



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON JUNE 28, 2019**

**AND**

**INFORMATION CIRCULAR**

*May 15, 2019*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisor.*





Unit 1 – 15782 Marine Drive  
White Rock, B.C. V4B 1E6  
P: (604) 536-2711

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Azarga Uranium Corp. (“**Azarga**” or the “**Company**”) will be held at the offices of the Company at Unit 1 – 15782 Marine Drive, White Rock, B.C., on June 28, 2019, at the hour of 9:00 a.m. (Pacific time) for the following purposes:

1. to place before the Meeting the audited financial statements of Azarga for the financial year ended December 31, 2018, and accompanying report of the auditors;
2. to appoint BDO Canada LLP as the auditors of Azarga for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
3. to elect the directors of the Company;
4. to consider and, if thought advisable, to pass an ordinary resolution of disinterested Shareholders (the “**Bonus Resolution**”) providing for the issuance of 900,000 Shares (the “**Bonus Shares**”) of which 800,000 are to two insiders of the Company as a bonus at a deemed price per Bonus Share equal to the market price of the Shares on the date of the issuance of the Bonus Shares in the form set out in the Information Circular; and
5. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

Consistent with the prior year, the Company has decided to take advantage of the notice-and-access model provided for under amendments to National Instrument 54-101 (“**Notice and Access**”) for the delivery of its Information Circular, the Company’s audited financial statements and the Management’s Discussion & Analysis for the financial year ended December 31, 2018 (collectively, the “**Meeting Materials**”), to its shareholders in respect of the Meeting. The Company has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs.

Meeting Materials are also available upon request, **without charge**, by e-mail at [doris@gocs.ca](mailto:doris@gocs.ca) or by calling toll-free at 1-888-828-1202 or can be accessed online on SEDAR at [www.sedar.com](http://www.sedar.com). The Meeting Materials will be available on the Company’s website at [www.azargauranium.com](http://www.azargauranium.com) and will remain on the website for one full year after filing of the Meeting Materials on SEDAR.

The Company will mail paper copies of the Meeting Materials to those registered and beneficial shareholders who have previously elected to receive paper copies of the Company’s Meeting Materials. All other shareholders will receive a Notice and Access notification, which will contain information on how they may access the Meeting Materials electronically in advance of the Meeting.

The board of directors of the Company has fixed May 15, 2019 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company's transfer agent, Computershare Investor Services Inc., by mail at 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or by fax at 1-866-249-7775, or vote by telephone (toll free) at 1-866-732-VOTE (8683) or online at [www.investorvote.com](http://www.investorvote.com), by 9:00 a.m. (Pacific time) on June 26, 2019.

If you are a non-registered shareholder and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant or a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (an "**Intermediary**"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, this 15<sup>th</sup> day of May 2019.

By Order of the Board of Directors of

**AZARGA URANIUM CORP.**

*"Glenn Catchpole"*

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Glenn Catchpole,  
Chairman

**PLEASE VOTE. YOUR VOTE IS IMPORTANT.**

**WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY FORM AND PROMPTLY RETURN IT IN THE ENVELOPE PROVIDED.**

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Unit 1 – 15782 Marine Drive  
White Rock, B.C. V4B 1E6  
P: 604-536-2711

## INFORMATION CIRCULAR

Dated and information as of May 15, 2019 (unless otherwise noted)

### 1. INTRODUCTION

This Information Circular accompanies the Notice of Annual General and Special Meeting of Shareholders (the “**Notice**”) and is furnished to shareholders (the “**Shareholders**”) holding Class “A” Common shares (each, a “**Share**” or “**Common Share**”) in the capital of Azarga Uranium Corp. (“**Azarga**” or the “**Company**”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual general meeting (the “**Meeting**”) of the Shareholders to be held at 9:00 a.m. (Pacific time) on June 28, 2019, at the offices of the Company at Unit 1 – 15782 Marine Drive, White Rock, B.C., or at any adjournment or postponement thereof. Unless otherwise indicated, all dollar amounts referred to herein are stated in United States dollars.

Only registered shareholders as of the Record Date (as defined herein) are entitled to receive notice of, and to attend and vote at, the Meeting, or any adjournment or postponement thereof.

### 2. NOTICE AND ACCESS PROCESS

The Company has decided to use the notice and access model (“**Notice and Access**”) provided for under amendments to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators* (“**NI 54-101**”) for the delivery of the Information Circular, audited financial statements and Management’s Discussion and Analysis for the financial year ended December 31, 2018 and form of proxy (collectively, the “**Meeting Materials**”) to Shareholders for the Meeting. The Company has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs.

Under Notice and Access, instead of receiving printed copies of the Meeting Materials, Shareholders receive a Notice and Access notification containing details of the Meeting date, location and purpose, as well as information on how they can access the Meeting Materials electronically. Shareholders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting Materials.

Shareholders who receive a Notice and Access notification can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year from the date of the filing of this Information Circular on SEDAR. Shareholders with questions about the Notice and Access system, or who would like to request printed copies of the Meeting Materials, should contact the Company toll-free at 1-888-828-1202 or by emailing [doris@gocs.ca](mailto:doris@gocs.ca). A request for printed copies, which are required in advance of the Meeting, should be made no later than two weeks before the Meeting in order to allow sufficient time for mailing.

The Meeting Materials can be accessed online on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.azargauranium.com](http://www.azargauranium.com) and will remain on the Company’s website for one full year after the Meeting Materials are filed on SEDAR.

### 3. PROXIES AND VOTING RIGHTS

#### 3.1 Management Solicitation

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

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

#### 3.2 Appointment of Proxy

Registered Shareholders are entitled to vote at the Meeting. Except as otherwise noted herein, a Shareholder is entitled to one vote for each Common Share that such Shareholder holds at the close of business on May 15, 2019 (the “**Record Date**”) on the resolutions to be voted upon at the Meeting or any adjournment or postponement thereof, and any other matter to come before the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of the Company.

**A Shareholder has the right to appoint a person or corporation (who need not be a Shareholder) to attend and act for or on behalf of that Shareholder at the Meeting, other than the Designated Persons named in the enclosed form of proxy. A Shareholder may exercise this right by striking out the printed names of the Designated Persons and inserting the name of such other person the Shareholder wishes to appoint and, if desired, an alternate to such person, in the blank space provided in the form of proxy.**

In order to be voted, the completed form of proxy must be received by the Company’s registrar and transfer agent, Computershare Investor Services Inc. (the “**Transfer Agent**”) by mail at its offices located at 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or by fax at 1-866-249-7775. Shareholders may also vote by telephone (toll free) at 1-866-732-VOTE (8683) or online at [www.investorvote.com](http://www.investorvote.com). All proxies and votes must be received or completed by 9:00 a.m. (Pacific time) on June 26, 2019.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder’s attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer of, or attorney-in-fact for, the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer of, or attorney-in-fact for, a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, should accompany the form of proxy.



### 3.3 Revocation of Proxies

A Shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof; or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof; or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder; or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

### 3.4 Voting of Shares and Proxies and Exercise of Discretion by Designated Persons

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space on the proxy. If the instructions as to voting indicated in the proxy are certain, the Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Shares represented will be voted or withheld from the vote on that matter accordingly. The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

**If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the Designated Persons named in the form of proxy. It is intended that the Designated Persons will vote the Shares represented by the proxy in favour of each matter identified in the proxy.**

The enclosed form of proxy confers discretionary authority upon the Designated Persons with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Shares on any matter, the Shares that are the subject of the abstention or withholding will be counted for the determination of a quorum but will not be counted as affirmative or negative on the matter to be voted upon.

## 4. NON-REGISTERED HOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a registered Shareholder in respect of Shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("CDS")) of which the Intermediary is a participant. In accordance with the requirements set out in NI 54-101, the Company has distributed copies of the Meeting Materials to the clearing agencies, directly to the Intermediaries and/or directly to non-objecting Non-Registered Holders using Notice and Access.

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

- be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Transfer Agent as provided above; or
- more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one-page pre-printed form. Sometimes, instead of a one-page pre-printed form, the proxy authorization will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit a Non-Registered Holder to direct the voting of the Shares, which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Designated Persons named in the form and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

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

**These Meeting Materials are made available to both registered Shareholders and Non-Registered Holders using Notice and Access. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Shares on your behalf.**

**By choosing to send these Meeting Materials to you directly utilizing Notice and Access, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.**

## **5. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than the Bonus Resolution and except as otherwise disclosed in this Information Circular, no director or executive officer of the Company or greater than 10% shareholder, who was a director or executive officer or greater than 10% shareholder since January 1, 2018, or any associate or affiliate of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of Common Shares or other securities of the Company or otherwise, in any matter to be acted upon at the Meeting.

## 6. VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Shares without par value and an unlimited number of Class B Preference Shares without par value that are issuable in series. As of the Record Date, determined by the Board to be the close of business on the Record Date, a total of 183,719,147 Shares were issued and outstanding and no Class B Preference Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement thereof.

To the knowledge of Azarga's directors and executive officers, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares.

## 7. BUSINESS OF THE MEETING

### 7.1 Financial Statements

The audited consolidated financial statements of the Company for the year ended December 31, 2018, together with the auditor's report thereon, will be placed before the Meeting.

