



aureus mining

AUREUS MINING INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

May 16, 2014

AUREUS MINING INC.

**200 Bay Street, Suite 3800, Royal Bank Plaza
South Tower, Toronto, Ontario M5J 2Z4**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting of the shareholders (the “**Meeting**”) of Aureus Mining Inc. (the “**Company**”) will be held at Burleigh House, 355 – 359 Strand, London, WC2R 0HS, United Kingdom, on Thursday, June 19, 2014 at 10:00 a.m. (British Summer Time), for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the financial year ended December 31, 2013 together with the report of the auditors thereon;
2. to elect directors;
3. to appoint the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
4. to consider, and if thought appropriate, approve, confirm and ratify all unallocated entitlements under the Company’s stock option plan and to ratify certain stock option grants subject to shareholder ratification, as described in further detail in the accompanying Information Circular (as defined below); and
5. to transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

Accompanying this Notice is the management information circular of the Company dated as of May 16, 2014 (the “**Information Circular**”), a form of proxy (the “**Form of Proxy**”), form of instruction (if applicable) and a financial statements request form (if applicable). The Information Circular provides further information relating to the matters to be addressed at the Meeting.

The record date for the determination of shareholders entitled to receive notice of the Meeting (the “**Record Date**”) is at the close of business on May 15, 2014. Only shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

Shareholders are entitled to vote at the meeting either in person or by proxy. Those who are unable to attend the meeting are requested to read, complete, sign and mail the enclosed Form of Proxy in accordance with the instructions set out in the Form of Proxy and in the Information Circular accompanying this Notice. Please advise the Company of any change in your mailing address.

DATED at London, United Kingdom, this 16th day of May, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) “David Reading”

David Reading
President and Chief Executive Officer

INFORMATION CIRCULAR

(Containing information as at May 16, 2014 unless indicated otherwise)

This management information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by the management of Aureus Mining Inc. (the “Company”) for use at the annual meeting (the “Meeting”) of shareholders (the “Shareholders”) of the Company (and any adjournment thereof) to be held at Burleigh House, 355 - 359 Strand, London, WC2R 0HS, United Kingdom, on Thursday, June 19, 2014 at 10:00 a.m. (British Summer Time) for the purposes set forth in the accompanying notice of meeting (the “Notice of Meeting”).

GENERAL PROXY INFORMATION

Solicitation of Proxies

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company. In accordance with *National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”)*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares of the Company (the “**Common Shares**”) held of record by such persons, and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. The cost hereof will be borne by the Company.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy (the “**Form of Proxy**”) are the Non-Executive Chairman, and the President and Chief Executive Officer of the Company, respectively (the “**Management Proxyholders**”). **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY) TO REPRESENT HIM OR HER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** The completed Form of Proxy will not be valid unless it is received by Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, in the case of Shareholders whose Common Shares are registered in Canada, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof, or delivered to the Chairman of the Meeting prior to the commencement of the Meeting.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and thereupon the proxy is revoked.

A Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereof to be voted upon at the Meeting or any adjournment thereof. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

Advice to Beneficial Shareholders

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”) are advised that only proxies from Shareholders of record can be recognized and voted at the Meeting. Beneficial Shareholders who complete and return a Form of Proxy must indicate thereon the person (usually a brokerage house) who holds their shares as a registered Shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed.

If the Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in such Shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for the Canadian Depository for Securities, which acts as nominee and custodian for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Company do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

In accordance with NI 54-101, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Form of Proxy to the clearing agencies and intermediaries for onward distribution to non-registered Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings unless the Beneficial Shareholders have waived the right to receive Meeting materials. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the Form of Proxy supplied to a Beneficial Shareholder by its broker is identical to the Form of Proxy provided by the Company to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholders. Should a Beneficial Shareholder receiving such a form wish to vote at the Meeting, the Beneficial Shareholder should strike out the names of the Management Proxyholders named in the form and insert the Beneficial Shareholder’s name in the blank provided. All references to Shareholders in this Information Circular and the accompanying Form of Proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

Holders of depositary interests (the “**Depositary Interests**”) shall be invited to attend the Meeting by Computershare Company Nominees Limited in its capacity as custodian for the Depositary Interests and on behalf of the Company. If you are a holder of Depositary Interests in the Company, please fill in the Form of Instruction provided and return such form of instruction (the “**Form of Instruction**”) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom, not less than 72 hours (excluding weekends and holidays) before the time for holding the Meeting or any adjournment thereof. The completion and return of the Form of Instruction will not preclude you from attending the Meeting and voting in person if you so wish. Should you wish to attend the meeting and/or vote at the Meeting please notify Computershare Investor Services PLC in writing at the address above or email !UKALLDITeam2@computershare.co.uk.

In all cases, Beneficial Shareholders should carefully follow the instructions of their intermediary, including those regarding when, where and by what means the voting instruction form or proxy form must be delivered.

Electronic voting instructions via the CREST voting system

Depository Interest holders who are CREST members and who wish to issue instructions through the CREST electronic voting appointment service may do so by using the procedures described in the CREST manual (available from www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting services provider(s), who will be able to take the appropriate action on their behalf.

In order for instructions made using the CREST service to be valid, the appropriate CREST message (a CREST Voting Instruction) must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited (“EUI”) and must contain the information required for such instructions, as described in the CREST manual.

The message, regardless of whether it relates to the voting instruction or to an amendment to the instruction given to the Computershare Investor Services PLC must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC (CREST ID 3RA50) not less than 72 hours (excluding weekends and holidays) before the time for holding the Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST voting instruction by the CREST applications host) from which Computershare Investor Services PLC is able to retrieve the CREST voting instruction by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST voting instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that the CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a CREST voting instruction is transmitted by means of the CREST service by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST voting instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

You may not use any electronic address provided in this document to communicate with the Company for any purposes other than those expressly stated.

Voting of Proxies

All Common Shares represented by properly executed proxies will be voted or withheld from voting (including the voting on any ballot) in accordance with the instructions of the Shareholder, and if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Common Shares represented by the proxy shall be voted in accordance with such specification.

IF NO CONTRARY INSTRUCTIONS ARE INDICATED OR IF NO CHOICE HAS BEEN PROVIDED WITH RESPECT TO MATTERS WHICH ARE ADDRESSED BY THE NOTICE OF MEETING AND THIS INFORMATION CIRCULAR, THE COMMON SHARES REPRESENTED BY PROXIES WILL BE VOTED IN FAVOUR OF ALL MATTERS SET OUT IN THE NOTICE OF MEETING.

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

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Authorized Capital: an unlimited number of Common Shares without par value

Issued and Outstanding: 286,130,668⁽¹⁾ Common Shares without par value

(1) As of May 16, 2014.

Only Shareholders and Depositary Interest holders of record at the close of business on Thursday, May 15, 2014 (the “**Record Date**”) who either personally attend the Meeting or who have completed and delivered a Form of Proxy or a Form of Instruction in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

On a show of hands, every individual who is present as a Shareholder or as a representative of one or more corporate Shareholders, or who is holding a Form of Proxy on behalf of a Shareholder who is not present at the Meeting, will have one vote, and on a poll every Shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate Shareholders, will have one vote for each Common Share registered in his name on the list of Shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9 and will be available at the Meeting.

To the best of the knowledge of the directors and officers of the Company, as at the date hereof, no person or company beneficially owns or controls or directs, directly or indirectly more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

MATTERS TO BE CONSIDERED AT THE MEETING

Presentation of Financial Statements

The Company’s audited consolidated financial statements for the year ended December 31, 2013 and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting of the auditors’ report and the Company’s audited consolidated financial statements for the year ended December 31, 2013 will not constitute approval or disapproval of any matters referred to therein.

Election of Directors

The board of directors of the Company (the “**Board**”) currently consists of six directors. The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management’s nominees and the persons named in the accompanying Form of Proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Except as indicated below, each director elected will hold office until the next annual meeting of shareholders or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the by-laws of the Company or with the provisions of the *Canada Business Corporations Act* (“**CBCA**”). Shareholders will vote for the election of individual directors separately.

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE FOR THE ELECTION OF EACH OF THE SIX NOMINEES LISTED BELOW, UNLESS THE SHAREHOLDER HAS SPECIFIED THAT THE COMMON SHARES REPRESENTED BY SUCH PROXY ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

The following table sets out the names of management’s nominees for election as directors, the province or state and country in which each is ordinarily resident, all offices of the Company now held by each of them, if any, their principal occupation, or employment during the past five years, the period of time for which each has been a director of the Company, and the number of voting securities of the Company beneficially owned or controlled or directed, directly or indirectly, by each of them, as at the date hereof.

