current)  Principal of Edgewater Capital (current)  Advisory board member of Minera S.A. (current)  Director of Newalta Corporation, Roxgold Inc. and Scorpio Mining Corporation (current)  Advisory board member of Enertech Capital (current)	November 2014	Nil
Audra Walsh, P.E. <sup>(3)(5)</sup> Virginia, U.S.A.	President and Chief Executive Officer of Sierra Metals Inc. (current)  President and Chief Executive Officer of Minera S.A.  President and Chief Executive Officer of A2Z Mining, Inc.  Senior Manager at Barrick Gold Corporation	October 2012	58,900
C. John Wilson <sup>(2)(5)</sup> Maryland, U.S.A.	Independent project finance and economic development consultant (current)  Advisory board member of Minera S.A. (current)  Chief Credit Officer, Credit Review Department, International Finance Corporation	March 2012	Nil
Michael Winship, P.E. <sup>(5)</sup> Ontario, Canada	President and Chief Executive Officer of Orvana (current)  Chief Operating Officer of Quadra FNX Mining Ltd.  President of HudBay Minerals Inc.	February 2013	260,000

(1) 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 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 this additional information.

(2) Member of the Audit Committee.

(3) Member of the Compensation and Nominating Committee.

(4) Member of the Corporate Governance Committee.

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

(6) Member of the Strategy Committee.

To the knowledge of the Company, 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, 2014, fees charged by PwC were \$455,818 for audit services, \$77,276 for audit-related services and \$39,198 for tax-related services. 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, 2014 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).

### 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 30, 2014, the last business day of the Company’s fiscal 2014 year, the closing rate of one US dollar has been converted to Canadian dollars at the exchange rate of 1.1200 (based on the Bank of Canada closing rate) and one Euro has been converted to Canadian dollars at the exchange rate of 1.4058 (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 to the Company’s business strategy, while ensuring that participants are rewarded at market competitive compensation levels. Orvana determines compensation on an individual basis with the goal of attracting and retaining executives that 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, mine-specific or 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 senior executives and their ability to influence business outcomes and financial performance. In doing so, Orvana uses corporate financial results as the main performance measures and uses operating results as secondary performance measures.

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

Orvana's executive compensation program aligns the interest 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 not encourage 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 consisting of health, dental, disability and insurance plans. The sum of these compensation elements comprises the total direct compensation of the Company's executive officers. The Company does not have a 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 and approved 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") 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, mine specific or individual achievements against challenging yet attainable pre-defined annual 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 organizations of similar size, scope and complexity. Award opportunities vary by employee level, role and responsibilities and align with market practice. For example, positions that have a direct impact on the direction and success of the Company, such as executives, will have a greater portion of their STIP linked to corporate objectives, whereas managers will be linked more towards mine-specific and individual objectives. The STIP utilizes performance measures and targets that are both quantitative and qualitative in nature. Under the STIP, performance measures, weightings and target award levels (as a percentage of base salary) are communicated on an annual basis. To ensure a pay-for-performance culture, STIP payouts are only made by the Company 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 performance-based grants of restricted share units and stock appreciation rights, which may be granted annually, and stock options. These grants of equity-linked compensation are intended to better align the interests of an executive with those of shareholders by connecting the amount of the 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 the risk of undue risk-taking, the effects of which may lag annual bonus awards.

##### ***(i) Restricted Share Units***

On October 1, 2008, the Company adopted the Restricted Share Unit Plan for Designated Executives (the "RSU Plan"). As described below, restricted share units ("RSUs") are used by the Company to provide certain executive officers (including the NEOs) with long-term incentive compensation that is measured against both the achievement of annually established key performance objectives of the individual executive and a qualitative evaluation of the executive's overall effectiveness and contribution

to the Company. As RSUs are granted based on past performance, executives are 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 is variable from year to year in relation to the executive's performance.

RSUs are granted on an annual basis and make up a portion of the annual long-term incentive compensation (currently at least 50%). The number of RSUs included in a grant is 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 October 1, which is the day immediately following 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.

Orvana believes that RSUs promote ownership in the Company and can serve to align the interests of executives with shareholders. The use of RSUs as a component of compensation is intended to more effectively correlate long-term incentive compensation to the Company's performance. In addition, while the value of both stock options and RSUs are tied to the Company's share price, unlike stock options, RSUs are not dilutive to shareholders' equity. The incentive, risk mitigation and retentive value of stock options can be limited in circumstances where, notwithstanding strong corporate and/or individual performance, the Company's share price is negatively impacted by external factors such that stock options have no value. In such circumstances, RSUs continue to have value, albeit reduced, and, consequently, continue to support executive retention and provide effective long-term incentive compensation. The vesting period for RSUs is intended to ensure that they act as long-term incentive compensation and provide a significant retention incentive.

*(ii) Stock Options*

Prior to Orvana's adoption of the RSU Plan, the Company's long-term incentive compensation for executives was solely in the form of options to purchase Common Shares. Like RSUs, the value of stock options is directly linked to the price of the Common Shares. The Company continues to grant stock options in connection with the initial appointment of certain executives, thereby bridging the period until a significant RSU holding is established. The purpose of these awards 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 and prior to their eligibility to receive grants of RSUs. Grants of additional stock options may be made to an executive based on the recommendation of the Compensation and Nominating 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.

Options are granted under the Company's Stock Option Plan adopted by the Company effective on February 16, 2006 (the "Stock Option Plan"). The number of Common Shares that may be issued from treasury under the Stock Option Plan 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 Stock Option Plan. The number of Common Shares issuable to insiders at any time and in any one-year period under the Stock Option Plan and any other security based compensation arrangements of the Company shall not exceed in the aggregate 10 percent of the Company's total issued and outstanding Common Shares. The number of Common Shares which may be issued to a participant under the Stock Option Plan and any other security based compensation arrangements of the Company shall not exceed in the aggregate 5 percent of the Company's total issued and outstanding Common Shares. Stock options granted under the 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 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. Notwithstanding (ii) above, the employment agreements of each of Michael Winship (the President and CEO), Daniella Dimitrov (the CFO), James Jacques (the former COO), Neil Ringdahl (the current COO) and John Bracale (the President of Empresa Mineral Paititi S.A.) provide that upon a termination without cause or resignation for good reason (as such term is defined in their respective employment agreements), any stock options which have been granted to these NEOs following the date of their respective employment agreements, and which have vested at the time of their termination, may continue to be exercised for 15 business days (or, in the case of Mr. Bracale, 90 days) following such termination date.

From time to time, the Board may amend, suspend or terminate any of the provisions of the Stock Option Plan or amend the terms of any then outstanding option granted pursuant to the 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 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 Stock Option Plan are non-transferable.

*(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”) will be issued to executives on an annual basis and make up a portion of the annual long-term incentive compensation package (currently 50% in respect of certain NEOs). Orvana believes that this long-term incentive vehicle will align executives with shareholders by driving growth in the share price of the Company without any dilutive effect on the Company’s shareholders due to the fact that SARs will be settled in cash. The SAR Plan is intended to help Orvana in attracting, motivating and retaining a goal driven management team through the use of a long-term incentive vehicle that is comparable to similar mining companies in the competitive marketplace.

SARs will vest equally on the first, second and third anniversaries following the date of grant. A holder of SARs will be 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 will be 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 will also be entitled to determine other terms or conditions of any SARs vesting, including, without limitation, the financial performance or results of the Company and the return to shareholders (with or without reference to other comparable companies).

*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 benefits that the Company believes are reasonable and consistent with its overall executive compensation program. These benefits consist of medical, dental, long and short-term disability, accidental death and dismemberment and life insurance.

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

The Compensation and Nominating Committee (the “Compensation Committee”) reviews each component of compensation for each NEO and makes a compensation recommendation to the Board. In making its recommendations, the Compensation Committee considers, among other things, recommendations made by any external compensation consultant retained by the Compensation Committee, self-evaluations completed by the executives and the recommendations of the CEO in respect of the other NEOs. The Board reviews the recommendations of the Compensation Committee and provides final approval of the compensation of the Company’s officers.