### 7.2 Election of Directors

At the Meeting, Shareholders will be asked to elect management's six (6) nominee directors and it is proposed that the six persons whose names are set forth below be elected to the board of directors of the Company (the "Board"). All directors elected will hold office until the next annual general meeting of shareholders of the Company or until their successors are elected or appointed.

A Shareholder can vote for all of the nominees, vote for some of them and withhold for others, or withhold for all of them. Management of the Company does not contemplate that any nominee will be unable to serve as a director, but if that should occur for any reason at or prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion unless the shareholder has specified in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld from voting for any management nominee in the election of directors.

The Board adopted a policy on majority voting on July 10, 2015. In an uncontested election of directors, any nominee who receives a greater number of votes "withheld" than votes "for" will tender a resignation to the Chairman of the Board promptly following the Meeting. The independent directors will consider the offer of resignation and, except in special circumstances, will recommend that the Board accept the resignation. The Board will make its decision and announce it in a press release within 90 days following the Meeting, including the reasons for rejecting the resignation, if applicable. The nominee will not participate in any deliberations on the resignation offer. The policy does not apply in circumstances involving contested director elections.

The following table sets forth certain information with respect to each of the persons proposed to be nominated for election as a director (a "proposed director") as of the date hereof. For additional information regarding compensation, options, current directorships and attendance at Board meetings in 2018, please see "Statement of Executive Compensation – Compensation of Directors" and "Statement of Corporate Governance Practices – Other Directorships; and Attendance at Meetings"

**Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the nominees whose names are set forth below.**

Name Province/State Country of Residence and Position(s) with the Company <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>	Date(s) Served as a Director	Number of Common Shares Owned or Controlled <sup>(1)</sup>
Glenn Catchpole <i>Wyoming, USA</i> Chairman and Director	Mr. Catchpole was the President and Chief Executive Officer and Director of URZ Energy Corp. from February 2017 to July 2018. Mr. Catchpole was a member of the Board of Directors and the Chief Executive Officer of Uranerz Energy Corporation from March 1, 2005 until June 18, 2015 when Uranerz Energy Corporation was acquired by Energy Fuels Inc.	July 5, 2018 to present	1,543,385
Matthew O’Kane <i>Hong Kong</i> Director <sup>(2) (3)</sup>	Mr. O’Kane is the Chief Financial Officer of Crater Gold Mining Limited, a gold mining company since August 2017. Mr. O’Kane also provides CFO services to a Hong Kong SFC licensed institutional brokerage and asset management firm. He also provides consulting services to minerals and commodities businesses and is a Director of Northern Territories Resources Pty. Ltd, which owns a significant base metals project in Australia. He was the CFO of a large private commodities trading firm in Hong Kong from August 2014 to August 2016 and was the CFO of Celsius Coal Limited from May 2013 to August 2014, an Australian coal mining company listed on the Australian Stock Exchange.	September 2013 to present	871,980
Sandra MacKay <i>British Columbia, Canada</i> Director <sup>(2)</sup>	Ms. MacKay is the Vice President, Legal, Privacy & Risk and Corporate Secretary to the Provincial Health Services Authority of B.C. where she has served as chief legal officer since 2014 and was the Senior Vice President, Legal, with Uranerz Energy Corporation from 2009 to 2014.	July 5, 2018 to present	508,915
Joseph Havlin <i>Montana, USA</i> Director <sup>(2)</sup>	Mr. Havlin is Vice President Finance with Wyo-Ben, Inc., a bentonite miner and manufacturer of drilling fluids and other bentonite-based products as well as a line of drill fluid recycler and reclaimer equipment.	October 2014 to present	1,579,691
Todd Hilditch <i>British Columbia, Canada</i> Director <sup>(3)</sup>	Mr. Hilditch was the Executive Chair of URZ Energy Corp. from August 2010 to July 2018. President of Terraco Gold Corp. since August 2007.	July 5, 2018 to present	2,076,049 <sup>(4)</sup>
Delos Cy Jamison, <i>Montana, USA</i> Director <sup>(3)</sup>	Mr. Jamison currently is the founder and principal at the Jamison Group, LLC, which specializes in complex land and resource exchanges, involving Federal assets.	June 30, 2017 to present	253,468

<sup>(1)</sup> The information as to country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

<sup>(2)</sup> Member of the Audit Committee of which Mr. Havlin is the Chair.

<sup>(3)</sup> Member of the Compensation Committee of which Mr. O’Kane is the Chair.

- (4) The 2,076,049 shares are owned as to 356,924 by Rock Management Consulting Ltd., a private company, owned by Todd Hilditch and 1,719,125 by Todd Hilditch.

### **Corporate Cease Trade Orders**

To the best of management's knowledge, no proposed director of the Company has, within 10 years before the date of this Information Circular, been a director or officer of any company that, while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied that person or company access to any exemption under securities legislation for a period of more than 30 consecutive days, or (ii) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the company being the subject of a cease trade or similar 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.

### **Bankruptcies**

To the best of management's knowledge, no proposed director of the Company: (i) is or has been within the 10 years before the date of this Information Circular, a director or executive officer of any 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, was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Penalties and Sanctions**

To the best of management's knowledge, no proposed director of the Company 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 securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **7.3 Appointment of Auditor**

The auditors of the Company are BDO Canada LLP, Chartered Professional Accountants, who were first appointed as auditor on March 31, 1994.

**Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of BDO Canada LLP, as auditors of the Company to hold office until the next annual meeting of shareholders, and to authorize the Board to fix the remuneration of the auditors.**

Disclosure of fees paid to BDO Canada LLP and its affiliates by the Company for the years ended December 31, 2018 and 2017 is set out under the heading "Audit Committee Information – External Auditor Service Fees (By Category)" in the Company's Annual Information Form which is available on [www.sedar.com](http://www.sedar.com).

### **7.4 Approval of Bonus Shares**

The Company seeks to issue an aggregate of 900,000 Common Shares (collectively, the "**Bonus Shares**"), representing less than 0.5% of the total issued and outstanding Common Shares as at the Record Date on an undiluted basis, as a bonus payment (the "**Bonus Payment**") as to 675,000 to Blake Steele, 125,000 to Golden Oak Corporate Services Ltd. ("**Golden Oak**"), both NEO's and 100,000 between two employees of the Company at a deemed price per Bonus Share equal to the market price of the Shares on the date of the issuance of the Bonus Shares:

The 2018 Bonus Payment was approved by the Compensation Committee and the Board. See "*Statement of Executive Compensation*" for additional information.

### *Minority Shareholder Approval of the Issuance of Bonus Shares*

The issuance of the Bonus Shares is considered a “related party transaction” as Blake Steele and representatives of Golden Oak are officers of the Company. Under MI 61-101, the Company is exempt from the requirement of having to perform a formal valuation in connection with the issuance of the Bonus Shares and from the requirement to obtain minority shareholder approval in connection with the issuance of the Bonus Shares. The Company is exempt from such requirements as the aggregate fair market value of the Bonus Shares to be issued to Mr. Steele was \$127,551 and \$23,621 to Golden Oak as of December 31, 2018, being less than 25% of the Company’s market capitalization on such date. However, Section 613 of the TSX Manual requires disinterested shareholder approval for any security based compensation arrangement, which would include the issuance of the Bonus Shares pursuant to the Bonus Payment.

To the knowledge of the directors and executive officers of the Company, after reasonable inquiry, no votes attached to the Common Shares other than those owned by Mr. Steele will be excluded in determining whether approval for the Bonus Shares Resolution has been received by non-interested Shareholders. As of the Record Date, the 4,773,291 Common Shares held by Mr. Steele (representing approximately 2.60% of the issued and outstanding Common Shares on the Record Date) will be excluded from voting on the approval of the Bonus Shares Resolution. Golden Oak does not currently own any Common Shares of the Company. The issuance of the Bonus Shares remains subject to disinterested Shareholder approval being obtained, and the completion thereof remains subject to TSX approval being obtained.

**The Board has approved the issuance of the Bonus Shares as set out in this Information Circular and recommends that the disinterested Shareholders approve, by way of ordinary resolution, the Bonus Shares Resolution.**

#### **Bonus Shares Resolution**

At the Meeting, the Shareholders, except Mr. Steele, will be asked to consider and, if deemed appropriate, approve the Bonus Shares Resolution, as an ordinary resolution that must be approved by a majority of the disinterested Shareholders who are present in person or represented by proxy at the Meeting.