Name, Province or State, Resident Country, Position(s) with Company	Principal Occupation	Date First Appointed as a Director	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly and Indirectly, and Percentage of Class Held⁽¹⁾
READING , David J. Kent, United Kingdom President, Chief Executive Officer and a Director	President of the Company, since April 2011 and Chief Executive Officer of the Company, since February 2011; Non-executive Director of Cordoba Minerals Corp., resource exploration company, since March 2014; Non-Executive Director of Rio Novo Gold Inc., January 2010 to June 2013; Non-Executive Director of Afferro, November 2010 to December 2011; Chief Executive Officer of European Goldfields Limited, September 2004 to October 2009.	February 1, 2011	378,334 (0.13%)

Name, Province or State, Resident Country, Position(s) with Company	Principal Occupation	Date First Appointed as a Director	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly and Indirectly, and Percentage of Class Held ⁽¹⁾
NETHERWAY, David G. ⁽²⁾⁽⁴⁾ Johannesburg, Republic of South Africa Non-Executive Chairman and Non-Executive Director	Non-Executive Chairman of the Company, since February 2011; Non- Executive Director of Canyon Resources Ltd., mineral exploration company, since March 2014; Non- Executive Chairman of Kilo Goldmines Ltd., mining exploration and resource development company, since July 2011; Chairman of Altus Strategies Limited, business support services company, since July 2007; Non-Executive Director of Crusader Resources Ltd., mineral exploration company, since July 2011; Non- Executive Director of Altus Resource Capital Limited, closed-ended investment company, since April 2009; Non-Executive Director of Altus Global Gold Limited, open- ended investment company, since October 2011; Non-Executive Independent Chairman of Afferro, October 2009 to December 2013; Non-Executive Director of Gryphon Minerals Limited, October 2010 to July 2013; Chief Executive Officer of Shield Mining Limited, June 2006 to October 2010; Non-Executive Chairman of GMA Resources Ltd., December 2005 to January 2012; Non-Executive Director of KazakhGold Group Ltd., October 2005 to March 2010; Non-Executive Director of Orezone Resources Inc., September 2002 to February 2009; Non-Executive Director of Equigold Resources NL, April 2006 to June 2008 and Independent Chairman of African Aura Resources Limited, December 2005 to October 2009.	February 1, 2011	213,595 (0.07%)

Name, Province or State, Resident Country, Position(s) with Company	Principal Occupation	Date First Appointed as a Director	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly and Indirectly, and Percentage of Class Held ⁽¹⁾
CABRITA DA SILVA , Luis G. ⁽²⁾⁽³⁾ Kent, United Kingdom Non-Executive Director	President and Chief Executive Officer of GB Minerals Ltd, mining exploration and development company, since March 2013; Non-Executive Director of the Company, since February 2011; Non-Executive Director of Stellar Diamonds plc, diamond development company, since February 2010; President and Chief Executive Officer of Afferro, October 2007 to December 2013; Chief Financial Officer of Afferro, February 2007 to October 2007; Non-Executive Director of Stellar Diamonds Limited, May 2007 to February 2010; Director, Group Audit in Asia, Lafarge SA, February 2005 to January 2007.	February 1, 2011	362,326 (0.13%)
MARTIN , Jean-Guy ⁽²⁾⁽³⁾⁽⁴⁾ Quebec, Canada Non-Executive Director	Retired Senior Partner at PricewaterhouseCoopers (PwC) LLP (Canada), an industry-focused assurance, tax and advisory professional services firm, August 1976 to June 2011; Non-Executive Director of the Company, since June 2011.	June 3, 2011	15,000 (0.01%)

Name, Province or State, Resident Country, Position(s) with Company	Principal Occupation	Date First Appointed as a Director	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly and Indirectly, and Percentage of Class Held ⁽¹⁾
OWEN, Loudon F. M. Ontario, Canada Non-Executive Director	Co-founder and managing partner at McLean Watson Capital Inc., private venture capital company, since April 1993; Non-Executive Director of Genesis Land Development Corp., real estate development, since March 2013; Non-Executive Director of Kilo Goldmines Ltd., mining exploration and resource development company, since March 2012; Chairman and Director of Posera-HDX Inc., payment processing technology company, since June 2006; Director of Hanfeng Evergreen Inc., fertilizer producer company, February 2011 to February 2014; Director of Echelon Capital Corporation, holding company, March 2007 to April 2013; Director of Ntegrator Pte Ltd., software and systems integration company, October 2005 to February 2014.	May 7, 2014	Nil
REYNOLDS, Adrian J. ⁽³⁾⁽⁴⁾ Cape Town, Republic of South Africa Non-Executive Director	Independent director of Geodrill Limited, drilling company, since April 2014; Independent Non-Executive Chairman of Digby Wells Environmental, environmental services company, since September 2011; Self-employed consultant in Geology, Mining and Environmental, since March 2009; Non-Executive Director of Mkango Resources Ltd, mineral exploration and development company, since June 2011; Director of Digby Wells & Associates (International) Ltd, environmental services company, since May 2010; General Manager-Technical for Randgold Resources Limited, September 1997 to February 2009.	April 4, 2011	Nil

Notes:

- (1) This information not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) Member of the Audit Committee.
- (3) Member of the Corporate Governance and Human Resources Committee.

- (4) Member of the Compensation Committee.

The Company's management does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the proxyholders named in the accompanying Form of Proxy intend to exercise discretionary authority to vote the shares represented by proxy for the election of any other persons as directors.

Corporate Cease Trade Orders and Bankruptcies

No proposed director of the Company, other than Mr. Owen, is, as at the date of this Information Circular, or has been, within 10 years prior to the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that:

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

Mr. Owen served as a director of Hanfeng Evergreen Inc. ("**Hanfeng**") until February 24, 2014. On February 19, 2014, a temporary cease trade order was issued by the Ontario Securities Commission against Hanfeng for failure to file: interim financial statements for the six-month period ended December 31, 2013; management's discussion and analysis relating to the interim financial statements for the six-month period ended December 31, 2013; and certification of the foregoing filings as required by National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings. Such temporary cease trade order was replaced by a permanent cease trade order dated March 3, 2014. The securities commissions of each Quebec and British Columbia have also issued permanent cease trade orders against Hanfeng.

No proposed director of the Company is, as at the date hereof, or has been within 10 years prior to the date hereof, 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.

Personal Bankruptcies

No proposed director of the Company or any personal holding company of such person has been, within the 10 years prior to the date hereof, 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.

Penalties or Sanctions

No proposed director of the Company or any personal holding company of such person has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) or any other 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 director.

Majority Voting Policy

The Toronto Stock Exchange (the “TSX”) has adopted amendments to the TSX Company Manual which require listed companies to disclose whether they have adopted a majority voting policy for the election of directors for non-contested meetings and if not, (i) explain their practices for electing directors, and (ii) why they have not adopted a majority voting policy. A majority voting policy generally provides that a director who has received a majority of withhold votes must tender his or her resignation immediately after the meeting, to be effective upon acceptance of the board of directors. The board of directors will consider whether to accept the resignation and disclose its decision within a limited time period after receipt. Given the traditional low voter turnout for the Company’s Shareholder meetings, the Board has not yet adopted a majority voting policy. Directors are elected at each annual general meeting of Shareholders. Nominations are called for at the meeting. If the number of nominees for election as director exceeds the number fixed for such election, the persons with the most “for” votes will be elected. If the number of persons nominated for election as director at the meeting is the same as or less than the number of directors fixed, then the persons nominated will be elected by acclamation. On February 13, 2014, TSX approved amendments to the TSX Company Manual that will require listed companies to adopt majority voting policies. Such amendments will take effect on June 30, 2014. Accordingly, the Company will comply with such amendments by its 2015 annual meeting of Shareholders.

Appointment of Auditors

BDO LLP, Chartered Accountants, the current auditors of the Company, have been the auditors of the Company since April 5, 2011. At the Meeting, Shareholders will be requested to re-appoint BDO LLP as the Company’s auditors to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix the auditors’ remuneration. The resolution re-appointing BDO LLP as the Company’s auditors and authorizing the Board to fix the auditors’ remuneration will require the affirmative vote of a majority of the votes cast thereon at the Meeting.

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE FOR THE REAPPOINTMENT OF BDO LLP, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE COMPANY, TO HOLD OFFICE UNTIL THEIR SUCCESSOR IS APPOINTED AND TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED THAT THE COMMON SHARES REPRESENTED BY SUCH PROXY ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

Approval of Unallocated Entitlements under the Option Plan

The Company’s stock option plan (the “**Option Plan**”) was established to attract and retain and develop and increase the interest of, certain persons in the growth and development of the Company by providing them

with the opportunity to acquire a proprietary interest in Company through the grant of stock options (“Options”).