As at the date of the Circular, the Compensation Committee is comprised of Audra Walsh (Chair), Gordon Bogden and Jacques McMullen. Mr. Bogden and Mr. McMullen are independent directors of the Company (within the meaning of applicable Canadian securities laws). As of July 17, 2014, Ms. Walsh is an independent director of the Company (within the meaning of applicable Canadian securities laws). Prior to such date, Ms. Walsh was not an independent director of the Company by virtue of her previous position as the President and Chief Executive Officer of Minera S.A., an affiliate of Fabulosa (the Company’s major shareholder). Each such member of the Compensation 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 Committee also relied on external independent compensation consultants as discussed in more detail below.

In fiscal 2012, the Compensation Committee retained Bedford Consulting Group (“Bedford”) to review and make updated recommendations regarding the Company’s executive and directors’ compensation. Bedford received a fee of \$51,000 in connection with such compensation consulting services. At the recommendation of the Compensation Committee, the Board adopted certain recommendations made by Bedford related to executive salaries effective August 1, 2012 as well as recommendations related to directors’ compensation effective October 1, 2012.

Services, other than those described above, provided by Bedford (or any of its affiliates) totalled \$50,000 for fiscal 2012, \$149,500 for fiscal 2013 and \$57,230 for fiscal 2014 and consisted of the provision of directors and executives search services.

In fiscal 2013, the Compensation Committee retained Global Governance Advisors (“GGA”), an independent executive compensation and governance advisory firm, to conduct the following: (i) review the Compensation Committee’s governance process in addressing executive compensation; (ii) review executive employment agreements; (iii) review and provide comments on each component of the Company’s long-term incentive compensation; (iv) review and propose a new executive compensation philosophy for the Company; and (v) review and provide recommendations on executive compensation for fiscal 2014. The Compensation Committee considered the recommendations of GGA in its review and deliberations with respect to executive compensation in fiscal 2013 and fiscal 2014. The Board largely adopted the recommendations made by GGA and this formed the basis of executive compensation beginning in fiscal 2014.

GGA received a fee of \$50,430 for fiscal 2014 and \$38,330 for fiscal 2013 in connection with such compensation consulting services. GGA (or any of its affiliates) has not provided any other services to the Company.

To evaluate its level and manner of executive compensation and establish appropriate reference points, following discussions with GGA, the Compensation Committee established a benchmark group of comparably-sized, mid-tier mining companies based on an evaluation of the following criteria:

- Companies of similar (0.5x to 2x) size to Orvana, mostly from a total assets perspective, but also taking into account other factors such as market capitalization, revenue and number of employees;
- Companies that are similar to Orvana in their operational nature (not just exploration-stage companies);
- Companies with multiple operations sites that are either operating or exploring;
- Companies that operate mine sites in similar geographies;
- Companies that have both underground and open pit mines;

- Companies that produce similar metals to Orvana; and
- Companies that have a similar shareholding structure to Orvana.

Based on the above criteria, the benchmark group included: Alexco Resources Corporation, Aura Minerals Inc., Claude Resources, Inc., Crocodile Gold Corp., Endeavour Silver Corp., Fortuna Silver Mines Inc., Kirkland Lake Gold Inc., Lake Shore Gold Corp., Monument Mining Limited, Richmond Mines Inc., Sierra Metals Inc., St. Andrews Goldfields Ltd., Timmins Gold Corp. and Wesdome Gold Mines Ltd.

As a guiding principle in determining executive compensation, Orvana seeks 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 are reviewed annually by the Compensation 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.

To determine the amounts of annual bonus and long-term incentive compensation, target amounts are established for the annual bonus and long-term incentive compensation of each NEO. These targets are set following consultation with the executives. As with base salaries, targets for annual bonus and long-term incentive compensation amounts are determined with reference to the benchmark companies and the guiding principle that Orvana establish 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. In determining the annual objectives relating to such annual bonus and long-term incentive compensation, the Compensation Committee considers major risks that face the Company such as health, safety and environment risks, and ensures that the objectives of the NEOs include managing such risks.

In a given year, an executive's incentive compensation can range from 0% up to 225% of the NEO's base salary in annual performance bonus and long term incentive compensation. At the start of each fiscal year, the Compensation Committee works with the NEOs to establish key performance objectives for the year. The objectives are designed to reflect both the Company's short-term goals and its long-term strategic objectives. The amount of annual bonus and long-term incentive compensation granted to an executive is determined in part by the executive's success in achieving the applicable performance objectives and in part by the overall view of the Compensation Committee of the executive's effectiveness and contribution to the Company. In determining an executive's annual incentive compensation, success in achieving the performance objectives is assigned a certain weight and the overall view of the Compensation Committee of the executive's effectiveness in reaching the objectives and contribution to the Company is assigned a certain weight. The factor determined by this evaluation is applied to the target amounts of annual bonus and long-term incentive compensation to determine both an executive's annual performance bonus and the executive's annual long-term incentive award.

The performance objectives established by the Compensation Committee for the NEOs for fiscal 2014 and the target weight assigned to each performance objective were as follows: (i) health, safety and environment - 10% to 15%; (ii) operations, production and product quality - 20% to 25%; (iii) financial including balance sheet management, operating costs, capital expenditures - 25% to 40%; (iv) people development - 10% to 25%; (v) project management - 0% to 5%; and (vi) growth, including organic growth through the increase of mining reserves and resources and external growth through corporate transactions and optimization of the Company's portfolio of assets. The actual results achieved vary between 75% and 120% of the objectives established.

During fiscal 2014, the Compensation Committee conducted a mid-year review of corporate performance as well as the performance of the CEO, CFO and COO. Following the completion of fiscal 2014, the Compensation Committee reviewed corporate performance in respect of fiscal 2014, the success of each NEO in achieving the objectives of such prior fiscal year and determined its recommendations regarding incentive compensation in respect of such fiscal year. The Compensation Committee also discussed the establishment of performance objectives for fiscal 2015 and considered various matters with respect to succession plan in respect of the NEOs.

The Compensation Committee retains full discretion with respect to any recommendation of compensation awards and the Board retains full discretion with respect to granting all compensation awarded.

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.

### **Compensation Decisions for the Year Ended September 30, 2014**

During the 2014 fiscal year, the NEOs were (i) Mr. Winship, the current President and CEO; (ii) Ms. Dimitrov, the CFO; (iii) Mr. Jacques, the former COO; (iv) Mr. Ringdahl, the current COO; (v) Mr. Bracale, the President of Empresa Mineral Paititi S.A. through which the Company holds its Don Mario mine in Bolivia; and (vi) João Nunes, General Manager of Kinbauri España S.L.U., through which the Company holds its El Valle Boinás-Carlés mines in Spain.

In fiscal 2014, the Compensation Committee considered the following performance achievements in making its recommendations for executive compensation of the NEOs to the Board in respect of fiscal 2014. The Company continued to improve operating performance, upgrade its assets, streamline its asset base and significantly strengthen its balance sheet to deliver shareholder value. In furthering its strategy, the NEOs drove the Company’s following achievements:

#### *Improved operating performance and asset upgrades*

- Management focused on operational optimization across all business areas, which has led to more efficient operations, higher-grade production and the achievement of fiscal 2014 production guidance. This has resulted in an increase of 4% in gold and 22% in copper production compared with fiscal 2013.
- Year-over-year mining costs at the Don Mario mine were reduced by 23% and production increased by 45% in gold and 45% in copper.
- The El Valle Boinás-Carlés mines continued a focus on the optimization of head grade implemented in the second half of fiscal 2014 resulting in an escalating average gold grade processed through the El Valle Boinás-Carlés mines plant. In the second half of fiscal 2014, the average gold grade through the mill increased by 44% compared by the first half of fiscal 2014.
- Capital expenditures decreased by 29% in fiscal 2014 compared with 2013.

#### *Streamlined asset base*

- Management focused on the optimization of its portfolio of assets. As part of these initiatives, the Company completed the sale of the Copperwood project in Michigan, as it was a non-core asset outside of the Company’s principal jurisdictions of Europe and Latin America, for up to \$25.0 million. The Company received \$20 million in cash and there is a deferred payment in certain circumstances of \$5 million.

#### *Focus on the balance sheet*

- The Company completed its deleveraging, a focus that commenced in mid-2012. There was a continued decrease in outstanding debt balances in fiscal 2014 by 57% including the repayment of \$31.8 million in principal and interest of long-term debt in respect of the El Valle Boinás-Carlés mines. The Company completed the repayment of a \$64 million loan in November 2014, two years ahead of schedule, and the repayment of an outstanding short-term debt of \$6.5 million in June 2014.
- The Company ended 2014 with \$20 million in cash and \$3.5 million in debt.