“BE IT RESOLVED as an ordinary resolution (exclusive of the votes held directly or indirectly by Blake Steele) that:

- (a) the issuance of 900,000 common shares of the Company (each, a “**Share**”) as a bonus to two insiders and two employees of the Company (the “**Bonus Issuance**”) at a deemed price per Share equal to the market price of the Shares on the date of the issuance of the Shares be and is hereby authorized and approved;
- (b) if the Shares approved for issuance pursuant to the Bonus Issuance have not been issued as provided for by this resolution by December 31, 2019, then the Company shall seek re-approval for such issuances from the disinterested shareholders of the Company and the Toronto Stock Exchange, as required, prior to such Shares being issued;
- (c) any one or more directors or officers of the Company is hereby authorized, for and on behalf and in the name of the Company, to execute and deliver all such agreements, forms waivers, notices, certificate, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions and the completion of the Bonus Issuance and any other transactions contemplated thereby in accordance including, without limitation:
  - (i) all actions required to be taken by or on behalf of the Company, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities, and
  - (ii) the signing of the certificates, consents and other documents or declarations required or otherwise to be entered into by the Company,

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing; and

- (d) notwithstanding that this resolution has been passed (and the Bonus Issuance approved) by the disinterested shareholders of the Company, the directors of the Company are hereby authorized and empowered, without further notice to, or approval of, the securityholders of the Company to (i) amend the terms of the Bonus Issuance, subject to the terms of the Toronto Stock Exchange; or (ii) not to proceed with the Bonus Issuance.”

## 8. STATEMENT OF EXECUTIVE COMPENSATION

### Currency

The Company uses the United States (“US”) dollar as its reporting currency. This Information Circular contains reference to both US dollars and Canadian dollars. All currency amounts are in the United States dollars, unless otherwise indicated. References to “C\$” refer to Canadian currency.

### General

For the purpose of this Information Circular:

“**CEO**” means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“**CFO**” means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year; and

“**Named Executive Officer**” or “**NEO**” means:

- (a) the CEO;
- (b) the CFO;
- (c) each of the Company’s three most highly compensated executive officers, including any of the Company’s subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than C\$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

### 8.1 Compensation Discussion and Analysis

The Company is dependent on individuals with specialized skills and knowledge related to the exploration for, and development of, mineral prospects, corporate finance and management. Therefore, the Company seeks to attract, retain and motivate highly skilled and experienced executive officers by providing competitive compensation. The compensation of NEOs is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each NEO and varies with the amount of time spent by each NEO in carrying out his functions on behalf of the Company.

In 2018, compensation paid to NEO’s consisted of salaries, share-based awards and stock options. The Compensation Committee did not undertake a formal study of compensation paid to executives by companies similar to the Company that was focused on pre-determined benchmarks. Base salaries were set with the goal of being competitive with corporations of a comparable size and at the same stage of development, thereby enabling the Company to compete for and retain executives critical to the Company’s long-term success. In determining the base salary of each NEO, the Compensation Committee considered: the particular responsibilities related to the

position; the experience level of the NEO; and his overall performance. The Compensation Committee used this information, together with budgetary guidelines and other internally generated planning and forecasting tools, to determine the base salaries payable. After reviewing this information, the Compensation Committee determined that the base salaries payable under the existing agreements was reasonable, and no pay increases were warranted in 2018.

Bonus Shares and option-based awards, were set with the goal of being competitive with corporations of a comparable size and at the same stage of development, thereby enabling the Company to compete for and retain executives critical to the Company’s long-term success. In determining the bonus of each NEO, the Compensation Committee considered: the particular responsibilities related to the position; the experience level of the NEO; and his overall performance. The Compensation Committee used this information, together with budgetary guidelines and other internally generated planning and forecasting tools, to determine bonuses. During the year ended December 31, 2018, the Compensation Committee and the Board approved the issuance of the 800,000 Shares between two NEO’s and 100,000 Shares between two employees as a bonus in connection with the performance exhibited by these NEO’s and employees. There were four key performance goals agreed to by the Compensation Committee and the NEO’s at the beginning of the year with each goal carrying a weight against the target. The achievements in the year were measured against the performance goals to establish the appropriate bonus for each NEO based on their contributions to that achieving the goal. The issuance of these Bonus Shares remains subject to approval of the Toronto Stock Exchange (“TSX”) and the disinterested Shareholders. See “*Particulars of Matters To Be Acted Upon – Approval of Bonus Shares*” and “*Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards*” below.

The Company has not retained a compensation consultant or advisor to assist the Board or the Compensation Committee in determining compensation for any of the Company’s NEOs or directors. Given that the compensation of all NEOs is structured on a substantially similar basis with performance based compensation forming a small part of the Company’s overall compensation program, and that a majority of the members of the Compensation Committee are independent, the Company does not believe that there are material risks associated with its compensation policies and practices.

No NEO or director is permitted to purchase 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 equity securities granted as compensation or held, directly or indirectly by the NEO or director.

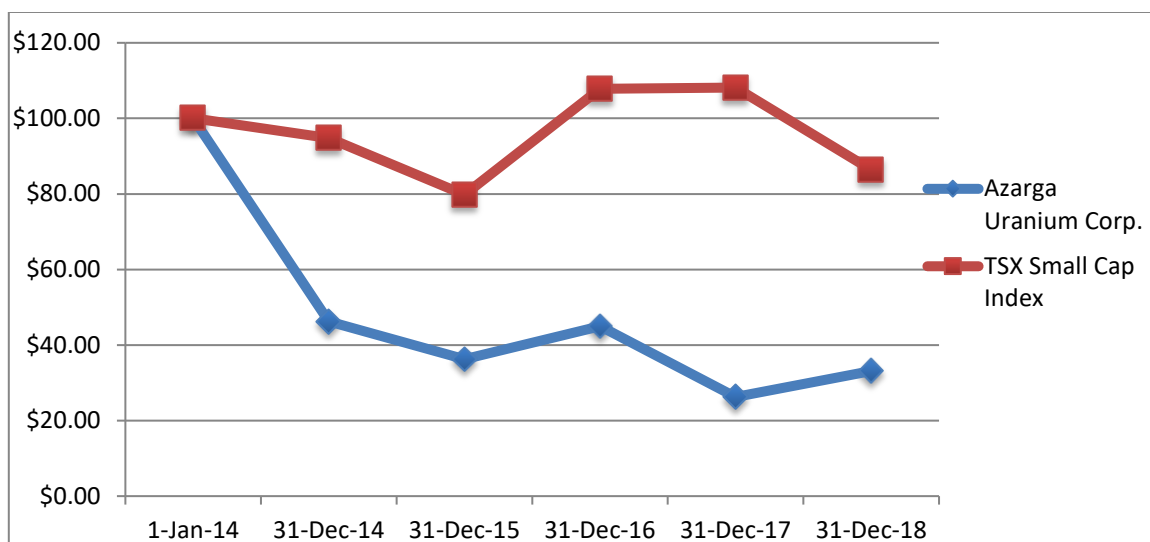
At the Meeting, Shareholders will be asked to consider, and if appropriate, approve the issuance of Shares as a bonus to one NEO. See “*Particulars of Matters To Be Acted Upon – Approval of Bonus Shares*”.

## 8.2 Performance Graph

The chart below compares the total shareholder return on a \$100 investment in Common Shares to the total return (assuming reinvestment of dividends) of the TSX SmallCap Index for the five most recently completed calendar years.

	Investment	2014	2015	2016	2017	2018
<b>Azarga Uranium Corp.</b>	\$100	\$46	\$36	\$45	\$26	\$33
<b>TSX SmallCap Index</b>	\$100	\$95	\$80	\$108	\$108	\$86





As described above, the Compensation Committee considers various factors in determining the compensation of the NEOs. Performance of the Common Shares is one performance measure that is reviewed but there is generally no direct correlation between Common Share performance and executive compensation.

The Company operates in a commodities-related business and the Common Share price is impacted by the market price of uranium, which has fluctuated significantly over the past five years and is affected by numerous factors that are difficult to predict and beyond the Company’s control. The Common Share price is also affected by other factors beyond the Company’s control, including general and industry-specific economic and market conditions. In 2011, an earthquake and tsunami occurred in Japan, damaging certain nuclear reactors located in Japan. The impact of this incident has negatively affected the uranium industry as a whole. The performance graph shows that this incident continues to have negative ramifications on the broader nuclear and uranium industries.

Given the Company’s stage of development, the Compensation Committee generally evaluates performance by reference to its long-term business plan rather than by short-term changes in Common Share price, based on its view that its long-term performance will be reflected by the Common Share performance over the long-term. For the year ended December 31, 2018, salaries paid to NEOs remained consistent with salaries paid to NEOs in 2017 and 2016, excluding those NEOs whose role within the Company changed.

### 8.3 Security Based Compensation Arrangements

The Company currently has three security based compensation arrangements, the Company’s 2018 Rolling Stock Option Plan (the “**2018 Plan**”), the Company’s Employee Share Purchase Plan (“**ESPP**”) and the Company’s Director Services Agreements (“**DSA**” or “**Director Services Agreements**”).

Under the 2018 Plan, the total number of Common Shares reserved and available for issuance cannot exceed 10% of the Common Shares outstanding on a non-diluted basis from time to time. The 2018 Plan is currently administered by the Board. Subject to the provisions of the 2018 Plan, the Board, in its sole discretion, determines all options to be granted pursuant to the 2018 Plan, the exercise price for such options and any special terms or vesting provisions applicable thereto. For a summary of the material provisions of the 2018 Plan, please see below under the heading “*Terms of 2018 Rolling Stock Option Plan*”.

Under the ESPP, the total number of Common Shares reserved and available for issuance cannot exceed 6,000,000 Common Shares. The ESPP is administered by the Board. For a summary of the material provisions of the ESPP, please see below under the heading “*Terms of Employee Share Purchase Plan*”.