The Option Plan is an “evergreen” or “rolling” stock option plan which provides that the maximum number of Common Shares which may be reserved and set aside for issue pursuant to the exercise of outstanding Options may not exceed 15% of the number of Common Shares issued and outstanding (calculated on a non-diluted basis) from time to time. The rules of the TSX require that all unallocated Options, rights or other entitlements under such plans must be approved by a majority of the relevant issuer’s directors and by shareholders every three years from its institution and thereafter.

The Board has unanimously approved all unallocated Options, rights and other entitlements under the Option Plan. Shareholders of the Company will be asked at the Meeting to approve all unallocated Options, rights and other entitlements under the Option Plan. As at the date hereof, there are 27,727,783 Common Shares (representing approximately 9.69% of the Company’s currently issued and outstanding Common Shares) available for issuance pursuant to grants of Options under the Option Plan.

The unallocated Options, rights and other entitlements under the Option Plan expired on April 5, 2014. On May 13, 2014, the Company issued 200,000 Options, each such Option exercisable for one Common Share at a price of \$0.48 until May 13, 2019, to a director, Mr. Owen. As such Options were issued after the expiration of the unallocated Options, rights and other entitlements under the Option Plan, they were issued subject to shareholder approval.

The resolution approving the unallocated Options, rights and other entitlements under the Option Plan and the ratifying the grant of the 200,000 Options subject to shareholder approval will require the affirmative vote of a majority of the votes cast thereon at the Meeting. Whether or not the resolution is approved, all Options currently outstanding under the Option Plan, other than the 200,000 Options issued to Mr. Owen, will remain in effect in accordance with their terms. If the resolution is not approved, the 200,000 Options issued to Mr. Owen will be cancelled forthwith and the Company will no longer have an operative stock option plan. As a result, the Board will not be able to issue additional Options until such time as another stock option plan is created and approved and the Company may, consequently, have difficulty motivating, attracting and retaining highly experienced and qualified personnel.

Please see “Securities Authorized for Issuance under Equity Compensation Plans – The Option Plan” below for a discussion of the material terms of the Option Plan.

The text of the proposed resolution to approve the unallocated Options, rights and entitlements under the Option Plan (the “**Option Plan Resolution**”) is as follows:

“BE IT RESOLVED THAT:

1. all unallocated options, rights and other entitlements under the Option Plan (as defined in the Company’s management information circular dated May 16, 2014) are hereby approved, which approval shall be effective until June 19, 2017;
2. the 200,000 Options granted subject to shareholder ratification are hereby ratified; and
3. any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents, agreements and instruments and to do all other acts and things as in the opinion of such director or officer may be necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument, or the taking of any such action.”

The Board recommends that shareholders vote in favour of the Option Plan Resolution. **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE OPTION PLAN RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Company's executive officers. The Company's executive compensation program is available as appropriate to its NEOs. A "NEO" is defined by applicable securities legislation to mean each of the following individuals, namely: (i) the President and Chief Executive Officer of the Company; (ii) the Chief Financial Officer of the Company; (iii) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and the Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than C\$150,000 for that financial year; and (iv) each individual who would be a NEO under (iii) above but for the fact that the individual was neither an executive officer of the Company nor acting in a similar capacity, at the end of the most recently completed financial year-end.

During the year ended December 31, 2013, the only NEOs of the Company were David Reading and Paul Thomson, being the President and Chief Executive Officer and the Chief Financial Officer of the Company, respectively.

Compensation Committee

The Board has established a Compensation Committee comprised of Messrs. Netherway (Chairman), Martin and Reynolds, each of whom is a non-executive director of the Company and "independent" within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"). All of the members of the Compensation Committee have had direct experience in matters of executive compensation that is relevant to their responsibilities as members of such committee by virtue of their respective professions and long-standing involvement with public companies and matters of executive compensation. In addition, each member of the Compensation Committee keeps abreast on a regular basis of trends and developments affecting executive compensation.

The Compensation Committee's responsibilities include: (i) determining and agreeing with the Board the framework or broad policy for the compensation of the Company's President and Chief Executive Officer, the Chairman of the Board, the executive directors, the officers, the Company's secretary and such other executive officers as it is designated to consider; (ii) ensuring that the executive directors and officers are fairly rewarded for their individual contributions to the overall performance of the Company; (iii) determining all elements of the compensation of the executive directors and officers; and (iv) demonstrating to the Company's shareholders that the compensation of the executive directors and officers is set by a committee of the Board, whose members have no personal interest in the outcome of the Compensation Committee's decision and who will have appropriate regard to the interests of the shareholders.

The Compensation Committee takes into account all factors it deems necessary when determining the Company's compensation policy, the objective of which shall be to ensure that executive officers and

management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.

The Company does not anticipate making any significant changes to its compensation policies and practices in 2014.

Compensation Process

The Board relies on the knowledge and experience of the members of the Compensation Committee to set appropriate levels of compensation for executive officers. Neither the Company nor the Board currently has any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of executive officer compensation. The Compensation Committee reviews the various elements of the NEOs’ compensation in the context of the total compensation package (including salary, benefits and awards under the Option Plan) and recommends and approves the NEOs’ compensation packages.

The Compensation Committee has considered the risk implications of the Company’s compensation policies and practices and has concluded that they are appropriate for the Company’s industry and stage of business and that there is no appreciable risk associated with such policies and practices as such policies and practices do not have the potential of encouraging an executive officer or other applicable individual to take on any undue risk or to otherwise expose the Company to inappropriate or excessive risks. Furthermore, although the Company does not have in place any specific prohibitions preventing a NEO or a director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of options or other equity securities of the Company granted in compensation or held directly or indirectly, by the NEO or director, the Company is unaware of the purchase of any such financial instruments by any NEO or director.

During the year ended December 31, 2013, the Company did not retain a compensation consultant or advisor to assist the Board or Compensation Committee in determining compensation for the Company’s executive officers and directors.

Compensation Program - Principles and Objectives

The primary goal of the Company’s executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Company’s executive officers is determined with regard to the Company’s business strategy and objectives and financial resources, and with the view of aligning the financial interests of the executive officers with the financial interests of the Company’s shareholders.

Compensation Program - Design and Analysis of Compensation Decisions

Standard compensation arrangements for the Company’s executive officers are composed of the following elements, which are linked to the Company’s compensation and corporate objectives as follows:

Compensation Element	Link to Compensation Objectives	Link to Corporate Objectives
Base Salary and/or Consulting Fees	Attract and retain	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives.

Compensation Element	Link to Compensation Objectives	Link to Corporate Objectives
Stock Options	Motivate and reward, align interests with shareholders	Long-term incentives motivate and reward executive officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.

Performance and Compensation

The use of traditional performance standards is considered by the Compensation Committee in the evaluation of corporate or NEO performance. The compensation of executive officers is also based, in part, on trends in the mining industry as well as the achievement of the Company's business objectives. During the year ended December 31, 2013 the Compensation Committee undertook a review of peer companies executives' compensation pay levels and practices to ensure NEOs compensation is generally consistent with peer companies executives' compensation. The criteria for the mining peer group review have been selected to ensure that the peers are similar to the Company's size and type of operations.

Base Salaries and Consulting Fees

Base salaries for the NEOs are reviewed annually and set to be comparative with industry levels. In addition, in its annual review of base salaries, the Compensation Committee has regard to the contributions made by the respective NEOs, how their compensation levels relate to compensation packages that would be available to such officers from other employment opportunities, commercially available salary survey data and information publicly disclosed by some of the Company's competitors and sector peers. This process enables the Company to establish base salaries which attract and retain highly qualified and experienced individuals. Other than set out herein, the base salaries of the NEOs are not determined based on benchmarks, performance goals or specific formulae.

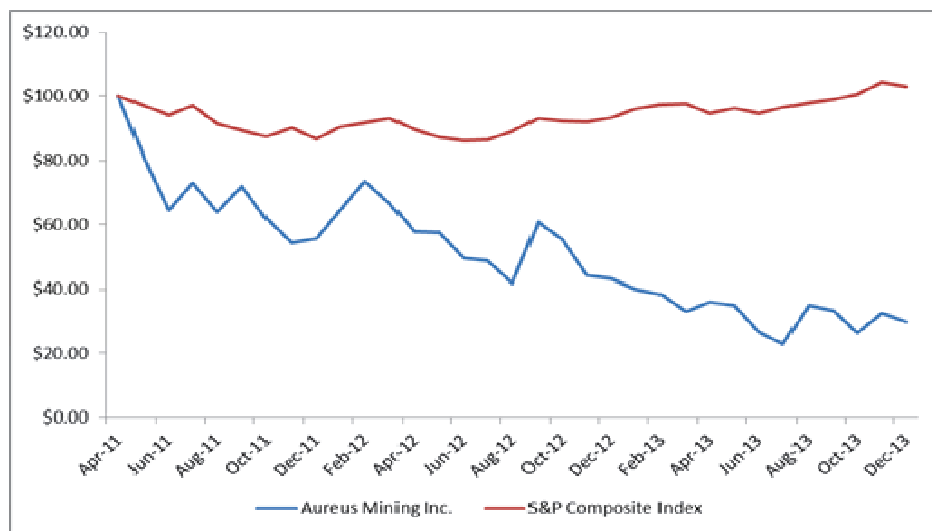
The only base annual compensation arrangements for the NEOs as at the date hereof is £287,885 payable to David Reading as the President and Chief Executive Officer and £217,688 payable to Paul Thomson as the Chief Financial Officer.