Each NEO is eligible for an annual performance bonus and long-term incentive compensation in respect of each fiscal year. For each NEO, target amounts and ranges for the annual performance bonus and long-term incentive compensation are established by the Compensation Committee as described above under “How the Company Determines Executive Compensation - Report of Executive Compensation”. The value of long-term incentive compensation for each NEO is issued as to 50% in RSUs and 50% in SARs. In respect of fiscal 2014, (i) RSUs were issued at a price of \$0.35 and vest on December 1, 2016, and (ii) SARs representing twice the number of RSUs issued in respect of fiscal 2014 were issued with the Initial Fair Market Value (as such term is defined in the SARs Plan) of \$0.32 representing the closing price of the Common Shares on the date of the grant. For the purposes of this disclosure, the long-term



compensation was valued as follows: (i) in respect of the RSUs, the value per RSU was determined by the average close price of the Common Shares on the last five trading days of fiscal 2014, and (ii) in respect of the SARs, the value per SAR was determined by the Black-Scholes model with a valuation date of September 30, 2014. Please refer to the "Summary Compensation Table" below for further detail.

#### *CEO*

Effective October 1, 2013, the commencement of the Company's 2014 fiscal year, Mr. Winship was appointed President and CEO of the Company and his salary was set at \$390,000 per annum. Mr. Winship received a signing bonus of \$20,000 in connection with the acceptance of his appointment as President and CEO of the Company. The targeted amounts for each of annual performance bonus and long-term incentive compensation were established as 50% to a maximum of 75%, and 100% to a maximum of 150%, respectively, of his base salary. The combined maximum for the annual performance bonus and long-term incentive compensation was limited to 225% of his base salary.

In connection with his performance in fiscal 2014, Mr. Winship received (i) an annual performance bonus of \$156,000 representing 80% of the targeted amount of 50% of his base salary, and (ii) long-term incentive compensation with a total value of \$296,846 representing approximately 76% of the targeted amount of 100% of Mr. Winship's base salary. Mr. Winship was issued 445,714 RSUs and 891,429 SARs as part of his long-term incentive compensation.

#### *CFO*

In her capacity as the Company's CFO, and in connection with her performance in fiscal 2014, Ms. Dimitrov's base salary was \$300,000. 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 120%, respectively, of her base salary. The combined maximum for the annual performance bonus and long-term incentive compensation was limited to 180% of her base salary. Accordingly, Ms. Dimitrov received (i) an annual performance bonus of \$162,000 representing 135% of the targeted amount of 40% of her base salary, and (ii) long-term incentive compensation with a total value of \$251,177 representing approximately 105% of the targeted amount of 80% of her base salary. Ms. Dimitrov was issued 377,143 RSUs and 754,286 SARs as part of her long-term incentive compensation.

#### *COO*

Mr. Jacques held the position of COO until May 18, 2014. In his capacity as COO, Mr. Jacques' effective base salary in respect of fiscal 2014 was US\$275,000. Mr. Jacques also received allowances to purchase benefits comparable to those provided directly by the Company to other executives. As part of Mr. Jacques' retirement, Mr. Jacques' outstanding options to purchase 100,000 Common Shares at \$3.01 will expire on April 1, 2016 and his options to purchase 125,000 Common Shares at \$1.03 will expire on December 20, 2016. In addition, Mr. Jacques' outstanding RSUs will be paid on December 1, 2015 at a value to be determined based on the price of the Common Shares at the time of such payment in accordance with the terms of the RSU Plan. Mr. Jacques' outstanding SARs were cancelled on his retirement.

Neil Ringdahl was appointed as the Company's COO on June 2, 2014. In his capacity as COO, Mr. Ringdahl's base salary was \$300,000 in fiscal 2014. 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 120%, respectively, of his base salary. The combined maximum for the annual performance bonus and long-term incentive compensation was limited to 180% of his base salary. Accordingly, Mr. Ringdahl received (i) an annual performance bonus of \$44,800 representing 112% of the targeted amount of 40% of his base salary prorated based on his June 2, 2014 appointment date; (ii) a grant of options to purchase 100,000 Common Shares (such grant followed the commencement of Mr. Ringdahl's employment with Orvana) and (iii) long-term incentive compensation with a total value of \$62,414 representing approximately 78% of the targeted amount of 80% of his base salary prorated based on his June 2, 2014 appointment date. Mr. Ringdahl was issued 93,714 RSUs and 187,429 SARs as part of his long-term incentive compensation.

*President, Empresa Minera Paititi S.A.*

Mr. Bracale was appointed President, Empresa Minera Paititi S.A. (“EMIPA”), a wholly-owned subsidiary of the Company which owns and operates the Don Mario mine in Bolivia effective October 31, 2013. In fiscal 2014, the Don Mario mine achieved a 45% increase in gold production and copper production compared to 2013. In addition, the all-in-sustaining costs of the Don Mario mine decreased by 18% in fiscal 2014 as compared to fiscal 2013 and labour union negotiations were successfully completed.

In his capacity as President, Mr. Bracale’s base salary was US\$180,000 in fiscal 2014. Mr. Bracale received (i) an annual performance bonus of \$62,092 (US\$60,000) representing 104% of the targeted amount of 35% of his base salary prorated based on his October 31, 2013 appointment date, (ii) a grant of options to purchase 100,000 Common Shares (such grant followed the commencement of Mr. Bracale’s employment with Orvana), and (iii) long-term incentive compensation with the total value of \$61,828 representing approximately 73% of the targeted amount of 50% of Mr. Bracale’s base salary prorated based on his October 31, 2013 appointment date. Mr. Bracale was issued 92,835 RSUs and 185,669 SARs as part of his long-term incentive compensation.

*General Manager, Kinbauri España S.L.U.*

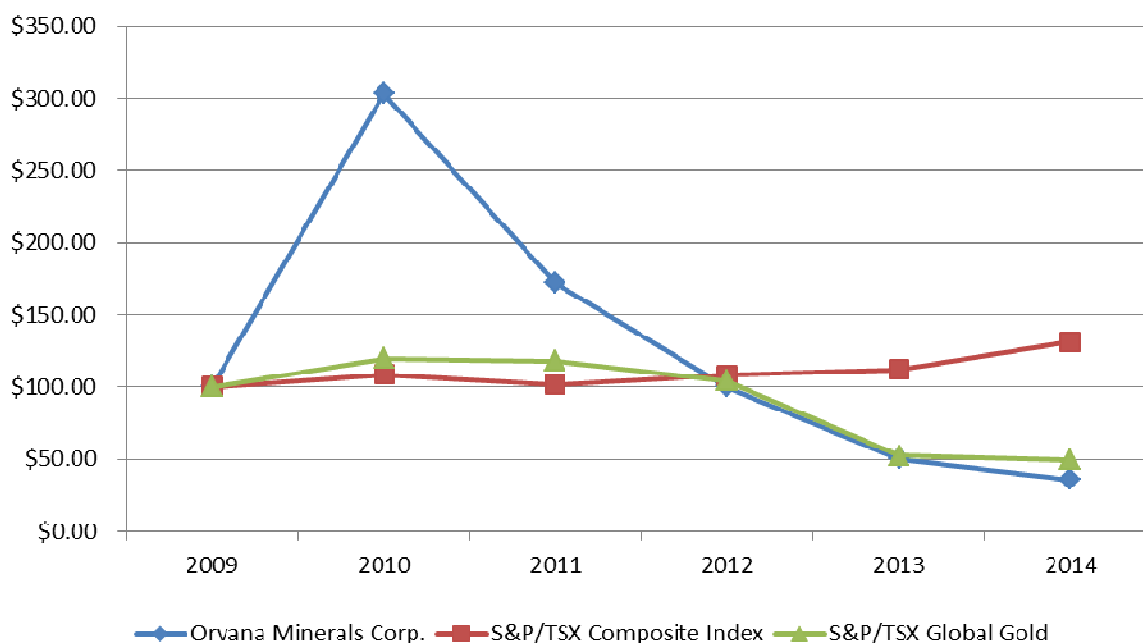
On August 25, 2014, Mr. Nunes was appointed as General Manager, Kinbauri España S.L.U. (“Kinbauri”), a wholly-owned subsidiary of the Company which owns and operates the Company’s El Valle Boinás-Carlés mines in Spain, two underground gold/copper/silver mines. Previously, Mr. Nunes was engaged as a consultant by the Company from February 26, 2014 and appointed as Interim General Manager in April 2014.