Under the DSA, the total number of Common Shares reserved and available for issuance cannot exceed 2,000,000 Common Shares. The DSA is administered by the Board. For a summary of the material provisions of the DSA, please see below under the heading “*Terms of Director Services Agreements*”.

## 8.4 Compensation Governance

The Company's executive compensation program during the most recently completed financial year was administered by the Company's Compensation Committee. The Compensation Committee is primarily responsible for determining the compensation to be paid to the Company's executive officers and evaluating their performance. The Compensation Committee reviews and approves annual salaries, bonuses and other forms and items of compensation for the executive officers and employees of the Company. A copy of the Company's Compensation Committee Charter is attached as Schedule "B" to this Information Circular.

Since July 5, 2018, the Compensation Committee members were Matthew O'Kane (Chair), Todd Hilditch and Delos Cy Jamison. Until July 5, 2018, Matthew O'Kane, Apolonius (Paul) Struijk and Delos Cy Jamison were the Compensation Committee members. Messrs. O'Kane, Hilditch and Jamison are non-employee directors of the Company and are independent. Messrs. O'Kane, Hilditch and Jamison have several years of experience working with public companies in executive capacities. The combined skills and experience of the members enable the Compensation Committee to make decisions on the suitability of the Company's compensation policies and practices.

The Company has not retained a compensation consultant or advisor to assist the Board or the Compensation Committee in determining compensation for any of the directors or NEOs.

## 8.5 Summary Compensation Table

Particulars of compensation earned by each NEO in the most recently completed financial years ended December 31, 2018, 2017 and 2016 are set out in the summary compensation table below. All amounts shown in the table are in United States dollars, the Company's reporting currency, unless otherwise indicated.

Name and Principal Position	Year	Salary (\$)	Share-based Awards <sup>(1)</sup> (\$)	Option-based Awards <sup>(2)</sup> (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Blake Steele <i>President and Chief Executive Officer</i> <sup>(3)</sup>	2018	200,000	210,884	82,500	-	-	-	-	493,384
	2017	200,000	159,833	52,000	-	-	-	-	411,833
	2016	200,000	206,799	31,579	-	-	-	-	438,378
John Mays <i>Chief Operations Officer</i>	2018	200,000	-	16,500	-	-	-	-	216,500
	2017	200,000	-	32,500	-	-	-	-	232,500
	2016	200,000	-	19,737	-	-	-	-	219,737
Dan O'Brien <sup>(4)</sup> <i>Chief Financial Officer</i>	2018	-	23,621	27,500	-	-	-	116,305	167,426
	2017	-	-	-	-	-	-	7,386	7,386

<sup>(1)</sup> "Share-based Award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

a. In 2018 Mr. Steele was awarded 675,000 common shares as bonus compensation valued at \$127,551, subject to disinterested shareholder approval at this Meeting;

- b. In 2018 Mr. Steele contributed \$50,000 of his total \$250,000 base salary to the ESPP. He was issued 381,337 Shares for his contribution and the ESPP matching was an additional 171,552 shares at a value of \$33,333.
- (2) “Option-based Award” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The amount represents the theoretical fair value, on the date of grant. The grant date fair value has been calculated using the Black Scholes Merton model according to IFRS 2 – Share-Bases Payments and will be recognized over the vesting term of the option. The key assumptions and estimates used for the calculation of the grant date fair value under this model include the risk-free, expected stock price volatility, expected life and expected dividend yield. The value of stock options with a Canadian dollar exercise price was converted to United States dollars using the Bank of Canada closing exchange rate on date of grant. On August 22, 2018, Mr. Steele was granted 750,000 stock options, Mr. Mays was granted 150,000 stock options, Mr. O’Brien was granted 85,000 stock options, and Ms. Meyer was granted 165,000 stock options all at an exercise price of C\$0.24 and a theoretical fair value of \$0.11.
- (3) On August 15, 2015 Mr. Steele was President, CFO and Corporate Secretary. On December 4, 2017 Mr. Steele resigned as CFO and Corporate Secretary and was appointed President and CEO.
- (4) Dan O’Brien was appointed as Chief Financial Officer on December 4, 2017. Consulting fees are paid to Golden Oak., a company owned by Doris Meyer, which provides Doris Meyer’s and Dan O’Brien’s services to the Company as Corporate Secretary and Chief Financial Officer respectively. In 2018, Golden Oak was awarded 125,000 common shares as bonus compensation valued at \$23,621, subject to disinterested shareholder approval at this Meeting.

### *Narrative Discussion*

The Company entered into agreements with certain of the NEOs named in the summary compensation table above relating to the compensation to be paid to them. The material terms of these agreements are summarized below:

#### **Blake Steele (President and Chief Executive Officer of the Company):**

- Blake Steele entered into an employment agreement on October 28, 2014, as amended on December 4, 2017, (the “**Steele Employment Agreement**”) with the Company.
- Under the Steele Employment Agreement, Mr. Steele is entitled to: (i) receive remuneration of \$250,000 per year, subject to annual review, (ii) participate in any performance bonus plan as determined by the Board on an annual basis, (iii) be reimbursed for expenses incurred in the course of his duties and professional fees associated with maintaining his professional designations, and (iv) certain travel allowances.
- On termination of employment (other than in connection with a change of control, as described below), Mr. Steele is entitled to payment in lieu of accrued annual leave and Azarga will be responsible to pay for business class airfares, relocation costs, break fees, up to six weeks temporary accommodation for relocation to Canada, plus compensation as described below under the heading “*Termination and Change of Control Benefits*”.
- For compensation in connection with a change of control, refer to the section below under the heading “*Termination and Change of Control Benefits*”.

The Compensation Committee is continually reviewing the terms of compensation of each of the NEOs, pursuant to which it will consider each element of compensation to be paid to the NEOs and how each element fits into the Company’s overall compensation objectives and affects decisions about other compensation elements.

### **8.6 Incentive Plan Awards**

An “incentive plan” is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An “incentive plan award” means compensation awarded, earned, paid, or payable under an incentive plan.

*Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth all option-based awards granted to NEOs that were outstanding as of December 31, 2018 under the 2018 Plan.

	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Blake Steele	136,875	1.20	October 27, 2019	-
	125,000	0.335	May 19, 2020	-
	200,000	0.36	May 19, 2021	-
	400,000	0.32	May 16, 2022	-
	750,000	0.24	August 22, 2023	18,750
John Mays	125,000	0.335	May 19, 2020	-
	125,000	0.36	May 19, 2021	-
	250,000	0.32	May 16, 2022	-
	150,000	0.24	August 22, 2023	3,750
Dan O'Brien	85,000	0.24	August 22, 2023	2,125
Doris Meyer	165,000	0.24	August 22, 2023	4,125

<sup>(1)</sup> The closing price of the Common Shares on the TSX on December 31, 2018 was C\$0.265 per Share.

The following table sets forth the outstanding share-based awards granted to NEOs that were outstanding as of December 31, 2018.

	Share-based Awards		
	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Payout value of vested share-based awards not paid out or distributed (\$)
Blake Steele	N/A	N/A	127,551 <sup>(1)</sup>
Golden Oak	N/A	N/A	23,621 <sup>(2)</sup>

<sup>(1)</sup> Mr. Steele earned 675,000 Shares as bonus compensation for the year ended December 31, 2018. See “*Particulars of Matters To Be Acted Upon – Approval of Bonus Shares*”.

<sup>(2)</sup> Golden Oak earned 125,000 Shares as bonus compensation for the year ended December 31, 2018. See “*Particulars of Matters To Be Acted Upon – Approval of Bonus Shares*”.

*Incentive plan awards – value vested or earned during the year*

As none of the options held by any of the NEOs were in-the-money on any vesting date during the most recently completed financial year, none of the NEOs would have realized any value if the options underlying their respective option-based awards had been exercised on any such vesting date.

*Narrative Discussion*

For a summary of the material provisions of the 2018 Plan, pursuant to which all current option-based awards have been granted to NEOs, please see below under the heading “*Terms of 2018 Rolling Stock Option Plan*”. There was no re-pricing of stock options under the 2018 Plan or otherwise during the Company’s most recently completed financial period ended December 31, 2018.

For a summary of the material provisions of the ESPP, please see below under the heading “*Terms of Employee Share Purchase Plan*”.

## **8.7 Pension Plan Benefits**

The Company does not currently have a defined benefit plan or a deferred compensation plan, however its subsidiary, Powertech USA, has a 401(k) P/S Plan (the “**401(k) Plan**”).

### *Narrative Discussion*

Powertech USA’s 401(k) Plan is a qualified retirement plan. It allows eligible employees to defer up to the dollar amount set by law (2018: \$18,500 or \$24,500 if over age 50) of their compensation as a contribution to the 401(k) Plan and their contributions are immediately vested. The Company does not match employee contributions.

Only employees of Powertech USA who have worked more than 1,000 hours in a calendar year are eligible to participate in the 401(k) Plan. If an eligible employee is terminated and then rehired, participation in the 401(k) Plan continues in the same manner as if the termination had not occurred. Participation begins on the first day of the month once an employee is eligible.

If an employee dies while still employed, the vested account balance will be provided to the employee’s beneficiary with a death benefit.