Options

The grant of Options pursuant to the Option Plan is an integral component of the compensation arrangements of the executive officers of the Company. The Board believes that the grant of Options to executive officers and Common Share ownership by such officers serves to motivate such officers to strive towards achievement of the Company's long-term strategic objectives, which benefits all the Company's shareholders.

Performance Graph

The following graph compares the percentage change in cumulative total shareholder return on the Common Shares with the cumulative total return of the S&P/TSX Composite Index from April 13, 2011 to December 31, 2013, as if C\$100 was invested on the first day and assuming reinvestment of all dividends.



The Compensation Committee uses a broader analysis than total return on investment when determining the annual compensation of the Company's executive officers. NEOs base salaries are reviewed annually and increases are based on financial and operational performance objectives that are within management's control. The value of the long-term incentives at a time of grant will also vary based on corporate performance.

Further, Mr. Reading was granted a cost of living increase only in respect of his salary and the allocation of the Options granted in the first quarter of 2014 have vesting conditions relating to the Common Share price performance and meeting certain service and performance indicators.

Executive Compensation

Summary Compensation Table

Name and principal position	Year	Salary ⁽¹⁾ (US\$)	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)		Pension value (US\$)	All other compensation (US\$)	Total compensation (US\$)
					Annual incentive plans	Long-term incentive plans			
David Reading President and Chief Executive Officer	2013	437,222	—	134,500 ⁽²⁾	—	—	—	54,619	626,341
	2012	425,492	—	72,000 ⁽³⁾	—	—	—	52,169	549,661
	2011	323,024	—	635,922 ⁽⁴⁾	100,250	—	—	39,198	1,098,394
Paul Thomson ⁽⁵⁾ Chief Financial Officer	2013	302,692	—	94,150 ⁽²⁾	—	—	—	—	396,842
	2012	255,533	—	13,500 ⁽³⁾	—	—	—	—	269,033
	2011	80,205	—	269,510 ⁽⁴⁾	15,038	—	—	—	364,753

Notes:

(1) The salaries and all other compensation above are expressed in US dollars but are paid in Pounds Sterling and are therefore affected by the US dollar/Pound Sterling exchange rate. The rate used to convert the Pounds Sterling into US dollars is equal to the average rate ruling during the financial year ended December 31, 2013 of US\$1.5643 to one Pound Sterling.

(2) There was one grant of Options to the NEOs during the financial year ended December 31, 2013 as detailed below. The Options granted to the NEOs on January 14, 2013 had a fair value per Option of US\$0.27. The value per share is arrived at on the date the Options were granted using the Black-Scholes option pricing model. The Company has chosen to use the Black-Scholes option pricing model as the method for

calculating fair value of the Options because this is the model commonly used by issuers. The value per share is arrived at using the following assumptions:

	January 14, 2013
Share price	C\$0.71
Exercise price	C\$0.72
Expected volatility	42%
Expected life	5 years
Risk-free rate	1.09%
Expected dividend yields	0%

(3) There was one grant of Options to the NEOs during the financial year ended December 31, 2012 as detailed below. The Options granted to the NEOs on January 4, 2012 had a fair value per Option of US\$0.54. The value per share is arrived at on the date the Options were granted using the Black-Scholes option pricing model with the following assumptions:

	January 4, 2012
Share price	C\$1.05
Exercise price	C\$1.05
Expected volatility	62%
Expected life	5 years
Risk-free rate	1%
Expected dividend yields	0%

(4) There were two grants of Options to the NEOs during the financial year ended December 31, 2011 as detailed below (excluding options exchanged on April 13, 2011 pursuant to the Arrangement as detailed below). The Options granted to Mr. Reading on May 23, 2011 had a fair value per share of US\$0.64. The Options granted to Mr. Thomson on September 1, 2011 had a fair value per share of US\$0.90. The value per share is arrived at on the date the Options were granted using the Black-Scholes option pricing model with the following assumptions:

	May 23, 2011	September 1, 2011
Share price	C\$1.55	C\$1.40
Exercise price	C\$1.55	C\$1.42
Expected volatility	44%	78%
Expected life	5 years	5 years
Risk-free rate	2.2%	1.8%
Expected dividend yields	0%	0%

(5) Mr. Thomson became the Chief Financial Officer of the Company on September 1, 2011.

Incentive Plan Awards

The Board believes that the grant of Options to executive officers and Common Share ownership by such officers will serve to motivate such officers to strive towards achievement of the Company's long-term strategic objectives, which will benefit all the Company's shareholders. Options are awarded to the Company's employees based on determinations by the Board. Decisions with respect to Option grants are based upon the individual's level of responsibility and their contribution towards the Company's goals and objectives, and may be awarded in recognition of the achievement of a particular goal or extraordinary service. In determining whether to make any new grants of Options, the Board considers the overall number of Options that are outstanding relative to the number of outstanding Common Shares, previous Option grants as well as the size of such grants.

With regards to the Options granted to the NEOs in January 2013 and in the first quarter of 2014, their vesting will occur over a period of two years and, in respect of 75% of the Options granted, is conditional on

the attainment of (i) specific objectives relating to price performance of the Common Shares against the performance of the shares of a selected peer group; and (ii) certain key performance indicators that cover a broad range of role specific targets (including but not limited to, raising equity, discovery of new mineral reserves and resources, the completion of the New Liberty project construction milestones, drawing down on debt finance facility and actual cost performance being in line with budget).

The following table provides details regarding the outstanding option and share-based awards held by NEOs as at December 31, 2013.

Name and principal position	Option-based awards					Share-based awards		
	Option grant date	Number of securities underlying unexercised options (#)	Option exercise price (US\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (US\$) ⁽²⁾	Number of shares or units that have not vested (#)	Market or payout value of share-based awards not vested (US\$)	Market or payout value of vested share-based awards not paid out or distributed (US\$)
David Reading President and Chief Executive Officer	Apr 13, 2011 ⁽⁴⁾	200,000	0.84	Nov 1, 2015	–	–	–	–
	Apr 13, 2011 ⁽⁴⁾	150,000	1.02	Jan 10, 2016	–	–	–	–
	May 23, 2011	1,000,000	1.45	May 23, 2016	–	–	–	–
	Jan 4, 2012	400,000 ⁽⁵⁾	0.98	Jan 4, 2017	–	–	–	–
	Jan 14, 2013	500,000 ⁽⁶⁾	0.67	Jan 14, 2018	–	–	–	–
Paul Thomson ⁽³⁾ Chief Financial Officer	Sept 1, 2011	300,000	1.33	Sept 1, 2016	–	–	–	–
	Jan 4, 2012	75,000 ⁽⁵⁾	0.98	Jan 4, 2017	–	–	–	–
	Jan 14, 2013	350,000 ⁽⁶⁾	0.67	Jan 14, 2018	–	–	–	–

Notes:

(1) The Options were granted in Canadian dollars. The rate used to convert the Canadian dollars into US dollars is the OANDA rate, available at www.oanda.com, as at December 31, 2013 of US\$0.9349 to one Canadian dollar.

(2) The closing market price of the Common Shares on the TSX on December 31, 2013 was C\$0.60. The rate used to convert the Canadian dollars into US dollars is the OANDA rate, available at www.oanda.com, as at December 31, 2013 of US\$0.9349 to one Canadian dollar.

(3) Mr. Thomson became the Chief Financial Officer of the Company on September 1, 2011.

(4) Pursuant to an arrangement (the “**Arrangement**”) under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia), whereby certain assets (including gold and diamond assets of Affero Mining Inc. (formerly African Aura Mining Inc.) (“**Afferro**”) were transferred to the Company, each stock option of Affero outstanding immediately prior to the effective time of the Arrangement was exchanged for one new stock option of Affero and one Option.