In this capacity, Mr. Nunes’ base salary was \$210,870 (€150,000) in fiscal 2014. Mr. Nunes received (i) an annual performance bonus of \$44,072 (€30,000) representing 95% of the targeted amount of 35% of Mr. Nunes’ base salary prorated based on his April 2014 appointment date, (ii) a grant of options to purchase 100,000 Common Shares (such grant followed the commencement of Mr. Nunes’ employment with Kinbauri), and (iii) long-term incentive compensation with a total value of \$41,932 representing approximately 67% of the targeted amount of 50% of Mr. Nunes’ base salary prorated based on his April 2014 appointment date. Mr. Nunes was issued 62,960 RSUs and 125,921 SARs as part of his long-term incentive compensation.

**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, 2009 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.

**Cumulative Total Shareholder Return  
September 30, 2009 through to September 30, 2014  
Canadian Dollars**



Year ended September 30	2009	2010	2011	2012	2013	2014
<b>Orvana Minerals Corp.</b>	\$100.00	\$303.37	\$171.91	\$100.00	\$50.56	\$35.96
<b>S&amp;P/TSX Composite Index</b>	\$100.00	\$108.54	\$102.01	\$108.10	\$112.22	\$131.29
<b>S&amp;P/TSX Global Gold Index</b>	\$100.00	\$119.68	\$117.96	\$104.35	\$52.59	\$49.75

The Compensation Committee 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:

- During fiscal 2011 and 2012, the Company advanced both of its current operations, the El Valle Boinás-Carlés mines in Spain and the Don Mario mine in Bolivia, into commercial production. Both operations experienced initial start-up challenges during fiscal 2012 and into fiscal 2013 which have since been successfully resolved. The Company has increased its gold and copper production year-over-year in fiscal 2012, 2013 and 2014.
- The Company assumed over \$74 million in debt in order to advance the two operations into commercial production with payments under these obligations commencing in mid-fiscal 2012. The Company completed the repayment of \$64 million in long-term debt in November 2014, two years ahead of the original maturity date in respect of such debt. As at December 31, 2014, the Company had \$3.5 million in total debt outstanding.
- The Company has been transitioning its management team commencing in fiscal 2012 into fiscal 2014 with each of the current NEOs joining the Company since towards the end of fiscal 2012.
- Since the beginning of 2013 to the date of this Circular, gold prices fell from historical high levels experienced over the five-year period since 2009. 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, 2014. Salaries for the current NEOs are set and paid in Canadian dollars with the exceptions of (i) Mr. James Jacques who was paid in U.S. dollars up until his departure from Orvana, (ii) Mr. John Bracale who is paid in U.S. dollars, and (iii) Mr. João Nunes who is paid in Euros. For reporting purposes, the compensation information set out in the below tables for each of Messrs. Jacques, Bracale, and Nunes has been converted to Canadian dollars at the exchange rate of US\$1.00 = \$1.1200 (based on the Bank of Canada closing rate for September 30, 2014) and Mr. Nunes' compensation information has been converted to Canadian dollars at the exchange rate of €1.00 = \$1.4058 (based on the European Central Bank closing rate for September 30, 2014).

### Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards (\$) <sup>(7)</sup>	Option-based awards (\$) <sup>(8)(9)</sup>	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plan <sup>(10)</sup>	Long-term incentive plans			
Michael Winship <sup>(1)</sup> President and CEO	2014	390,000	156,000	140,846	156,000	Nil	Nil	19,500	862,346
	2013	243,821	85,000	171,200	Nil	Nil	Nil	45,627	545,649
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Daniella Dimitrov <sup>(2)</sup> CFO	2014	300,000	132,000	119,177	162,000	Nil	Nil	15,000	728,177
	2013	250,000	85,000	85,000	85,000	Nil	Nil	62,500	567,500
	2012	81,667	60,000	101,750	60,000	Nil	Nil	21,041	324,458
Neil Ringdahl <sup>(3)</sup> COO	2014	87,909	32,800	57,814	44,800	Nil	Nil	Nil	223,323
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Jacques <sup>(4)</sup> Former COO	2014	194,898	Nil	Nil	Nil	Nil	Nil	25,908	220,805
	2013	236,967	75,829	75,829	75,829	Nil	Nil	72,842	537,297
	2012	182,830	88,530	Nil	88,530	Nil	Nil	10,970	370,861
John Bracale <sup>(5)</sup> President, EMIPA	2014	184,791	32,492	58,936	64,984	Nil	Nil	61,812	403,015
	2013	Nil	Nil	Nil	Nil	Nil	Nil	9,594	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
João Nunes <sup>(6)</sup> General Manager, Kinbauri España S.L.U.	2014	31,671	22,036	40,796	44,072	Nil	Nil	97,750	236,325
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Mr. Winship was an independent director of the Company from February 28, 2013 to April 7, 2013. Mr. Winship was appointed as Interim President and CEO of the Company effective April 7, 2013 and was subsequently appointed President and CEO of the Company effective October 1, 2013. Amounts under "All Other Compensation" include director's fees in respect of fiscal 2013.
- (2) Ms. Dimitrov was a director of the Company from March 1, 2012 to May 31, 2012. Ms. Dimitrov became the CFO on June 1, 2012. Amounts under "All Other Compensation" include director's fees in respect of fiscal 2012.
- (3) Mr. Ringdahl was appointed the COO of the Company on June 2, 2014. Mr. Ringdahl's effective annual salary during fiscal 2014 was \$300,000.
- (4) Mr. Jacques became an employee of the Company on April 1, 2011 and was appointed the COO of the Company on August 1, 2012. Amounts included in the table as base salary represent the salary paid to Mr. Jacques as Vice President, Operations in respect of fiscal 2011 and 2012 until August 1, 2012 and as the COO thereafter until his retirement on May 18, 2014. The amounts included for Mr. Jacques under "All Other Compensation" were allowances to purchase benefits comparable to those provided directly by the Company to other executives.
- (5) Mr. Bracale was appointed as President of EMIPA S.A. on November 1, 2013. Mr. Bracale's effective annual salary in fiscal 2014 was US\$180,000. The amount under "All Other Compensation" represents the amount paid to Mr. Bracale for certain consulting work completed prior to joining full-time.
- (6) Mr. Nunes was a consultant for the Company from February 26, 2014 until August 25, 2014. Amounts included under "All Other Compensation" include consulting fees earned by Mr. Nunes of €69,533. Mr. Nunes was appointed as General Manager of Kinbauri España S.L.U. on August 25, 2014. As General Manager, Mr. Nunes' effective annual salary during fiscal 2014 was €150,000.

- (7) These amounts represent the value of RSUs granted to the respective NEO on the grant date. In respect of fiscal 2014, the number of RSUs granted to each executive represents the amount set out in the table divided by \$0.35 which represents the average close price of the Common Shares on the last five trading days of fiscal 2014. In respect of fiscal 2013, the number of RSUs granted to each executive represents the amount set out in the table divided by \$0.46 which represents the average close price of the Common Shares on the last five trading days of fiscal 2013. In respect of fiscal 2012, the number of RSUs granted to each executive represents the amount set out in the table divided by \$0.91 which represents the average close price of the Common Shares on the last five trading days of fiscal 2013.
- (8) These amounts represent the U.S. dollar grant date fair value of stock options granted to the respective NEOs. The methodology used to calculate these amounts was the Black-Scholes model and the following assumptions were used: for (A) Mr. Bracale in respect of (i) 100,000 options granted on December 16, 2013, volatility of 60.7%, dividend yield of nil, interest rate of 1.56%, expected life of 5 years and exercise price of \$0.43; (B) for Mr. Ringdahl in respect of 100,000 options granted on July 11, 2014, volatility of 58.2%, dividend yield of nil, interest rate of 1.43%, expected life of 5 years and exercise price of \$0.53, (C) for Mr. Nunes in respect of 100,000 options granted on August 21, 2014, volatility of 59.1%, dividend yield of nil, interest rate of 1.37%, expected life of 5 years and exercise price of \$0.41. There is no difference between the Black-Scholes compensation value of the stock options and the accounting fair value for financial statements purposes.
- (9) Each of the NEOs was issued SARs in respect of fiscal 2014 and Mr. Winship and Ms. Dimitrov were issued SARs in respect of fiscal 2013. The methodology used to calculate the value of the SARs granted to each NEO included in the table was the Black-Scholes model using the following assumptions: volatility of 62.4%, dividend yield of nil, interest rate of 1.50%, expected life of 4 years and exercise price of \$0.32. There is a difference in the valuation methodology in respect of these SARs for the purposes of the Circular and the accounting fair value for the purposes of the Company's financial statements.
- (10) Amounts under "Annual incentive plan" represented cash bonuses as part of the NEO's short-term incentive compensation paid in respect of such fiscal year.