## **8.8 Termination and Change of Control Benefits**

Except as described below, none of the agreements between the Company and any of the NEOs provide for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change in control of the Company or a change in a NEO’s responsibilities.

Pursuant to the Steele Employment Agreement, the following termination scenarios are considered in Mr. Steele’s contract:

- Termination by Azarga without reason – Azarga, may at its sole discretion terminate the employment at any time, and for whatsoever reason, by paying the employee a lump sum cash payment equal to the aggregate of: a) twelve (12) months’ salary, plus one additional month pay for each year of service from the date of commencement of employment; plus b) the average of the prior two years performance bonus provided that the employee was employed for two full calendar years; otherwise, the prior year’s performance bonus provided that the employee was employed for one full calendar year. In such event, all of the employee’s unexercised stock options, vested or unvested, will be deemed to have vested and will remain exercisable for a period ending the earlier of one year from the date the employee’s employment terminates and the expiry date of such options. As at December 31, 2018, the estimated incremental amounts owing to Mr. Steele under this scenario would be approximately \$439,069.
- Termination following a change of control – if a change of control occurs and, at any time during the twelve (12) month period following such change of control, either (i) there occurs a termination of the employee’s employment by Azarga, except for a breach in accordance with the employee’s employment contract or (ii) the employee resigns employment for good reason, as defined in the employee’s employment contract, the employee shall be entitled to receive a lump sum cash payment of an amount equal to the aggregate of: a) twelve (12) months’ salary, plus one additional month pay for each year of service from the date of commencement of employment; plus b) the average of the prior two years performance bonus provided that the employee was employed for two full calendar years; otherwise, the prior year’s performance bonus provided that the employee was employed for one full calendar year. In such event, all of the employee’s unexercised stock options, vested or unvested, will be deemed to have vested and will remain exercisable for a period ending the earlier of one year from the date the employee’s employment terminates and the expiry date of such options. As at December 31, 2018, the estimated incremental amounts owing to Mr. Steele under this scenario would be approximately \$439,069.

Pursuant to a consulting agreement between the Company and Golden Oak Corporate Services Ltd. made effective December 4, 2017, if Golden Oak is terminated within one (1) year of a defined Change of Control Event, Golden Oak shall be paid an amount equal to the annual fee in place at the time, which with effect from January 1, 2019 is C\$175,000.

## 8.9 Director Compensation

The following table sets forth the details of all compensation provided to the Company’s directors, other than the NEOs, during the Company’s most recently completed financial year ended December 31, 2018. All amounts shown in the table are in United States dollars.

The standard compensation arrangements for non-executive directors, provided that the director is not receiving cash compensation or severance as an executive officer of the Company, the non-executive chair is paid \$35,000 per annum, and non-management directors are paid \$20,000, per annum, and an additional \$5,000 per annum for acting as the chair of a committee of the Board, or such other amount as may be determined from time to time by the Board (collectively, the “**Directors Fees**”). By agreement, the Directors Fees are settled as to 50% under the ESPP and the remaining 50% in accordance with the DSA with the exception of Glenn Catchpole who settles 50% under the ESPP and is paid the remaining 50% in cash.

Name	Fees earned (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Matthew O’Kane	-	33,333	22,000	-	-	-	55,333
Joseph Havlin	-	33,333	22,000	-	-	-	55,333
Delos Cy Jamison	-	26,666	16,500	-	-	-	43,166
Apolonius (Paul) Struijk <sup>(3)</sup>	-	13,623	-	-	-	-	13,623
Alexander Bayer <sup>(3)</sup>	-	17,029	-	-	-	-	17,029
Glenn Catchpole	4,375	2,397	24,750	-	-	-	31,522
Sandra MacKay	-	6,376	16,500	-	-	-	22,876
Todd Hilditch	-	6,376	16,500	-	-	-	22,876

<sup>(1)</sup> “Share-based Award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

- a. Each of Messrs. Havlin and O’Kane were paid \$25,000 fees for which they were each issued a total of 159,652 Shares and an additional 42,877 Shares each for the ESPP matching valued at \$8,333 for a total of \$33,333.
- b. Mr. Jamison was paid \$20,000 fees for which he was issued a total of 127,730 Shares and an additional 34,314 Shares for the ESPP matching valued at \$6,666 for a total of \$26,666.
- c. Mr. Struijk was paid \$10,218 fees for which he was issued a total of 61,862 Shares and an additional 17,846 Shares for ESPP matching valued at \$3,405 for a total of \$13,623.
- d. Mr. Bayer was paid \$12,772 fees for which he was issued a total of 77,221 Shares and an additional 22,299 Shares for ESPP matching valued at \$4,257 for a total of \$17,029.
- e. Mr. Catchpole was paid \$4,375 cash fees and \$1,438 fees for which he was issued a total of 12,027 Shares and an additional 4,812 Shares for ESPP matching valued at \$959 for a total of \$6,772.
- f. Ms. MacKay and Mr. Hilditch were paid \$4,782 fees for which they were each issued a total of 31,991 Shares and an additional 7,998 Shares each for the ESPP matching valued at \$1,594 for a total of \$6,376.

<sup>(2)</sup> “Option-based Award” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The amount represents the theoretical fair value,

on the date of grant. The grant date fair value has been calculated using the Black Scholes Merton model according to IFRS 2 – Share-Bases Payments and will be recognized over the vesting term of the option. The key assumptions and estimates used for the calculation of the grant date fair value under this model include the risk-free, expected stock price volatility, expected life and expected dividend yield. The value of stock options with a Canadian dollar exercise price was converted to United States dollars using the Bank of Canada closing exchange rate on date of grant.

- a. Each of Messrs. Havlin and O’Kane were granted 200,000 stock options with a grant date fair value of \$22,000 (\$0.11 per share).
  - b. Mr. Jamison, Mr. Hilditch and Ms. MacKay were granted 150,000 stock options with a grant date fair value of \$16,500 (\$0.11 per share).
  - c. Mr. Catchpole was granted 225,000 stock options with a grant date fair value of \$24,750 (\$0.11 per share).
- (3) Messrs. Struijk and Bayer resigned as directors of the Company on July 5, 2018.

Directors compensation totaled \$261,758 during the Company’s most recently completed financial year pursuant to the standard compensation arrangements, or other arrangements in addition to or in lieu of standard arrangements, under which the directors of the Company were compensated for services in their capacity as directors (including any additional amounts payable for committee participation or special assignments).

### 8.10 Incentive Plan Compensation for Directors

#### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth all option-based awards granted to the Company’s directors, other than the NEOs, that were outstanding as of December 31, 2018 under the 2018 Plan.

	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Joseph Havlin	45,000	0.335	May 19, 2020	-
	60,000	0.36	May 19, 2021	-
	120,000	0.32	May 16, 2022	-
	200,000	0.24	August 22, 2023	5,000
Matthew O’Kane	28,336	1.20	October 27, 2019	-
	40,000	0.335	May 19, 2020	-
	60,000	0.36	May 19, 2021	-
	120,000	0.32	May 16, 2022	-
	200,000	0.24	August 22, 2023	5,000
Delos Cy Jamison	300,000	0.32	May 16, 2022	-
	150,000	0.24	August 22, 2023	3,750
Glenn Catchpole	800,000	0.075	March 14, 2027	152,000
	225,000	0.24	August 22, 2023	5,625
Sandra MacKay	500,000	0.075	March 14, 2027	95,000
	150,000	0.24	August 22, 2023	3,750
Todd Hilditch	500,000	0.075	March 14, 2027	95,000
	150,000	0.24	August 22, 2023	3,750

(1) The closing price of the Common Shares on the TSX on December 31, 2018 was C\$0.265 per Common Share.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

As none of the options held by any of the Company’s directors were in-the-money on any vesting date during the most recently completed financial year, none of the directors would have realized any value if the options underlying their respective option-based awards had been exercised on any such vesting date.

### *Narrative Discussion*

For a summary of the material provisions of the 2018 Plan, pursuant to which all current option-based awards have been granted to the Company’s directors, please see below under the heading “*Terms of 2018 Rolling Stock Option Plan*”. There was no re-pricing of stock options under the 2018 Plan or otherwise during the Company’s most recently completed financial period ended December 31, 2018.

For a summary of the material provisions of the ESPP and the DSA, please see below under the headings “*Terms of Employee Share Purchase Plan*” and “*Terms of Director Services Agreements*”, respectively.

## **9. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

As at December 31, 2018, the following securities had been authorized for issuance under the 2018 Plan, the ESPP and the DSA:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by security holders	13,221,046	\$0.24	3,456,499
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	13,221,046	\$0.24	3,456,499

The rules of the TSX provide that listed issuers must disclose on an annual basis, in their information circulars or other annual disclosure document distributed to all security holders, the terms of their security based compensation arrangements.

## **10. TERMS OF 2018 ROLLING STOCK OPTION PLAN**

Effective July 5, 2018 the Company adopted the 2018 Plan, a Rolling Stock Option Plan that replaced a Fixed Stock Option Plan. Subject to adjustment as provided for herein, the number of Common Shares which will be available for purchase pursuant to Options granted pursuant to this 2018 Plan will not exceed 10% of the number of Common Shares which are issued and outstanding on the particular date of grant of Options. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

In July 2018, the Company assumed the outstanding stock options of URZ Energy Corp. (“**URZ**”) adjusted in accordance with their terms and the Exchange Ratio such that the Company reserved for issue 4,480,000 stock options with an exercise price of C\$0.075 expiring on March 14, 2027 that do not reduce the number of options available for issuance pursuant to the 2018 Plan.