(5) The Options granted to the NEOs during the year ended December 31, 2012 vest as follows: (i) one-third immediately upon grant of the Options; (ii) one-third on the first anniversary of the date of grant of the Options; and (iii) one-third to vest on the second anniversary of the date of grant of the Options.

(6) The Options granted to the NEOs during the year ended December 31, 2013 vest over a period of two years and, in respect of 75% of the Options granted, is conditional on the attainment of certain service and performance vesting conditions.

Refer to “Securities Authorized for Issuance under Equity Compensation Plans” below for details regarding the Option Plan.

The following table provides details regarding outstanding option-based awards, share-based awards and non-equity incentive plan compensation relating to the NEOs, which vested and/or was earned during the year ended December 31, 2013.

Name and principal position	Option-based awards - value vested during the year (US\$) ⁽¹⁾	Share-based awards - value vested during the year (US\$)	Non-equity incentive plan compensation - value earned during the year (US\$)
David Reading President and Chief Executive Officer	-	-	-
Paul Thomson Chief Financial Officer	-	-	-

Note:

(1) The Options granted to the NEOs during the year ended December 31, 2013 vest over a period of two years and, in respect of 75% of the Options granted, is conditional on the attainment of certain service and performance vesting conditions. The closing price of the Common Shares on the TSX at the time of grant on January 14, 2013 was C\$0.71 per Common Share compared with an exercise price of C\$0.72. The rate used to convert the Canadian dollars into US dollars is the OANDA rate, available at www.oanda.com, as at December 31, 2013 of US\$0.9349 to one Canadian dollar.

Termination and Change of Control

Other than as described below, there are no agreements, compensation plans, contracts or arrangements whereby any of the NEOs are entitled to receive payments from the Company in the event of the resignation, retirement or other termination of the applicable NEO's employment with the Company, change of control of the Company or a change in the applicable NEO's responsibilities.

Pursuant to a services agreement dated February 7, 2011, between the Company and David Reading, Mr. Reading as the Chief Executive Officer of the Company is entitled to an annual salary of £287,885, a contribution to his pension policy equal to a maximum of 10% of his annual salary, the reimbursement of his annual medical insurance and a discretionary bonus to be paid in cash, Common Shares or Options. Mr. Reading's services with the Company are terminable without cause on 12 months' notice by either Mr. Reading or the Company. In the event that the Company terminates the agreement without cause, Mr. Reading is entitled to receive, in addition to the 12 month notice period or payment in lieu of such notice or additional period, one year's basic salary. Mr. Reading's services agreement provides, upon a Change of Control (as defined below) of the Company and Mr. Reading's notice to terminate the services agreement, for the payment of 24 months basic salary plus the cash equivalent of the benefit of pension contributions, permanent health and life insurance and other benefits he would be entitled to receive. If a Change of Control takes place, Mr. Reading may give written notice to the Company at any time during the period commencing with the Change of Control and the 180th day following the Change of Control which will have the effect of terminating the agreement with the Company. The services agreement also contains certain restrictions relating to confidentiality, intellectual property and conflicts of interest and post termination restrictions on hiring the Company's staff and competition for 12 months following Mr. Reading's departure from the Company.

Pursuant to a services agreement dated September 1, 2011, between the Company and Paul Thomson, Mr. Thomson, as the Chief Financial Officer of the Company is entitled to an annual salary of £217,688 and a discretionary bonus to be paid in cash, Common Shares or Options. Mr. Thomson's services with the Company are terminable without cause on six months' notice by either Mr. Thomson or the Company. In the event that the Company terminates the agreement without cause, Mr. Thomson is entitled to receive payment in lieu of notice or any unexpired period of such notice. Mr. Thomson's services agreement provides, upon a Change of Control of the Company and Mr. Thomson's notice to terminate the services agreement, for the payment of 12 months basic salary plus any outstanding and unpaid salary and accrued vacation up to and including the termination date and payment of a bonus calculated on a pro rata basis up to the termination date, provided that all applicable bonus conditions have been satisfied. If a Change of Control takes place, Mr. Thomson may give written notice to the Company at any time during the period commencing with the

Change of Control and the 180th day following the Change of Control which will have the effect of terminating the agreement with the Company. The services agreement also contains certain restrictions relating to confidentiality, intellectual property and conflicts of interest and post-termination restrictions on hiring the Company's staff and competition for 12 months following Mr. Thomson's departure from the Company.

For the purposes of the above-mentioned services agreements, a "**Change of Control**" means the occurrence of any one or more of the following events: (i) less than 50% of the Board being composed of Continuing Directors (as defined below); (ii) the Company shall not be the surviving entity in a merger, amalgamation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Company); (iii) any person, entity or group of persons or entities acting jointly or in concert (an "**Acquiror**") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of voting securities of the Company which, when added to the voting securities of the Company owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror (as such terms are defined in the Act) to cast or to direct the casting of 35% or more of the votes attached to all of the Company's outstanding voting securities which may be cast to elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors); (iv) the shareholders of the Company approve all necessary resolutions required to permit any person to accomplish the result set forth in subparagraph (iii) even if the securities have not yet been issued to or transferred to that person; (v) the Company shall sell or otherwise transfer, including by way of the grant of a leasehold interest or joint venture interest (or one or more subsidiaries of the Company shall sell or otherwise transfer, including without limitation by way of the grant of a leasehold interest or joint venture interest) property or assets (A) aggregating more than 35% of the consolidated assets (measured by either book value or fair market value) of the Company and its subsidiaries as at the end of the most recently completed financial year of the Company or (B) which during the most recently completed financial year of the Company generated, or during the then current financial year of the Company are expected to generate, more than 35% of the consolidated operating income or cash flow of the Company and its subsidiaries, to any other person or persons (other than one or more affiliates of the Company), in which case the Change of Control shall be deemed to occur on the date of transfer of the assets representing one dollar more than 35% of the consolidated assets in the case of clause (A) or 35% of the consolidated operating income or cash flow in the case of clause (B), as the case may be; (vi) the shareholders of the Company approve all necessary resolutions required to permit any person to accomplish the result set forth in subparagraph (v); or (vii) in the event the Company: (a) becomes insolvent or generally not able to pay its debts as they become due; (b) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors; (c) institutes or has instituted against it any proceeding seeking (A) to adjudicate it as bankrupt or insolvent; (B) liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan or compromise or arrangement or other corporate proceeding involving or affecting its creditors; (C) the entry of an order for the relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its properties and assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or (d) takes any corporate action to authorize any of the above actions. "**Continuing Director**" shall mean: (i) an individual who is a member of the Board as of February 7, 2011; or (ii) an individual who becomes a member of the Board subsequent to February 7, 2011 with the agreement of at least a majority of Continuing Directors who are members of the Board at the date that individual became a member of the Board.

The following table shows the estimated compensation where the NEOs are terminated without cause, or following a Change of Control as if the termination occurred on December 31, 2013. The underlying payments are based on a salary figure denominated in Pounds Sterling which has been translated to US dollars at the average rate for 2013 of US\$1.5643.

Name and Principal Position	Termination without cause (US\$)	Termination change in control (US\$)
David Reading President and Chief Executive Officer	437,222	983,682
Paul Thomson Chief Financial Officer	–	302,692

Director Compensation

The Non-Executive Chairman receives an annual retainer of £50,000 and all other non-executive directors receive an annual retainer of £35,000 for general directors' duties and meeting attendance. Directors are reimbursed for all reasonable out-of-pocket expenses incurred in attending Board meetings, committee meetings and shareholder meetings and otherwise incurred in carrying out their duties as directors of the Company. Directors are entitled to a sum equivalent to two times their annual retainer upon a Change of Control. Directors are also eligible to participate in the Option Plan.

The Board determines the level of compensation for the Company's directors. The Board reviews directors' compensation as needed, taking into account time commitment, risks and responsibilities to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director and makes adjustments as deemed necessary.

Executive officers of the Company who also act as directors are not entitled to additional compensation for services rendered as directors of the Company. See "Executive Compensation - Summary Compensation Table" above for details regarding compensation of the Company's Chief Executive Officer.

Director Compensation Table

The following compensation table sets out the compensation paid to each of the Company's non-executive directors for the year ended December 31, 2013.

Name	Fees earned ⁽¹⁾ (US\$)	Share-based awards (US\$)	Option-based awards ⁽²⁾ (US\$)	Non-equity incentive plan compensation (US\$)		Pension value (US\$)	All other compensation (US\$)	Total (US\$)
				Annual incentive plans	Long-Term Incentive Plans			
David Netherway	78,215	–	80,700					158,915
Luis da Silva	54,751	–	26,900					81,651
David Beatty ⁽³⁾	54,751	–	26,900					81,651
Jean-Guy Martin	54,751	–	26,900					81,651
Adrian Reynolds	54,751	–	26,900					81,651

Notes:

(1) The fees earned above are paid in Pounds Sterling and are therefore affected by the US dollar/Pound Sterling exchange rate. The rate used to convert the Pounds Sterling into US dollars is equal to the average rate ruling during the financial year ended December 31, 2013 of US\$1.5643 to one Pound Sterling.