### Incentive Plan Awards

The following table provides information regarding all incentive plan awards for each Named Executive Officer outstanding as of September 30, 2014.

#### Outstanding Share-based Awards and Option-based Awards

Option-based Awards <sup>(1)</sup>					Share-based Awards		
Name	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 (\$)
Michael Winship	125,000 25,000	\$1.02 \$1.05	March 7, 2018 March 29, 2018	Nil Nil	184,783	59,130	Nil
Daniella Dimitrov	125,000 100,000	\$0.88 \$0.86	March 28, 2017 June 1, 2017	Nil Nil	251,155	80,369	Nil
James Jacques <sup>(3)</sup>	100,000 125,000	\$3.01 \$1.03	April 1, 2016 December 20, 2016	Nil Nil	258,213	82,628	Nil
Neil Ringdahl	100,000	\$0.53	July 11, 2019	Nil	Nil	Nil	Nil
John Bracale	100,000	\$0.43	December 16, 2018	Nil	Nil	Nil	Nil
João Nunes	100,000	\$0.41	August 21, 2019	Nil	Nil	Nil	Nil

- (1) The Share-based Awards disclosed in the above table do not include the SARs which have been issued to the NEOs pursuant to the SAR Plan. As at September 30, 2014, each of Mr. Winship and Ms. Dimitrov held 369,566 unvested SARs. The value of these unvested SARs at September 30, 2014 was nil. No other NEOs held SARs as at September 30, 2014.
- (2) Calculated using the closing price of the Common Shares on the TSX on September 30, 2014 of \$0.32 and subtracting the exercise price of the outstanding stock options. These options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (3) Mr. Jacques resigned as COO of the Company effective May 18, 2014. Pursuant to the terms of the Stock Option Plan, the stock options held by Mr. Jacques will expire on April 1, 2016 and December 20, 2016 respectively. A portion of Mr. Jacques outstanding RSU grants vested in December 2014 and his remaining RSU grants will vest in December 2015 at which time he will be entitled to payments for each outstanding RSU equal to the average closing price of one Common Share for the five trading days prior to the vesting date.

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, 2014.

### Incentive Plan Awards Vested or Earned During Fiscal Year ended September 30, 2014

Name	Option-based awards – value vested during year (\$)	Share-based awards – value vested during year (\$) <sup>(3)</sup>	Non-equity incentive plan compensation – value earned during year (\$)
Michael Winship	Nil	Nil	156,000
Daniella Dimitrov	Nil	Nil	162,000
James Jacques	Nil	5,097	Nil
Neil Ringdahl <sup>(1)</sup>	667	Nil	44,800
John Bracale <sup>(2)</sup>	3,000	Nil	64,984
João Nunes	Nil	Nil	44,072

- (1) Calculated using the closing price of the Common Shares on the TSX on July 11, 2014 of \$0.55 (the vesting date of Mr. Ringdahl's 33,333 options) and subtracting the exercise price of \$0.53. These options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Calculated using the closing price of the Common Shares on the TSX on December 16, 2013 of \$0.52 (the vesting date of Mr. Bracale's 33,333 options) and subtracting the exercise price of \$0.43. These options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (3) RSU awards vest on December 1 of the second year after the end of the fiscal year in which they are granted. Calculated using the five day average close price of the Common Shares prior to December 1, 2013 of \$0.402. Details regarding the RSU Plan, RSUs, the process for awarding RSUs and RSU awards for the fiscal year ended September 30, 2014 are provided above under "Executive Compensation - Compensation Discussion and Analysis".

#### Termination and Change of Control Benefits

The Company or one of its affiliates has entered into an agreement with certain of the NEOs that sets out the terms of his or her employment, including the executive's entitlements in the event of the termination of such employment.

Each of Mr. Winship, Ms. Dimitrov, Mr. Ringdahl and Mr. Bracale have written employment agreements with the Company or one of its affiliates. Under the terms of their respective agreements, in the event that they are unable to perform their duties for 180 days out of any consecutive 12-month period, the Company or the affiliate employing the employee may choose to terminate their employment. In the event of such a termination, Mr. Winship, Ms. Dimitrov, Mr. Ringdahl and Mr. Bracale will be entitled to (i) an amount equal to four months of their 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 or the affiliate employing the employee terminates the employment of Mr. Winship, Ms. Dimitrov, Mr. Ringdahl or Mr. Bracale, without cause or in the event that either Mr. Winship, Ms. Dimitrov, Mr. Ringdahl or Mr. Bracale resigns for good reason, the Company will be required to pay to Mr. Winship, Ms. Dimitrov, Mr. Ringdahl and Mr. Bracale: (a) an amount equal to 24 months base salary for Mr. Winship, the last 12 months of which are subject to mitigation by Mr. Winship; 18 months base salary for Ms. Dimitrov and Mr. Ringdahl, the last 6 months of which are subject to mitigation by Ms. Dimitrov and Mr. Ringdahl (or, in the case Mr. Ringdahl is terminated without cause or resigns for good reason within the first 12 months of this employment, 6 months base salary); in respect of Mr. Bracale, his base salary for the remainder of the term of his employment agreement based on his salary level at the time of termination; (b) in respect of Mr. Winship, Ms. Dimitrov and Mr. Ringdahl, 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. Winship, Ms. Dimitrov or Mr. Ringdahl, as the case may be, was employed by the Corporation in the calendar year before the termination and the denominator of which shall be 365 (if Mr. Ringdahl is terminated without cause or resigns for good reason within the first 12 months of his employment, the payment described in this subsection (b) does not apply); and (c) such amount necessary to maintain their participation in any benefit plan that they participated in immediately prior to the termination date (in the case of Mr. Winship, for a period of 24 months following termination, the last 12 months of which are subject to mitigation by Mr. Winship, in the case of Ms. Dimitrov, for the

minimum period prescribed under the *Employment Standards Act* (Ontario), in the case of Mr. Ringdahl, for a period of six months, and in the case of Mr. Bracale, for the remainder of the term of his employment agreement). 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 long term incentive compensation granted to Mr. Winship, Ms. Dimitrov, Mr. Ringdahl and Mr. Bracale following the date of their respective 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 (or in the case of termination without cause/resignation for good reason by Mr. Bracale, 90 days or in the case of termination due to disability of Mr. Bracale, the number of days permitted by the terms of the long-term incentive compensation plan). Any entitlements in respect of 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, Stock Option Plan and SAR Plan. Any long term incentive compensation which are unvested as at the date of termination will cease and no longer be exercisable or payable.

In the event that, prior to the second anniversary following a “change of control”, the Company or the affiliate employing the employee terminates the employment of Mr. Winship, Ms. Dimitrov or Mr. Ringdahl without cause or in the event that Mr. Winship, Ms. Dimitrov or Mr. Ringdahl resign for good reason (as such term is defined in their respective employment agreements), the Company or the affiliate employing the employee will be required to pay to Mr. Winship, Ms. Dimitrov and Mr. Ringdahl: (a) an amount equal to 24 months base salary; (b) two years’ annual short term incentive compensation, and (c) such amount necessary to maintain their participation in any benefit plan they participated in immediately prior to the termination date, in the case of Mr. Winship, for the 24 month period following termination (the last 12 months of which are subject to mitigation by Mr. Winship), in the case of Ms. Dimitrov, for the minimum period prescribed under the *Employment Standards Act* (Ontario), and in the case of Mr. Ringdahl, for the 6 month period following termination. In addition, in the case of Mr. Winship and Ms. Dimitrov, 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, in the case of Mr. Winship, for a period of 15 business days following termination, and in the case of Ms. Dimitrov, for a period of 5 business days following termination. In the case of Mr. Ringdahl, (i) any entitlements in respect of long term incentive compensation which have vested as at the date of termination shall continue to be exercisable for a period of five business days following the date of termination (and if not exercised within such 5 business day period shall cease and no longer be exercisable or payable), and (ii) any entitlements in respect of long term incentive compensation which are unvested as at the date of termination shall cease and no longer be exercisable or payable. For the purposes of these employment agreements, a “change of control” arises where: (i) any person, or any group of persons acting jointly or in concert, (other than Fabulosa Mines Limited 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.