As at December 31, 2018, there are 12,785,836 Options outstanding, which number includes the 4,480,000 Options assumed from URZ, representing approximately 7.5% of the number of Common Shares issued and outstanding.



The annual burn rate of the 2018 Plan in the last three years is calculated as the number of securities issued under the arrangement during the fiscal year divided by the weighted average number of securities outstanding for the same fiscal year expressed as a percentage.

	2016	2017	2018
Securities granted 2018 Plan	1,235,000	2,060,000	3,692,500
Weighted average Common Shares	65,360,184	77,506,606	125,183,747
Burn rate percentage	1.89%	2.66%	2.95%

The key provisions of the 2018 Plan are as follows:

- Options may be granted from time to time to directors, officers, employees and consultants of the Company or a subsidiary of the Company, in such numbers as are determined by the Board at the time of the granting of the options.
- The 2018 Plan provides that in the circumstance where the end of the term of an option falls within, or within ten business days after the end of a “black out” or similar period imposed under any insider trading policy or similar policy of the Company (but not, for greater certainty, a restrictive period resulting from the Company or its insiders being the subject of a cease trade order of a securities regulatory authority), then the end of the term of such option shall be the tenth business day after the earlier of the end of such black out period or, provided the blackout period has ended, the expiry date.
- The number of Common Shares issuable pursuant to the 2018 Plan (when combined with all of the Company’s other security based compensation arrangements or options for services) to all insiders may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis from time to time.
- The number of Common Shares which may be issued pursuant to the 2018 Plan (when combined with all of the Company’s other security based compensation arrangements or options for services) to all insiders of the Company within a one-year period may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis from time to time.
- The exercise price of any options granted under the 2018 Plan shall be determined by the Board or the Compensation Committee, but in any event will be in compliance with the rules and policies of the TSX and shall not be less than the closing price of the Common Shares on the TSX for the last market trading day prior to the effective date of the grant of the option.
- Subject to the automatic extension of the expiration date during a “black-out” period as described in the 2018 Plan, the expiration date of each option and the extent to which each option is exercisable from time to time during the term of the option and other terms and conditions relating to each option shall be determined by the Board or the Compensation Committee; provided that, the term shall not exceed ten years.
- If desired by the Board or the Compensation Committee, options granted under the 2018 Plan may be subject to vesting provisions.
- Subject to any amendments approved by the Board or the Compensation Committee and provided that in no event will the expiry date of an option be extended beyond the original expiry date thereof, if (i) an option holder ceases to provide services to the Company, options granted to such option holder under the 2018 Plan will expire 90 days later, and (ii) an option holder dies or becomes disabled, options granted to such option holder under the 2018 Plan will expire one year from the death or disability of the option holder.
- An option is personal to an optionee and non-assignable, subject to limited exceptions as set out in the 2018 Plan, such as in the event of the death of an optionee.
- The Board may at any time terminate or amend the 2018 Plan in certain respects without shareholder approval:

- amending typographical, clerical and grammatical errors;
- reflecting changes to applicable securities laws;
- from time to time increase the number of Shares available to be issued within the Plan limits as ISO's;
- change vesting provisions of an option or the Plan;
- change the price of an Azarga Option granted to an Eligible Person who is not an insider of Azarga;
- changing the termination provisions of an option or the Plan which do not entail an extension beyond the original expiry date; and
- ensuring that the options granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an Eligible Person may from time to time be resident or a citizen.

provided, however, that (i) no amendment of the 2018 Plan may be made without the consent of the affected optionee if such amendment would adversely affect the rights of such optionee; and (ii) shareholder approval must be obtained in accordance with the requirements of the TSX for all other amendments.

The 2018 Plan is intended to provide the Company with the ability to issue options to provide the employees, officers, directors and service providers of the Company and its affiliates with long-term, equity based performance incentives, which are a key component of the Company's compensation strategy. The Company believes it is important to align the interests of management and employees with Shareholder interests and to link performance compensation to enhancement of Shareholder value. This is accomplished through the use of options whose value over time is dependent on the market value of the Common Shares.

A copy of the 2018 Plan is attached as Appendix Q to the Company's Joint Management Information Circular dated May 31, 2018, a copy of which was filed on SEDAR under the Company's profile on June 4, 2018 and is available at [www.sedar.com](http://www.sedar.com).

## 11. TERMS OF EMPLOYEE SHARE PURCHASE PLAN

The ESPP as amended on June 29, 2018, is intended to provide the Company with the ability to give full-time and part-time employees, directors and officers of the Company and its subsidiaries who choose to participate in the ESPP (each, a "**Participant**") access to another equity participation vehicle by way of an opportunity to purchase Common Shares through deductions from their salaries and fees, as applicable.

A maximum of 6,000,000 Common Shares may be issued pursuant to the ESPP. As at December 31, 2018 and the Record Date, a total of 2,317,831 and 1,697,175 Common Shares remained available for issuance pursuant to the ESPP, respectively.

The annual burn rate of the ESPP since adoption is calculated as the number of securities issued under the arrangement during the fiscal year divided by the weighted average number of securities outstanding for the same fiscal year expressed as a percentage.

	2016	2017	2018
Securities issued ESPP	1,465,950	1,100,918	1,115,301
Weighted average Common Shares	65,360,184	77,504,980	125,183,147
Burn rate percentage	2.24%	1.42%	0.89%

The key provisions of the ESPP are as follows:

- The term of the ESPP is for a period of ten years from the commencement date and expires on January 12, 2025.
- Any Participant may elect to contribute money (the “**Participant’s Contribution**”) to the ESPP in any calendar quarter by delivering to the Company a written direction in form and substance satisfactory to the Company authorizing the Company to deduct from the Participant’s salary or fees, in equal installments, the Participant’s Contribution. Such direction will remain effective until revoked in writing by the Participant, until termination of the Participant’s engagement by the Company as an employee, director or officer by way of resignation, death or for any other reason, or until the Board terminates or suspends the ESPP, whichever is earlier.
- For every Common Share purchased by the Company on behalf of a Participant pursuant to the ESPP, the Company will issue 0.6667 of an additional Common Share to the Participant from treasury pursuant to the matching provisions in the ESPP.
- The Participant’s Contribution as determined by the Participant, must be greater than 1% but not more than 50% of the Participant’s basic annual salary or fees, as applicable, from the Company and its affiliates at the time of delivery of the direction, before deductions, exclusive of any overtime pay, bonuses or allowances of any kind whatsoever, as applicable.
- Immediately prior to the date any Common Shares are issued to a Participant, the Company will credit the Participant with, and thereafter hold in trust for the Participant, an amount determined by the Board (the “**Company’s Contribution**”) not to exceed the Participant’s Contribution then held in trust by the Company.
- On the last business day in each calendar quarter, the Company will issue to each Participant fully paid and non-assessable Shares, disregarding fractions, which is equal to the aggregate amount of the Participant’s Contribution and the Company’s Contribution divided by the volume weighted average trading price of the Shares on TSX (the “**Issue Price**”), or such stock exchange or exchanges on which the Shares may be traded at such time, for the five trading days immediately preceding the date of issuance. If the Shares are not traded on an exchange on the date of issuance, the Issue Price shall be such price per Share as the Board, acting in good faith, may determine.
- The Company shall hold any unused balance of the Participant’s Contribution for a Participant until used in accordance with the ESPP.
- As soon as reasonably practicable following each issuance of Shares to a Participant the Company will cause to be delivered to the Participant a certificate in respect of such Shares provided that, if required by applicable law or the rules and policies of TSX or such other exchange or exchanges on which the Shares are traded, a restrictive legend shall be inscribed on the certificate, which legend shall state that the Shares shall not be transferable for such period as may be prescribed by law or by any regulatory authority or stock exchange on which the Shares are listed. In addition, the Participant agrees that a restrictive legend shall be inscribed on the certificate, which legend shall state that the Shares shall not be transferable for such a period of nine months after each issuance.
- If a Participant dies or otherwise ceases to be employed or otherwise engaged by the Company or any of its affiliates as an employee, director or officer for any reason or receives notice from the Company or any of its affiliates, as applicable, of the termination of his or her employment services or removal as a director or officer, the Participant’s participation in the ESPP will be deemed to be terminated and any portion of the Participant’s Contribution then held in trust shall be paid to the Participant or his estate or successor as the case may be in accordance with the ESPP.
- If the Company amalgamates or merges with or into another corporation, each Participant to whom Shares are to be issued will receive, on the date on which any Shares would otherwise have been delivered to the Participant, the securities, property or cash to which the Participant would have been entitled on such amalgamation, consolidation or merger had the Shares been issued immediately prior to the record date of such amalgamation or merger.
- The number of Shares issuable pursuant to the ESPP (when combined with all of the Company’s other security based compensation arrangements) to all insiders of the Company may not exceed 10% of the total issued and outstanding Common Shares on a non-diluted basis from time to time.