(2) There was one grant of Options to the directors during the financial year ended December 31, 2013 as detailed below. The Options granted to the directors on January 14, 2013 had a value per share of US\$0.27. The value per share is arrived at on the date the Options were granted using the Black-Scholes option pricing model with the following assumptions:

	January 14, 2013
Share price	C\$0.71
Exercise price	C\$0.72
Expected volatility	42%
Expected life	5 years
Risk-free rate	1.05%
Expected dividend yields	0%

(3) Mr. Beatty resigned as a director of the Company on May 7, 2014.

Incentive Plan Awards

The following table provides details regarding the outstanding option and share-based awards held by directors as at December 31, 2013.

Name	Option-based awards					Share-based awards		
	Option grant date	Number of securities underlying unexercised options (#)	Option exercise price (US\$) ⁽¹⁾	Option expiration date	Aggregate value of unexercised in-the-money options (US\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (US\$)	Market or payout value of vested share-based awards not paid out or distributed (US\$)
David Netherway	Apr 13, 2011 ⁽³⁾	300,000	0.46	Jan 13, 2015	30,000	–	–	–
	Apr 13, 2011 ⁽³⁾	200,000	0.47	May 13, 2015	18,000	–	–	–
	Apr 13, 2011 ⁽³⁾	68,687	0.15	Jun 1, 2015	28,162	–	–	–
	Apr 13, 2011 ⁽³⁾	68,687	0.31	Dec 1, 2015	17,172	–	–	–
	Apr 13, 2011 ⁽³⁾	68,687	0.47	Dec 1, 2015	6,182	–	–	–
	Apr 13, 2011 ⁽³⁾	300,000	1.02	Jan 10, 2016	–	–	–	–
	May 23, 2011	300,000	1.45	May 23, 2016	–	–	–	–
	Apr 13, 2011 ⁽³⁾	49,062	0.85	Jun 28, 2017	–	–	–	–
	Jan 4, 2012	200,000 ⁽⁴⁾	0.98	Jan 4, 2017	–	–	–	–
Jan 14, 2013	300,000 ⁽⁵⁾	0.67	Jan 14, 2018	–	–	–	–	
Luis da Silva	Apr 13, 2011 ⁽³⁾	75,000	0.60	Jan 17, 2013	–	–	–	–
	Apr 13, 2011 ⁽³⁾	187,500	0.30	Jan 19, 2014	48,750	–	–	–
	Apr 13, 2011 ⁽³⁾	220,000	0.46	Jan 13, 2015	22,000	–	–	–
	Apr 13, 2011 ⁽³⁾	200,000	0.47	May 13, 2015	18,000	–	–	–
	Apr 13, 2011 ⁽³⁾	400,000	1.02	Jan 10, 2016	–	–	–	–
	May 23, 2011	200,000	1.45	May 23, 2016	–	–	–	–
	Jan 4, 2012	50,000 ⁽⁴⁾	0.98	Jan 4, 2017	–	–	–	–
	Jan 14, 2013	100,000 ⁽⁵⁾	0.67	Jan 14, 2018	–	–	–	–
David Beatty ⁽⁶⁾	May 23, 2011	200,000	1.45	May 23, 2016	–	–	–	–
	Jan 4, 2012	50,000 ⁽⁴⁾	0.98	Jan 4, 2017	–	–	–	–
	Jan 14, 2013	100,000 ⁽⁵⁾	0.67	Jan 14, 2018	–	–	–	–
Jean-Guy Martin	Aug 18, 2011	200,000	1.19	Aug 18, 2016	–	–	–	–
	Jan 4, 2012	50,000 ⁽⁴⁾	0.98	Jan 4, 2017	–	–	–	–
	Jan 14, 2013	100,000 ⁽⁵⁾	0.67	Jan 14, 2018	–	–	–	–
Adrian Reynolds	May 23, 2011	200,000	1.45	May 23, 2016	–	–	–	–
	Jan 4, 2012	50,000 ⁽⁴⁾	0.98	Jan 4, 2017	–	–	–	–
	Jan 14, 2013	100,000 ⁽⁵⁾	0.67	Jan 14, 2018	–	–	–	–

Notes:

(1) The Options of the Company were granted in Canadian dollars. The rate used to convert the Canadian dollars into US dollars is the OANDA rate, available at www.oanda.com, as at December 31, 2013 of US\$0.9349 to one Canadian dollar.

(2) The closing market price of the Common Shares on the TSX on December 31, 2013 was C\$0.60. The rate used to convert the Canadian dollars into US dollars is the OANDA rate, available at www.oanda.com, as at December 31, 2013 of US\$0.9349 to one Canadian dollar.

(3) Pursuant to the Arrangement, each stock option of Afferro outstanding immediately prior to the effective time of the Arrangement was exchanged for one new stock option of Afferro and one Option.

(4) The Options granted to the directors during the year ended December 31, 2012 vested as follows: (i) one-third immediately upon grant of the Options; (ii) one-third on the first anniversary of the date of grant of the Options; and (iii) one-third to vest on the second anniversary of the date of grant of the Options.

(5) The Options granted to the directors during the year ended December 31, 2013 vested as follows: (i) one-half immediately upon grant of the Options; and (ii) one-half on the first anniversary of the date of grant of the Options.

(6) Mr. Beatty resigned as a director of the Company on May 7, 2014.

The following table provides details regarding the outstanding option and share-based awards vested and exercisable by directors during the year ended December 31, 2013.

Name	Option-based awards - value vested during the year (US\$) ⁽¹⁾	Share-based awards - value vested during the year (US\$)	Non-equity incentive plan compensation - value earned during the year (US\$)
David Netherway	–	–	–
Luis da Silva	–	–	–
David Beatty ⁽²⁾	–	–	–
Jean-Guy Martin	–	–	–
Adrian Reynolds	–	–	–

Notes:

(1) The Options granted to the directors during the year ended December 31, 2013 vested as follows: (i) one-half immediately upon grant of the Options; and (ii) one-half on the first anniversary of the date of grant of the Options. The closing price of the Common Shares on the TSX at the time of vesting on January 14, 2013 was C\$0.71 per Common Share compared with an exercise price of C\$0.72. The rate used to convert the Canadian dollars into US dollars is the OANDA rate, available at www.oanda.com, as at December 31, 2013 of US\$0.9349 to one Canadian dollar.

(2) Mr. Beatty resigned as a director of the Company on May 7, 2014.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets forth information as at December 31, 2013, with respect to the Company's compensation plans under which securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by securityholders	11,747,553	C\$0.95	26,103,547
Equity compensation plans not approved by securityholders	–	–	–
Total	11,747,553	C\$0.95	26,103,547

The Option Plan

Purpose and Administration

The purpose of the Option Plan is to attract and retain, and develop and increase the interest of, certain persons in the growth and development of the Company by providing them with the opportunity to acquire a proprietary interest in the Company through the grant of Options.

Under the Option Plan, Options may be granted to “eligible persons”. The term “eligible persons” includes, subject to all applicable laws, directors, officers, employees and consultants of the Company or any person or

company controlled by the Company, any employee of a company providing management or administrative consulting services to the Company, and certain “permitted assigns” of the foregoing persons, including: (i) a trustee, custodian, or administrator acting on behalf of, or for the benefit of, such person; (ii) a personal holding corporation of such person; (iii) an RRSP or an RRIF established for the benefit of such person; (iv) a spouse of such person; (v) a trustee, custodian, or administrator acting on behalf, or for the benefit, of the spouse of such person; (vi) a personal holding corporation of the spouse of such person; or (vii) an RRSP or an RRIF established for the benefit of the spouse of such person.

The Option Plan must be administered by the Board and may, in the Board’s discretion, be administered by a committee appointed by the Board for that purpose.

Option Grants

The aggregate number of Common Shares which may be issued under the Option Plan shall not exceed 15% of the aggregate number of Common Shares issued and outstanding (calculated on a non-diluted basis) from time to time. As of the date hereof, the Company has outstanding 286,130,668 Common Shares and, accordingly, up to a maximum of 42,919,600 Common Shares (being 15% of the issued and outstanding Common Shares) are able to be reserved for issuance pursuant to Options (of which 15,191,817 Options are currently outstanding, representing 5.31% of the number of Common Shares outstanding as of the date hereof). As of the date hereof, an aggregate of 3,302,590 Common Shares, representing 1.15% of the number of Common Shares outstanding, have been issued pursuant to the exercise of Options.