No notice or severance payment is required for any termination of Mr. Nunes except for the minimum period prescribed under the applicable employment legislation in Spain.

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, 2014.

### Estimated Incremental Payment on Termination

Name	Triggering Event	Base Salary (\$) <sup>(1)</sup>	Bonus Under Short Term Incentive Compensation (\$)	Long Term Incentive Compensation (\$) <sup>(1)</sup>	Other Benefits (\$)	Total (\$)
Michael Winship President and CEO	Termination Without Cause/Resignation for Good Reason	780,000	156,000	59,130	12,528	1,007,658
	Termination on Change of Control	780,000	312,000	59,130	12,528	1,163,658
Daniella Dimitrov CFO	Termination Without Cause/Resignation for Good Reason	450,000	162,000	80,369	9,422	701,791
	Termination on Change of Control	600,000	324,000	80,369	12,562	1,016,931
John Bracale President of EMIPA	Termination Without Cause/Resignation for Good Reason	16,800	Nil	Nil	588	17,388
	Termination on Change of Control	Nil	Nil	Nil	Nil	Nil
Neil Ringdahl COO	Termination Without Cause/Resignation for Good Reason	150,000	14,115	Nil	Nil	164,115
	Termination on Change of Control	600,000	89,600	Nil	Nil	689,600
João Nunes General Manager, Kinbauri	Termination Without Cause/Resignation for Good Reason	Nil	Nil	Nil	Nil	Nil
	Termination on Change of Control	Nil	Nil	Nil	Nil	Nil

(1) Amounts set out under "Base Salary" were calculated using the base salary in effect at September 30, 2014 in respect of Mr. Winship, Ms. Dimitrov, Mr. Ringdahl, Mr. Bracale and Mr. Nunes. Amounts set out under "Long-Term Incentive Compensation" were calculated based on the long-term incentive compensation vested at September 30, 2014 and the closing price of the Common Shares on September 30, 2014 of \$0.32.

### DIRECTORS COMPENSATION

#### Fees and Expenses

From October 1, 2013 to September 30, 2014, non-management directors received annual fees of \$25,000. In addition, the Chairman of the Board received annual fees of \$35,000.

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. The Chair of the Audit Committee was paid an additional annual fee of \$15,000, the Chair of each of the Compensation Committee and the Technical, Safety, Health, Environment and Sustainability Committee were paid an additional annual fee of \$10,000 and the Chair of each of the Corporate Governance Committee and Strategy Committee was paid an additional annual fee of \$7,500 for serving in such capacity. In addition, members of the Audit Committee received an annual fee of \$7,500, members of the Compensation Committee and the Technical, Safety, Health, Environment and Sustainability Committee received an annual fee of \$5,000 and members of the Corporate Governance Committee and Strategy Committee receive an annual fee of \$3,750. If a Board meeting and a committee meeting take place on the same day, no fee is paid for the committee meeting. If two or more committee meetings take place on the same day, only one fee is paid for attendance.



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 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.

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, and amended the DSU Plan as of October 23, 2009. 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. The number of DSUs to be credited to a director shall be the result of multiplying (i) the number determined by dividing (A) \$12,500 (or such other amount as may be determined by the Board) by (B) the average closing price for Common Shares on the TSX on the five trading days immediately prior to October 1, by (ii) the number determined by dividing (A) the number of days the director has served on the Board since the immediately preceding October 1 and up to the applicable October 1 by (B) 365 or, in the case of a leap year, 366, which fraction, for greater certainty, cannot be greater than one. In fiscal 2014, the amount in (A) above was \$12,500. Grants of DSUs are effective on October 1 of each year and are fully vested upon being credited to a director's account.

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 DSUs credited to the director's account 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. 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 six months 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.

### **Options**

It is the Company's policy to grant stock options to directors in connection with their initial appointment to the Board and in connection with being 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) an important component of ongoing director compensation to enhance their alignment with maximizing shareholder value.

During the 2014 fiscal year, the Company granted options to acquire an aggregate of 300,000 Common Shares in connection with the appointment of certain new directors to the Board. Specifically, Mr. Bogden and Mr. McMullen were each granted options to acquire 150,000 Common Shares.

### Summary of Directors' Compensation

The following table provides information regarding compensation paid all individuals who were directors of the Company during the fiscal year ended September 30, 2014 (other than directors who were also NEOs who received no compensation for acting as a director of the Company while they were also NEOs). All directors' fees are paid in Canadian dollars. Please note that Mr. Gordon Pridham joined the Board on November 4, 2014. Since such appointment was subsequent to Orvana's fiscal year ended September 30, 2014, Mr. Pridham is accordingly not included in the following tables.

**Directors' Compensation Table**

Name	Fees earned (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Gordon Bogden <sup>(2)</sup>	\$40,822	\$7,432	\$55,710	Nil	Nil	Nil	\$103,964
Ed Guimaraes <sup>(3)</sup>	\$77,745	\$12,500	Nil	Nil	Nil	Nil	\$90,245
Jacques McMullen <sup>(4)</sup>	\$38,793	\$7,432	\$55,710	Nil	Nil	Nil	\$101,935
Robert Mitchell <sup>(5)</sup>	\$99,793	\$12,500	Nil	Nil	Nil	Nil	\$112,293
Audra Walsh <sup>(6)</sup>	\$78,500	\$12,500	Nil	Nil	Nil	Nil	\$91,000
C. John Wilson <sup>(7)</sup>	\$87,528	\$12,500	Nil	Nil	Nil	Nil	\$100,028
Jorge Szasz <sup>(8)</sup>	\$33,688	Nil	Nil	Nil	Nil	Nil	\$33,688

- (1) These amounts represent the Canadian dollar value of DSUs granted to directors.
- (2) Mr. Bogden has been a director of the Company since February 26, 2014, is a member of the Compensation and Nominating Committee, the Corporate Governance Committee and the Strategy Committee, and is the Chair of the Corporate Governance Committee and Strategy Committee.
- (3) Mr. Guimaraes has been a director of the Company since February 28, 2013 and is a member of the Audit Committee, the Corporate Governance Committee and the Strategy Committee, and is the Chair of the Audit Committee.
- (4) Mr. McMullen has been a director of the Company since February 26, 2014, is a member of the Compensation and Nominating Committee, the Technical, Safety, Health, Environment and Sustainability Committee and the Strategy Committee, and is the Chair of the Technical, Safety, Health, Environmental and Sustainability Committee.
- (5) Mr. Mitchell has been a director of the Company since April 5, 2007, has been the Chairman of the Board since August 15, 2012, and is a member of the Audit Committee and the Corporate Governance Committee.
- (6) Pursuant to arrangements between Ms. Walsh and Fabulosa, any payments in respect of director's fees or share-based awards (but not option-based awards) that Ms. Walsh earned in connection with her service as a director of the Company from October 1, 2013 to July 16, 2014 were for the benefit of Fabulosa and not for Ms. Walsh's personal benefit. As such, Ms. Walsh had directed the Company to pay to Fabulosa all fees earned by her as a director during this period, which totalled \$62,038. As of July 17, 2014, the arrangement between Ms. Walsh and Fabulosa was terminated and all fees earned by her as a director from July 17, 2014 to September 30, 2014, which totalled \$16,462, were paid to Ms. Walsh. Ms. Walsh has been a director of the Company since October 9, 2012, is a member of the Compensation and Nominating Committee, a member of the Technical, Health, Safety, Environment and Sustainability Committee and is the Chair of the Compensation and Nominating Committee.
- (7) Mr. Wilson has been a director of the Company since March 9, 2012 and is a member of the Audit Committee and the Technical, Health, Safety, Environment and Sustainability Committee.
- (8) Mr. Szasz ceased to be an Orvana director on February 26, 2014.