- The number of Common Shares issued pursuant to the ESPP (when combined with all of the Company’s other security based compensation arrangements) to all insiders of the Company within any one (1) year period may not exceed 10% of the total issued and outstanding Common Shares on a non-diluted basis from time to time.
- The Company reserves the right to discontinue use of payroll deductions or deductions from any fees payable to the Employee at any time such action is deemed advisable, in its sole discretion.
- The ESPP may be amended, altered or discontinued by the Company at any time, subject to obtaining: (i) any necessary approval of any applicable regulatory authority including, without limitation, the TSX if the Shares are listed on the TSX or any other stock exchange or market on which the Shares are then listed or admitted to trading; and (ii) if required by the rules of the TSX if the Shares are listed on the TSX, the approval of the shareholders of the Company in accordance with the rules, regulations and policies of the TSX at a duly constituted meeting of shareholders (“**Shareholder Approval**”). Notwithstanding the foregoing, the following amendments to the ESPP may be made by the Board without Shareholder Approval:
  - amendments of a technical, clerical or “housekeeping” nature, or to clarify any provision of the ESPP, including without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the ESPP or to correct or supplement any provision of the plan that is inconsistent with any other provision of the ESPP;
  - suspension or termination of the ESPP;
  - amendments to respond to changes in legislation, regulations, instruments (including NI 45- 106), stock exchange rules (including the rules, regulations and policies of the TSX) or accounting or auditing requirements;
  - amendments respecting administration of the ESPP;
  - any amendment to the definition of “Employee”;
  - any amendment to the definition of “Subsidiary”;
  - changes to the vesting provisions for any outstanding matching shares pursuant to the ESPP;
  - amendments to the Participant contribution provisions of the ESPP;
  - amendments to the withdrawal and suspension provisions of the ESPP;
  - amendments to the number or percentage of matching shares contributed by the Company;
  - amendments to the termination provisions of the ESPP;
  - adjustments to reflect stock dividends, stock splits, reverse stock splits, share combinations or other alterations of the capital stock of the Company; and
  - any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations and policies of the TSX).
- Shareholder Approval will be required for the following types of amendments:
  - amendments to the number of Shares issuable under the ESPP, including an increase to the fixed maximum number of Shares or a change from a fixed maximum number of Shares to a fixed maximum percentage; and
  - amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

- In the event of any amendment or termination of the ESPP, such amendment or termination will not result in the forfeiture of any funds deducted from the basic compensation of any Participant, or any dividends or other distributions in respect of the Participant Shares, effective before the effective date of amendment or termination of the ESPP. In the event of any termination, each Participant shall be entitled to 100% of the Participant Shares and Matching Shares as of the date of such termination, which shall be issued or distributed to each Participant, as applicable, within ninety (90) days following termination of the ESPP.

A copy of the ESPP, before amendment, was attached as Schedule G to the Company's Information Circular dated May 31, 2015, a copy of which was filed on SEDAR under the Company's profile on May 19, 2015 and is available at [www.sedar.com](http://www.sedar.com).

## 12. TERMS OF DIRECTOR SERVICES AGREEMENTS

The DSA are intended to provide for, among other things, the terms and conditions for the payment of directors' fees or officer fees, as applicable, to the directors in consideration for their services as directors, and if such directors are also officers, as officers of the Company, and particularly the agreement of the directors to accept Shares in lieu of the cash payment of director's fees and officer fees, as applicable, on the terms and conditions of the DSA.

A maximum of 2,000,000 Common Shares may be issued pursuant to the DSA. As at December 31, 2018 and the Record Date, a total of 776,959 and 608,320 Common Shares remained available for issuance pursuant to the DSA, respectively. As the Record Date, the 1,391,680 Common Shares issued pursuant to the DSA represented less than 1.0% of the number of Shares issued and outstanding.

The annual burn rate of the 2018 Plan in the last three years is calculated as the number of securities issued under the arrangement during the fiscal year divided by the weighted average number of securities outstanding for the same fiscal year expressed as a percentage.

	2016	2017	2018
Securities issued DSA	640,656	288,448	303,937
Weighted average Common Shares	65,360,184	77,504,980	125,183,747
Burn rate percentage	0.98%	0.37%	0.24%

The key provisions of the DSA are as follows:

- The DSA expires upon the director ceasing to be a director of the Company for any reason whatsoever.
- The directors will agree to provide services to the Company as a director during the term of their appointment, and to perform such services in accordance with their obligations under applicable corporate and securities laws and to uphold their fiduciary duties as a director of the Company.
- The directors will agree during the term of their appointment to maintain all confidential or non-public information, data and intellectual property of the Company in the strictest of confidence, and to not use or otherwise disclose such confidential information, directly or indirectly, to any third party except as expressly permitted by the Director Services Agreement or as required by law.
- The directors will comply with all applicable policies of the Company and any stock exchange on which the Common Shares of the Company are listed at the relevant time, including without limitation any insider trading or blackout policies.
- In consideration for the services provided by the directors to the Company, provided that the director is not an executive officer of the Company, each director will be paid the Directors Fees described above. The Directors Fees will be paid at the end of each fiscal quarter in accordance with the Director Services Agreements. Directors who act as an executive officer of the Company in addition to serving as a director of the Company will only receive compensation in connection with their services as an executive officer of the Company and will not receive any Directors Fees. If a director who acts as an executive officer of the Company resigns or otherwise ceases to act as an executive officer but remains a director of the Company, such director will be entitled to Directors Fees following the termination of their services as an executive officer.

- So long as the ESPP remains in force, each director, whether they are also an executive officer of the Company or not, will agree to make an Election to Contribute (as defined in the ESPP) the maximum percentage of their Directors Fees or officer fees, as applicable, as permitted under the ESPP (currently 50% of their Directors Fees or officer fees) and to receive Shares (the “**Director Fee Shares**”) for any remaining Directors Fees or officer fees which are not contributed towards the ESPP. The number of Director Fee Shares to be issued to each director shall be calculated by: (i) multiplying the total amount of Directors Fees or officer fees, as applicable, owed after deduction of contributions made under the ESPP by the Bank of Canada noon exchange rate on the date of issuance of the Director Fee Shares in order to express the Directors’ Fees or officer fees, as applicable, owing in Canadian dollars, and then (ii) dividing the amount of Directors’ Fees or officer fees, as applicable, owing as expressed in Canadian dollars by the volume weighted average price of the Common Shares on the TSX or such other stock exchange as the Common Shares may be listed at the relevant time for the five trading days immediately preceding the date of issuance of the Director Fee Shares, subject to an aggregate maximum of 2,000,000 Director Fee Shares issuable pursuant to all Director Services Agreements in effect at the relevant time. The Director Fee Shares shall be issued on a quarterly basis on the last business day of each fiscal quarter.
- No Director Fee Shares shall be issued under the Director Services Agreements to any director if such issuance, together with all of the Company’s previously established or proposed share compensation arrangements (including the 2018 Plan and the ESPP), could result, at any time, in:
  - the number of Common Shares issued to Insiders (as defined in the policies of the TSX) pursuant to the Director Services Agreements, together with all other share compensation arrangements of the Company, within any one (1) year period exceeding ten percent (10%) of the issued and outstanding Common Shares; or
  - the number of Common Shares issuable to Insiders at any time pursuant to the Director Services Agreements, together with all other share compensation arrangements of the Company, exceeding ten percent (10%) of the issued and outstanding Common Shares.
- The parties may amend the terms of the Director Services Agreement without approval of the shareholders of the Company, provided that shareholder approval will be obtained for any amendments requiring such approval in accordance with applicable securities laws and policies of the TSX or any other stock exchange on which the Common Shares are listed at the relevant time.

### 13. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set out below and as otherwise disclosed in this Information Circular, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Common Shares or who exercises control or direction over Common Shares, or a combination of both carrying more than 10% of the voting rights attached to the Common Shares outstanding (an “**Insider**”); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officer or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Common Shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Common Shares.

On December 22, 2017 and January 26, 2018, the Company closed a private placement of \$753,750 through the issuance of 3,015,000 units, in two tranches, at a price of C\$0.25 per unit. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one share of the Company at a price of C\$0.35 per Share until December 22, 2020. Blake Steele purchased 80,000 units in the private placement.

### 14. AUDIT COMMITTEE DISCLOSURE

Disclosure regarding the Company’s Audit Committee is contained in the Company’s Annual Information Form, which was filed on the SEDAR website at [www.sedar.com](http://www.sedar.com) on March 29, 2019 and is incorporated by reference herein.

## **15. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Other than as disclosed herein, no proposed director, current or former director, executive officer or employee is, or at any time since January 1, 2018 has been, indebted to the Company. None of the directors' or executive officers' indebtedness to another entity is, or at any time since January 1, 2018, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

## **16. MANAGEMENT CONTRACTS**

There are no management functions of the Company which are, to any substantial degree, performed other than by the directors or executive officers of the Company.

## **17. CORPORATE GOVERNANCE**

Pursuant to National Policy 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to disclose certain corporate governance information as set out in Form 58-101F1 *Corporate Governance Disclosure* ("**Form 58-101F1**"). A description of the Company's approach to corporate governance, together with a completed Form 58-101F1, is set out in Schedule "B".