Any Option granted under the Option Plan which has been exercised shall again be available for subsequent grant under the Option Plan, effectively resulting in a re-loading of the number of Common Shares available for grant under the Option Plan. Any Common Shares subject to an Option granted under the Option Plan, which for any reason is surrendered, cancelled or terminated or expires without having been exercised, shall again be available for subsequent grant under the Option Plan.

The number of Common Shares (i) issued to insiders of the Company, within any one-year period, and (ii) issuable to insiders of the Company, at any time, under the Option Plan, or when combined with all of the Company’s other security-based compensation arrangements, as applicable, shall not exceed 10% of the Company’s total issued and outstanding Common Shares.

Pricing

The purchase price per Common Share subject to each Option granted in the future shall be determined by the Board (or committee appointed by the Board). Such price shall not be lower than the closing market price on the TSX, or another stock exchange where the majority of the trading volume and value of the Common Shares occurs, on the trading day immediately preceding the date of the grant, or if not so traded, the average between the closing bid and asked prices thereof as reported for the trading day immediately preceding the date of the grant; provided that if the Common Shares have not traded on the TSX or another stock exchange for an extended period of time, the “market price” will be the fair market value of the Common Shares at the time of grant, as determined by the Board (or committee appointed by the Board). The Board (or committee appointed by the Board) may determine that the price per Common Share subject to an Option may escalate at a specified rate dependent upon the date on which such option may be exercised.

Term of Options

Options shall not be granted for a term exceeding 10 years. Options may be exercised by an “eligible person” in whole at any time, or in part from time to time, during the term of the Option, subject to the

provisions of the Option Plan. Generally, Options granted under the Option Plan may not be assigned or otherwise transferred by an optionee other than to certain other “eligible persons” and “permitted assigns” or pursuant to a will or by the laws of descent and distribution. However, pursuant to the amendment provision of the Option Plan, the Board has the authority to amend the assignability and transferability provisions of the Option Plan generally or any Options granted to any optionee.

Options granted under the Option Plan may vest at the discretion of the Board (or committee appointed by the Board).

If the termination date of an Option falls during or within three trading days of a blackout period, during which the policies, as applicable, of the Company prevent certain persons from trading in the securities of the Company, the expiry date for such option will be extended for an additional period expiring on the 10th trading day following the end of the blackout period.

Amendment of the Option Plan

The terms of the Option Plan may be amended by the Board without the consent of the Company’s shareholders, including, but not limited to, amendments relating to: (a) complying with the requirements of any applicable regulatory authority; (b) complying with the rules, policies and notices of the TSX or of any stock exchange on which the Company’s securities are listed; (c) altering, extending or accelerating the terms and conditions of vesting of any Options; (d) extending the term of Options held by a person other than a person who, at the time of the extension, is an insider of the Company; (e) determining, subject to all applicable regulatory requirements, that the provisions of the Option Plan concerning the effect of termination of a participant’s status as an “eligible person” shall not apply to a participant for any reason acceptable to the Board; (f) accelerating the expiry date of any Options; (g) amending the definitions contained within the Option Plan; (h) amending the categories of persons who are “eligible persons” and entitled to be granted Options pursuant to the Option Plan; (i) allowing the grant of short-term financial assistance to participants for the purpose of exercising Options granted under the Option Plan, subject to compliance with all applicable regulatory requirements; (j) authorizing the addition or modification of a cashless exercise feature, payable in cash or Common Shares, which provides for a full deduction of the number of underlying securities from the Option Plan reserve; (k) the assignability or transferability of Options; (l) amending or modifying the mechanics of exercise of Options; and (m) amendments of a “housekeeping” nature, including, without limitation, amending the wording of any provisions of the Option Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Option Plan that is inconsistent with any other provision of the Option Plan. The Board may not, however, without the approval of the Company’s shareholders make amendments relating to: (i) a reduction in the price or extension of the term of Options granted to an insider of the Company; (ii) an increase in the fixed percentage of the issued and outstanding Common Shares issuable under the Option Plan; (iii) any amendment to remove to exceed the limitation on the number or percentage of Options that may be issued, or made issuable, to insiders of the Company; and (iv) changes to the amendment provisions of the Option Plan.

The Board may terminate the Option Plan at any time.

Early Termination

In the event of the death of an optionee prior to the expiry date of an Option, such option may be exercised by the legal representatives of such person at any time up to and including the date which is the first anniversary of the date of death of such person or the expiry date of such Option, whichever is the earlier, after which such Option shall in all respects cease and terminate. In the event an optionee resigns as an employee or officer of the Company or a person or company controlled by the Company, or resigns, is

removed or otherwise ceases to be a member of the Board or a board of a person or company controlled by the Company (other than upon the death of such person), all Options granted to such optionee which are then outstanding (whether vested or unvested) shall cease and terminate 90 days after such resignation, removal or other cessation of the term of office of the optionee (or notice thereof) (or such later date on or before the expiry date of the Option as the Board or committee appointed by the Board in its sole discretion may determine). In the event an optionee (a) is an employee or officer of the Company or a person or company controlled by the Company and is discharged by reason of a wilful and substantial breach of such person's employment duties, or (b) is a consultant to the Company and the agreement or engagement between the Company and such consultant is terminated by either party, all Options granted to such person under the Option Plan which are then outstanding (whether vested or unvested) shall cease and terminate upon the date of notice of such discharge or termination (or such later date on or before the expiry date of the Option as the Board or committee appointed by the Board in its sole discretion may determine). In the event of a termination of employment or engagement of an optionee other than in the event of death or in the circumstances set out above, such person may exercise each Option then held by such person at any time up to and including the 90th day (or such later date as the Board or committee appointed by the Board in its sole discretion may determine) following the effective date upon which the person ceases to be an "eligible person" or the expiry date of such Option, whichever is earlier, after which the Option shall in all respects cease and terminate.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

As at the date hereof, no directors, executive officers or employees of the Company or its subsidiaries and no former directors, executive officers or employees of the Company or its subsidiaries are indebted to the Company or its subsidiaries, nor are any such persons indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominees for election as a director of the Company and no associate of any such director, executive officer or proposed director, is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries, or to any other entity where such indebtedness to that other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, in respect of any security purchase program or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or any proposed director of the Company, or any of the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has, in either case, materially affected or would materially affect the Company or any of its subsidiaries, except as otherwise described in this Information Circular.

For the purposes of the above, "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, voting securities of the Company or a combination of both carrying more than 10% of the voting rights

attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of its most recently completed financial year, no proposed director and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Information Circular.

MANAGEMENT CONTRACTS

Other than as disclosed herein, there are no management functions of the Company or its subsidiaries which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company or its subsidiaries (or private companies controlled by them, either directly or indirectly).

CORPORATE GOVERNANCE PRACTICES

The Board and management of the Company recognize that effective corporate governance practices are fundamental to the long-term success of the Company. Sound corporate governance contributes to shareholder value through increased confidence. The Board and management are therefore committed to maintaining a high standard of corporate governance and compliance with National Policy 58-201 - *Corporate Governance Guidelines* (the “**Guidelines**”), which establishes the basis for effective corporate governance. NI 58-101 requires that corporations disclose their approach to corporate governance with reference to the Guidelines. The Company’s approach is outlined below.

Board of Directors

Duties and Responsibilities of the Board

The duties and responsibilities of the Board are to: (a) provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risks to be identified, assessed, managed and mitigated; (b) set and approve the Company’s strategy and objectives, operating plans, key transactions, material contracts and budgets; (c) ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance; (d) set the Company’s values and standards and ensure that its obligations to its shareholders and others are understood and met; (e) ensure stewardship in the financial affairs of the Company; and (f) ensure effective communication as it relates to the Company and its business with all stakeholders, including shareholders, employees, the public and other interested parties.

Although the Board does not have a written mandate, in the discharge of its responsibilities, the Board oversees and reviews directly or through its committees, the following matters: (a) the strategic planning process of the Company; (b) an annual operating and capital budget and a business plan for the Company; (c) identification of the principal risks to the Company’s business and ensuring the implementation of appropriate systems to manage these risks; (d) succession planning, including appointing, training and monitoring senior management; and (e) a communications policy for the Company to facilitate communications with investors and other interested parties.

The Board also has the mandate to assess the effectiveness of the Board as a whole and the contribution of individual directors.

Composition of the Board

The Board is currently comprised of Messrs. Reading, Netherway, da Silva, Martin, Owen and Reynolds. All of the Company’s current directors are considered “independent” (as that term is defined in NI 58-101) other than Mr. Reading, as he is the President and Chief Executive Officer of the Company.