### 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, 2014 and outstanding as of September 30, 2014 (other than awards granted to directors who are also NEOs):

## Outstanding Share-based Awards and Option-based Awards

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 (\$) <sup>(2)</sup>	Market or payout value of share based awards that have vested (\$) <sup>(2)</sup>
Gordon Bogden	150,000	\$0.75	February 26, 2019	Nil	Nil	Nil	Nil
Ed Guimaraes	125,000 25,000	\$1.02 \$1.05	March 7, 2018 March 29, 2018	Nil Nil	Nil	Nil	\$5,122
Jacques McMullen	150,000	\$0.75	February 26, 2019	Nil	Nil	Nil	Nil
Robert Mitchell	150,000	\$3.65	December 10, 2015	Nil	Nil	Nil	\$32,214
Audra Walsh <sup>(3)</sup>	150,000	\$1.05	March 29, 2018	Nil	Nil	Nil	\$8,505
C. John Wilson	125,000	\$0.88	March 28, 2012	Nil	Nil	Nil	\$11,800
Jorge Szasz <sup>(4)</sup>	125,000	\$1.01	February 26, 2015	Nil	Nil	Nil	Nil

- (1) Calculated using the closing price of the Common Shares on the TSX on September 30, 2014 of \$0.32 and subtracting the exercise price of the in-the-money stock options. If the exercise price is higher than the price on the vesting date, the options are out-of-the-money and no value has been assigned. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Calculated using the closing price of the Common Shares on the TSX on September 30, 2014 of \$0.32. 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.
- (3) Pursuant to arrangement between Ms. Walsh and Fabulosa, any payments in respect of share-based awards (but not option awards) that Ms. Walsh earned in connection with her service as a director of the Company from October 9, 2012 to July 16, 2014 were for the benefit of Fabulosa and not for Ms. Walsh's personal benefit. As such, Ms. Walsh directed the Company to pay to Fabulosa all payments due to her from the Company relating to share-based awards, which at September 30, 2014 totaled \$8,505. As of July 17, 2014, the arrangement between Ms. Walsh and Fabulosa was terminated and all future share-based awards are expected to be granted to Ms. Walsh.
- (4) Mr. Szasz ceased to be an Orvana director on February 26, 2014.

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, 2014:

**Incentive Plan Awards Vested or Earned During Fiscal Year ended September 30, 2014**

Name	Option-based awards – Value vested during the year <sup>(1)</sup>	Share-based awards – Value vested during the year <sup>(2)</sup>
Gordon Bogden	Nil	Nil
Ed Guimaraes	Nil	\$7,043
Jacques McMullen	Nil	Nil
Robert Mitchell	Nil	\$11,957
Audra Walsh <sup>(3)</sup>	Nil	\$11,694
C. John Wilson	Nil	\$11,957
Jorge Szasz <sup>(4)</sup>	Nil	\$11,957

- (1) Calculated using the closing price of the Common Shares on the TSX on September 30, 2014 of \$0.32 and subtracting the exercise price of the in-the-money stock options. If the exercise price is higher than the price on the vesting date, the options are out-of-the-money and no value has been assigned. These options have not been, and may ever be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) These amounts represent the number of DSUs vested in fiscal 2014 held by each director of the Company multiplied by the closing share price on the vesting date.
- (3) Pursuant to arrangement between Ms. Walsh and Fabulosa, any payments in respect of share-based awards (but not option awards) that Ms. Walsh earned in connection with her service as a director of the Company from October 9, 2012 to July 16, 2014 were for the benefit of Fabulosa and not for Ms. Walsh's personal benefit. As such, Ms. Walsh directed the Company to pay to Fabulosa all payments due to her from the Company relating to share-based awards, which at September 30, 2014 totaled \$8,505. As of July 17, 2014, the arrangement between Ms. Walsh and Fabulosa was terminated and all future share-based awards are expected to be granted to Ms. Walsh.
- (4) Mr. Szasz ceased to be an Orvana director on February 26, 2014.

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, 2014 regarding the Company's Option Plan and the options to purchase Common Shares issued thereunder as well as certain inducement options to purchase Common Shares issued outside of these shareholder-approved plans:

**Equity Compensation Plan Information**

Plan Category	Number of Common Shares to be Issued upon Exercise of Outstanding Options, Warrants 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>(1)</sup>
Equity Compensation Plans Approved by Shareholders	2,488,335	\$1.28	3,511,665
Equity Compensation Plans not Approved by Shareholders	Nil	Nil	Nil
<b>Total</b>	2,488,335	\$1.28	3,511,665

- (1) The maximum number of Common Shares that may be issued pursuant to the Company's 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, 2014 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, 2013 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 other than as follows:

1. The Company had a secured loan facility (the “Fabulosa Loan”) with Fabulosa, the Company’s approximately 52% shareholder, in the amount of \$11,500,000 originally entered into in 2011 (such loan was repaid by the Company during the fourth quarter of fiscal 2014).

The Fabulosa Loan was amended subsequent to the end of the third quarter of fiscal 2013. The availability period was extended from August 31, 2013 and the maturity period was extended from December 31, 2013 until September 30, 2014. In connection with such extension and amendment, on August 22, 2013, the Company issued to Fabulosa warrants to purchase 500,000 Common Shares exercisable until August 9, 2018 at an exercise price of \$0.49.

The Fabulosa Loan was further amended effective July 11, 2014. The maturity period was extended from September 30, 2014 to December 31, 2014, the amount which may be drawn under the Fabulosa Loan was amended to \$6.5 million and the Company had the ability to draw amounts under the Fabulosa Loan until December 15, 2014. In connection with such amendment, the Company issued warrants to Fabulosa for the purchase of 100,000 Common Shares exercisable at a price of \$0.54 until July 11, 2019. The Company also paid a structuring fee of 2% for a total of \$0.1 million. No amounts were drawn under the Fabulosa Loan prior to the end of its availability period. The Fabulosa Loan has not been renewed.

“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.

## INSURANCE COVERAGE

We have purchased insurance for the benefit of the 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 2014, 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, for the policy year from December 10, 2012 to December 10, 2013. The annual premium for this policy was \$94,580 (\$105,925). This policy was extended on December 10, 2013 to March 31, 2014 on similar terms and at a premium of \$28,760 (\$32,210). The policy was renewed on March 27, 2014 for a 15 month period to June 30, 2015 on similar terms and at a premium of \$108,648 (\$121,680).

In accordance with the provisions of the *Ontario Business Corporations Act*, our by-law provides that we will indemnify a director or officer, a former director or officer, or another individual who acts or acted at our 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 us or other entity, if: (i) the individual

acted honestly and in good faith with a view to our 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 our 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.

We have entered into indemnification agreements with each of our directors and officers, which agreements provide that we undertake and agree to indemnify the director or officer to the fullest extent permitted by law, against any reasonable expense that the director 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 director's capacity as director or officer provided the director has acted as set out above in accordance with the Company's by-law.

If we become liable under the terms of our by-law or the indemnification agreements, the insurance coverage will extend to such liability; 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 2014 Financials and the related management's discussion and analysis of results of operations and financial condition ("MD&A"). The Company will provide the 2014 Financials and MD&A to any shareholder, upon request to Joanne Jobin, Investor Relations, who may be contacted at (647) 964-0292 or [jjobin@orvana.com](mailto:jjobin@orvana.com).

#### **DIRECTORS' APPROVAL**

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

**DATED** as of January 29, 2015.

**By Order of the Board of Directors**

A handwritten signature in black ink that reads "R G Mitchell". The signature is written in a cursive, flowing style.

**Robert Mitchell, CPA, CA  
Chairman**

**SCHEDULE "A"**

**ORVANA MINERALS CORP.**

**STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

**AND BOARD OF DIRECTORS MANDATE**

**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 current Board consists of eight members and with Robert Mitchell not standing for re-election, following the Meeting the Board will consist of seven members.

**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 during fiscal 2014 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: (i) Gordon Bogden; (ii) Ed Guimaraes; (iii) Jacques McMullen; (iv) Robert A. Mitchell; (v) Gordon Pridham; (vi) Audra Walsh; (vii) C. John Wilson; (viii) Michael Winship; and (ix) Jorge Szasz (ceased to be an Orvana director on February 26, 2014). At various times during fiscal 2014, a majority of the members of the Board were "independent directors" within the meaning of NI 58-101.

The Board is currently comprised of eight members (Messrs. Bogden, Guimaraes, McMullen, Mitchell, Pridham, Wilson and Winship and Ms. Walsh), seven of which are "independent directors" within the meaning of NI 58-101. The only non-independent director within the meaning of NI 58-101 is Mr. Winship, the Company's President and Chief Executive Officer.



Various individuals who were directors during fiscal 2014 also served as directors of certain other public companies. The nominees for election as directors of the Company at the Meeting listed below serve as directors of the following other public companies:

Director	Director of Other Public Company
Gordon J. Bogden	Alloycorp Mining Inc. Royal Gold, Inc.
Ed Guimaraes, CPA, CA	Aldridge Minerals Inc. Aquila Resources Inc.
Gordon Pridham	CHC Realty Capital Corp. Titanium Corporation Newalta Corporation Roxgold Inc. Scorpio Mining Corporation
Audra Walsh, P.E.	Sierra Metals Inc.
Michael Winship, P.E.	Rubicon Minerals Corporation

**Selection of Directors:** The Compensation and Nominating 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 and Nominating 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 and Nominating 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.

The Compensation and Nominating Committee reviewed the composition and size of the Board at the beginning of fiscal 2014, identifying a need to add individuals with technical expertise and capital markets experience to the Board. With the resignation of Jorge Szasz, the Board elected Mr. McMullen, who has over 30 years of varied technical experience in operations, evaluations and project development. The Board also elected Mr. Bogden, who has over 30 years of experience in the mining sector as a corporate director, senior executive, investment banker and geoscientist. The Compensation and Nominating Committee reviewed the composition and size of the Board near the end of fiscal 2014 and identified a need for capital markets and corporate strategy expertise. Subsequent to the end of fiscal 2014, the Board elected Gordon Pridham, who has over 25 years of experience in investment banking, capital markets and corporate banking. In light of the progress of the Company's operations, production and debt repayment during fiscal 2014, the Board formed the Strategy Committee, placing greater focus on long-term strategy, which may include organic growth, asset transactions and/or corporate transactions.

**Election of Directors:** Each director should be elected by the vote of a majority of the Common Shares represented in person or 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 Nominating 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 independent and not a member of senior management who is appointed by the Board. The current Chairman of the Board, Mr. Mitchell is an independent director. The role of the Chairman is to assume the leadership of the Board and, with the committees of the Board, to foster and preserve the independence 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 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. The Board generally holds an in camera session at its meetings without the presence of management of the Company and, on several other occasions, the independent directors have held informal discussions among themselves in the absence of non-independent directors and members of management. The Board also holds meetings with the Chief Executive Officer. In fiscal 2014 (between October 1, 2013 until September 30, 2014), the Board held 15 directors' meetings. All of the members of the Board who were directors at the time of such meetings attended all of such meetings, except for Gordon Bogden, Jacques McMullen and Robert Mitchell, who were each unable to attend one directors' meeting while they were members of the Board.

### **Board Committees**

The Board has established the Audit Committee, the Compensation and Nominating Committee, the Technical, Safety, Health, Environment and Sustainability Committee, the Corporate Governance Committee and the Strategy Committee. Each such committee will be composed of no fewer than three members, each of whom will satisfy the membership criteria set out in the relevant committee charter. Members of committees will be appointed by the Board. The Board generally will designate 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), Robert Mitchell, and C. John Wilson. All of members of the Audit Committee are 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 2014, 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 23, 2014 on page 35 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) and on the Company's website at [www.orvana.com](http://www.orvana.com).

During fiscal 2014, the Audit Committee held five meetings. Each of the current members of the Audit Committee has attended all of the meetings of the Audit Committee while such individual was a member of such committee.

**Compensation and Nominating Committee:** The Compensation and Nominating Committee is currently comprised of Audra Walsh (Chair), Gordon Bogden and Jacques McMullen and each such member is "independent" 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 Chief Executive Officer, (ii) determining compensation of directors and other senior officers, (iii) identifying potential candidates to become Board members, and (iv) evaluating the performance of the Board, committees of the Board and individual directors. The Compensation and Nominating Committee

operates pursuant to a written charter which has been reviewed and updated subsequent to fiscal 2014 and reconfirmed by the Board.

During fiscal 2014, the Compensation and Nominating Committee held five meetings. Each of the current members of the Compensation and Nominating Committee has 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, Safety, Health, Environment and Sustainability Committee currently comprised of Jacques McMullen (Chair), Audra Walsh, C. John Wilson and Michael Winship. The purpose of the Technical, Safety, Health, Environment and Sustainability 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 has been reviewed and updated subsequent to fiscal 2014 and reconfirmed by the Board.

During fiscal 2014, the Technical, Safety, Health, Environment and Sustainability Committee held four meetings. Each of the current members of the Technical, Safety, Health, Environment and Sustainability Committee has attended all of the meetings of such committee while such individual was a member of such committee.

**Corporate Governance Committee:** The Board has established the Corporate Governance Committee currently comprised of Gordon Bogden (Chair), Ed Guimaraes and Robert Mitchell. The purpose of the Corporate Governance Committee is to assist the Board in developing Orvana's approach to governance. In general terms, the committee's responsibilities include: (i) periodically reviewing Orvana's corporate governance practices; (ii) evaluating each director against the independence criteria established by NI 58-101 on at least an annual basis; (iii) reviewing, in conjunction with management and prior to publication, the corporate governance disclosure for Orvana's annual reports and management proxy circulars; (iv) reviewing and, if advisable, approving and recommending for approval by the Board any proposed material changes to Orvana's organizational structure; and (v) monitoring conflicts of interest of both the Board and management in accordance with the Company's code of business conduct and ethics. The Corporate Governance Committee operates pursuant to a written charter which has been reviewed and updated subsequent to fiscal 2014 and reconfirmed by the Board. Certain of the members of the Corporate Governance Committee are members of the corporate governance committees of other public companies.

During fiscal 2014, the Corporate Governance Committee held two meetings. Each of the current members of the Corporate Governance Committee has attended all of the meetings of such committee while such individual was a member of such committee.

**Strategy Committee:** The Board has established the Strategy Committee currently comprised of four directors of the Company, Gordon Bogden (Chair), Ed Guimaraes, Jacques McMullen and Gordon Pridham. The purpose of the Strategy Committee is 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.

During fiscal 2014, the Strategy Committee held two meetings. Each of the current members of the Strategy Committee has attended all of the meetings of the Strategy Committee while such individual was a member of such committee.

### **Position Descriptions**

The Board has developed written position descriptions and corporate objectives for the Chairman of the Board, the President and Chief Executive Officer, the Chief Financial Officer and 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 programs each year.

The Compensation and Nominating Committee, with the assistance of the Corporate 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. The Company has also recently obtained a membership to the Institute of Corporate Directors ("ICD") for all of the directors and officers of the Company. The ICD provides various directors' educational materials and seminars.

## **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 Corporate 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 CEO, the COO, the CFO and the Investor Relations Officer has overall responsibility for overseeing the Company's disclosure practices and meets as the circumstances dictate.

## **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 2014. A copy of the Code is available on the Company's website at [www.orvana.com](http://www.orvana.com). The Board has also finalized 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, on a confidential basis free from discrimination, retaliation or harassment. Employees who violate the Code may face disciplinary actions, including dismissal. The Audit Committee and the internal auditor of the Company monitor compliance with the Code and the Whistleblower Policy and review and investigate complaints, if any, made thereunder.

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 and Nominating 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.

### **Assessments**

The responsibilities of the Compensation and Nominating Committee include assessing, on a periodic basis, the contributions of the Board as a whole and each of the committees of the Board and each of the individual directors, in order to determine their effectiveness and contribution to the Company. The Board adopted a formal process 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.

## **APPENDIX 1 - ORVANA MINERALS CORP. - BOARD OF DIRECTORS MANDATE**

### **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 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 and Environment 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 Nominating and Compensation 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 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 Nominating and Compensation 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 Corporate Governance Committee, a Compensation and Nominating Committee and a Technical, Safety, Health and Environment 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 Mandate**

The Board shall periodically review the adequacy of the Board's mandate. 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.