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the Board reviews its procedures from time to time to ensure that it can function independently of management. Mr. Netherway, the Non-Executive Chairman of the Board, is an independent director and provides leadership to the other independent directors, as required. If and when conflicts arise on the Board, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in the Guidelines, the Board convenes meetings of independent directors, at which non-independent directors and members of management are not in attendance, as deemed necessary.

Since the beginning of the Company’s financial year ended December 31, 2013 until the date hereof, the Board, its Audit Committee, its Compensation Committee and its Corporate Governance and Human Resources Committee (the “**Corporate Governance Committee**”) met 7, 6, 6 and 3 times, respectively.

The following is the record of attendance for each director at Board, Audit Committee, Compensation Committee and Governance Committee meetings since the beginning of the Company’s financial year ended December 31, 2013 until the date hereof:

Director	Board Meetings (7)	Audit Committee Meetings (6)	Compensation Committee Meetings (6)	Corporate Governance Committee Meetings (3)
David Reading	7	N/A	N/A	N/A
David Netherway	7	6	6	N/A
Luis da Silva	7	6	N/A	3
David Beatty⁽¹⁾	4	N/A	N/A	N/A
Loudon F. M. Owen⁽²⁾	-	N/A	N/A	N/A
Jean-Guy Martin	7	6	5	3
Adrian Reynolds	7	N/A	4	3

Notes:

(1) Mr. Beatty resigned as a director of the Company on May 7, 2014.

(2) Mr. Owen was appointed as a director of the Company on May 7, 2014.

Nomination of Directors

Responsibility for identifying new candidates to join the Board belongs to the Board as a whole and the Corporate Governance Committee. In connection with the nomination or appointment of individuals as directors, the Board considers: (i) the competencies and skills necessary for the Board, as a whole, to possess; (ii) the competencies and skills necessary for each director to possess; (iii) the competencies and skills that each new director nominee will bring to the Company; and (iv) whether or not each new director

nominee can devote sufficient time and resources to his or her duties as a member of the Board. The Board will also review on a periodic basis the size and composition of the Board to ensure that an appropriate number of independent directors sit on the Board.

Directorships

The following directors of the Company are also presently directors of other reporting issuers (or the equivalent) as follows:

<u>Name of Director</u>	<u>Name of Issuer</u>
David Reading	Cordoba Minerals Corp. Rio Novo Gold Inc.
David Netherway	Canyon Resources Ltd. Kilo Goldmines Ltd. Crusader Resources Ltd. Altus Resource Capital Limited Altus Global Gold Limited
Luis da Silva	GB Minerals Ltd. Stellar Diamonds plc
Loudon Owen	Genesis Land Development Corp. Kilo Goldmines Ltd. Posera-HDX Inc.
Adrian Reynolds	Geodrill Limited Mkango Resources Ltd.

Position Descriptions

The Board has not yet developed written position descriptions for the Chairman of the Board and the Chairman of each committee of the Board, as the Board feels that the individuals in these positions have a sufficient understanding of their respective responsibilities. Each of the committees of the Board has a charter which outlines the responsibilities of that particular committee. The Chairman of each of the Board committees is responsible for ensuring that the respective committee operates in accordance with its charter and leads the meetings of that committee. The Non-Executive Chairman of the Company is responsible for assisting with the development of the objectives and strategies of the Company and leading the meetings of the Board, as necessary.

The responsibilities and duties of Mr. David Reading, as the President and Chief Executive Officer of the Company, are outlined in his service agreement with the Company and include (i) devoting substantially all of his time, attention and ability to the duties of his appointment and such other duties as may be reasonably necessary to perform the duties of Chief Executive Officer of the Company; (ii) faithfully and diligently performing those duties and exercising such powers consistent with them which are assigned to or vested in him from time to time; (iii) obeying all lawful and reasonable direction of the Board; (iv) using his best endeavours to promote, develop and extend the business and the interest of the Company and its subsidiaries, associated companies or holdings companies, as applicable; (v) keeping the Board fully informed by reports of the business and affairs of the Company and providing such explanations as the Board may require; (vi) not at any time making any untrue or misleading statement relating to the Company and its subsidiaries, associated companies or holding companies, as applicable; and (vii) promptly disclosing to the Board certain information that comes into his possession.

Orientation and Continuing Education

The Company currently does not have in place a formal orientation and education program for new Board members. As new directors join the Board, management provides these individuals with information about the Company, including its corporate plan and strategic direction, and an outline of the general duties and responsibilities entailed in carrying out their role as directors. Information about the Company's projects is available to Board members, who are also encouraged to visit the Company's project sites as appropriate. The members of the Board are experienced professionals in their respective areas of business and are to receive regular updates at Board meetings regarding developments in the exploration and mining industry, the state of the Company's projects, and the political situation in the countries in which the Company operates. Each director shares with the other members of the Board his experiences in the areas in which he has strong professional knowledge and has unlimited access to the Chief Executive Officer of the Company and its other executives and members of management to seek required clarifications regarding the technical aspects of operations of the Company's projects throughout the different stages of development and operation.

Ethical Business Conduct

The Company has adopted a Code of Business Conduct (the "**Code**"), which is available on SEDAR at www.sedar.com under the Company's profile.

The Code provides that the Company's officers, directors and employees are required to act with honesty and integrity and to avoid any relationships or activities that might create, or appear to create, a conflict between personal interests and the interests of the Company. The Company is committed to providing a healthy and safe workplace in compliance with applicable laws, rules and regulations. The Code affirms the Company's commitment to foster a work environment in which all individuals are treated with dignity and respect.

The Board takes reasonable steps to monitor and audit compliance with the Code. Managers are responsible for communicating the values and principles set forth in the Code to employees. Any violations (including potential violations of the Code) are to be promptly reported to the Board or the Chief Financial Officer. The Code confirms that there will not be any reprisals against an individual who does so in good faith.

In circumstances where a director or executive officer has a material interest in a transaction or an agreement which the Company is considering entering into, the individual is required to fully disclose his or her interest therein and interested members of the Board are precluded from voting on matters in which they may have an interest.

Assessments

The Board does not conduct any formal evaluation of the performance and effectiveness of the members of the Board, the Board as a whole or any committee of the Board. However, the Corporate Governance Committee is responsible for assessing, at least annually, the composition and effectiveness of the Board as a whole, its committees and the contribution of individual directors. Where appropriate, the Corporate Governance Committee is responsible for making recommendations that sitting directors be removed or not re-appointed. In connection with the re-election of directors and the identification of any new nominees, the Corporate Governance Committee reviews annually the qualification of existing directors.

Other Committees

Corporate Governance and Human Resources Committee

The Corporate Governance Committee has been established and is comprised of Messrs. Reynolds (Chairman), da Silva and Martin, each of whom is a non-executive director of the Company and “independent” within the meaning of NI 58-101. The primary duties and responsibilities of the Corporate Governance Committee include: (i) developing the Company’s approach to corporate governance issues; (ii) proposing new candidates for directorship; (iii) evaluating the efficiency of the Board, its committees and their respective chairmen, and each director; and (iv) performing such other duties and responsibilities as may be consistent with its charter. The Corporate Governance Committee also assists the Board in fulfilling its responsibilities with respect to hiring, evaluation, compensation and succession planning for senior management and other employees.

Audit Committee

The Audit Committee is comprised of Messrs. Martin (Chairman), Netherway and da Silva, each of whom is “independent” and “financially literate” as such terms are defined under Canadian securities laws. A detailed description of the Audit Committee together with a copy of the Audit Committee Charter as required by Form 52-110F1 of Multilateral Instrument 52-110 - *Audit Committees*, is included in the Company’s annual information form dated March 25, 2014 and filed on SEDAR at www.sedar.com.

ANY OTHER MATTERS

Management of the Company knows of no matters to come before the meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Financial information is provided in the Company’s comparative financial statements and related management discussion and analysis for the year ended December 31, 2013, which can be found on SEDAR and the Company’s website at www.aureus-mining.com. To request copies of the Company’s financial statements and related management’s discussion and analysis, please contact the Company Secretary at: L.V. Conseil Institutionnels, 1405 Henri-Bourassa Ouest, bureau 203, Montreal (Québec), Canada H3M 3B2.

A proposal for any matter that a Shareholder proposes to raise at the next annual meeting of Shareholders of the Company must be submitted to the Company at least 90 days before the anniversary date of the notice of meeting accompanying this Information Circular (that is, at least 90 days before the anniversary date of May 16, 2014) and must comply with the other requirements of the *Canada Business Corporations Act* relating to proposals.

APPROVAL

The contents and sending of this Information Circular have been approved by the board of directors of the Company.

DATED this 16th day of May, 2014.

AUREUS MINING INC.

(Signed) "*David Reading*" _____

David Reading

President and Chief Executive Officer

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