## **18. OTHER MATTERS**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice. If any other matter properly comes before the Meeting, it is the intention of the Designated Persons to vote the Shares represented thereby in accordance with their best judgment on such matter.

## **19. ADDITIONAL INFORMATION**

Additional information about the Company can be obtained free of charge through the SEDAR website at [www.sedar.com](http://www.sedar.com). Shareholders may also contact Doris Meyer at Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6 telephone: 604-536-2711, to request copies of the Company's financial statements and the related Management's Discussion and Analysis (the "**MD&A**"). Financial information is provided in the Company's comparative financial statements and MD&A for its financial year ended December 31, 2018.

## **20. APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder of the Company entitled thereto and to the appropriate regulatory agencies, has been authorized by the Board.

Dated at Vancouver, British Columbia, this 15<sup>th</sup> day of May 2019.

**ON BEHALF OF THE BOARD OF DIRECTORS OF**

**AZARGA URANIUM CORP.**

*"Glenn Catchpole"*

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Glenn Catchpole,  
Chairman

## **SCHEDULE “A” COMPENSATION COMMITTEE CHARTER**

The following Compensation Committee Charter (the “**Charter**”) was adopted by the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) and the Board of Azarga Uranium Corp. (the “**Company**”).

### **I. Purpose of the Committee**

The purpose of the Committee is to:

- (a) oversee the Company’s compensation and benefit plans, policies and practices, including its executive compensation plans and incentive-compensation and equity-based plans;
- (b) produce an annual report on executive compensation for inclusion in the Company’s annual report or proxy statement if required by applicable securities laws;
- (c) monitor and evaluate, at the Committee’s sole discretion, matters relating to the compensation and benefits structure of the Company; and
- (d) take such other actions within the scope of this Charter as the Board of the Company may assign to the Committee from time to time or as the Committee deems necessary or appropriate.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section VII below of this Charter.

The basic responsibility of the members of the Committee is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that responsibility, the Committee should be entitled to rely on the honesty and integrity of the Company’s senior executives and its outside advisors and auditors, to the extent it deems necessary or appropriate.

### **II. Composition**

The Committee shall be composed of members of the Board, the number of which shall be fixed from time to time by resolution adopted by the Board. Each member of the Committee shall be determined by the Board to satisfy any applicable independence requirements established by the rules and regulations of the U.S. and Canadian regulatory authorities and any stock exchange upon which the Company’s shares trade from time-to-time.

### **III. Authority**

The Committee shall have the authority to (i) retain (at the Company’s expense) its own legal counsel and other advisors and experts that the Committee believes, in its sole discretion, are needed to carry out its duties and responsibilities, including, without limitation, the retention of a compensation consultant to assist the Committee in evaluating director and executive officer compensation; and (ii) conduct investigations that it believes, in its sole discretion, are necessary to carry out its responsibilities. In addition, the Committee shall have the authority to request any officer, director or employee of the Company, or any other persons whose advice and counsel are sought by the Committee, such as members of the Company’s management or the Company’s outside legal counsel and independent accountants, to meet with the Committee or any of its advisors and to respond to their inquiries.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate.

### **IV. Appointing Members**

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis. Each member of the Committee shall continue to be a member thereof until such member’s successor is appointed, or unless



such member shall resign or be removed by the Board. The Board may remove or replace any member of the Committee at any time. However, a member of the Committee shall automatically cease to be a member of the Committee upon either ceasing to be a director of the Board or ceasing to be “independent” as required in Section II above of this Charter. Vacancies on the Committee will be filled by the Board.

## **V. Chairperson**

The Board, or in the event of its failure to do so, the members of the Committee, must appoint a chairperson from the members of the Committee (the “**Chairperson**”). If the Chairperson of the Committee is not present at any meeting of the Committee, an acting Chairperson for the meeting shall be chosen by majority vote of the Committee from among the members present. In the case of a deadlock on any matter or vote, the Chairperson shall refer the matter to the Board. The Committee may appoint a secretary who need not be a director of the Board or Committee.

## **VI. Meetings**

The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof provided that:

- (a) a quorum for meetings shall be two members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of meeting;
- (b) the Committee shall meet as often as it deems necessary, but not less frequently than once each year; and
- (c) notice of the time and place of every meeting shall be given in writing or facsimile communication to each member of the Committee at least 24 hours prior to the time of such meeting.

The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Committee shall make regular reports of its meetings to the Board, directly or through its Chairperson, accompanied by any recommendations to the Board approved by the Committee.

## **VII. Specific Duties**

In meeting its responsibilities, the Committee is expected to:

- (a) review and approve at least annually the corporate goals and objectives of the Company’s executive compensation plans, incentive-compensation and equity based plans and other general compensation plans (the “**Company Plans**”), and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate;
- (b) review at least annually the Company Plans in light of the Company’s goals and objectives with respect to such plans, and, if the Committee deems it appropriate, adopt, or recommend to the Board the adoption of new, or the amendment of existing, Company Plans;
- (c) evaluate annually the performance of the chief executive officer of the Company, the other executive officers of the Company and the chairman of the Board (collectively, the “**Company Executives**”) in light of the goals and objectives of the Company Plans, and based on this evaluation, set his or her total compensation, including, but not limited to (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance agreements, and change-in-control agreements and provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits, including, but not limited to, perquisites. In determining the long-term incentive component of each Company Executive’s compensation, the Committee shall consider all relevant factors, including the Company’s performance and relative shareholder return, the value of

similar incentive awards to persons with comparable positions at comparable companies, and the awards given to each Company Executive in past years;

- (d) review at least annually and make recommendations to the Board with respect to the compensation of all directors of the Company, taking into consideration compensation paid to directors of comparable companies and the specific duties of each director;
- (e) monitor and assess the Company's compliance with the requirements established by the rules and regulations of the U.S. and Canadian regulatory authorities and any stock exchange upon which the Company's shares trade from time-to-time and regulations relating to compensation arrangements for directors and executive officers including, if applicable, the Sarbanes-Oxley Act of 2002;
- (f) review executive compensation disclosure prior to public disclosure or filing with any securities regulatory authorities;
- (g) issue an annual report on executive compensation for inclusion in the Company's annual report or proxy statement, if required by applicable securities laws;
- (h) review all equity compensation plans that are not subject to shareholder approval under the rules of any stock exchange on which the Company's securities are listed for trading and to approve such plans in its discretion;
- (i) oversee the compensation and benefits structure applicable to the Company's officers and directors, including, but not limited to, incentive compensation and equity-based compensation, provided that, at the Committee's sole discretion, it may submit such matters as it determines to be appropriate to the Board for the Board's approval or ratification;
- (j) in its sole discretion, retain, amend the engagement with, and terminate any compensation consultant used to assist the Committee in evaluating any officer or director compensation. The Committee shall also have the sole authority to approve the fees and other retention terms of the consultants and to cause the Company to pay such fees and expenses of such consultants. The Committee shall also have the authority, in its sole discretion, to obtain advice and assistance from internal or external legal, accounting or other advisors, to approve the fees and expenses of such outside advisors, and to cause the Company to pay such fees and expenses of such outside advisors;
- (k) review and evaluate at least annually its own performance with respect to its compensation functions, and to submit itself to the review and evaluation of the Board;
- (l) review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval; and
- (m) perform such other functions consistent with this Charter, the Company's bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

## SCHEDULE “B” DISCLOSURE OF CORPORATE GOVERNANCE POLICY

### AZARGA URANIUM CORP.

(the “Company”)

#### National Instrument 58-101 Disclosure of Corporate Governance Policy

The disclosure noted below is in accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”). The section references are to Form 58-101F1 in accordance with National Instrument 58-101.

#### 1. Board of Directors

- (a) Until July 5, 2018, Richard F. Clement, Jr., Joseph Havlin, Matthew O’Kane, Alexander Bayer, Apolonijs (Paul) Struijk and Delos Cy Jamison were the directors of the Company. After July 5, 2018, Joseph Havlin, Matthew O’Kane, Delos Cy Jamison, Glenn Catchpole, Sandra MacKay and Todd Hilditch are the directors of the Company. Joseph Havlin, Matthew O’Kane, Delos Cy Jamison and Sandra MacKay are all considered to be “independent” as defined by NI 58-101. Glenn Catchpole and Todd Hilditch, as the executive officers of URZ are not considered to be “independent”
- (b) Richard F. Clement, Jr., prior to his resignation on July 5, 2018 was not considered to be “independent” as defined by NI 58-101 as he was a former executive officer of the Company.
- (c) Certain of the directors of the Company are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Directors ships (other reporting issuer or equivalent in a foreign jurisdiction) <sup>(1)</sup>
Todd Hilditch	Terraco Gold Corp. Riley Resources Corp.
Matt O’Kane	Pursuit Minerals Limited

<sup>(1)</sup> Information in this table has been provided by the individual directors and nominees.

- (d) The Company does not hold regularly scheduled meetings at which non-independent directors are not in attendance. However, the Company’s independent directors do communicate outside of formal meetings of the Board. Further, the independent directors have very strong governance backgrounds. Mr. Havlin has served on boards of both public and private companies, previously held CFO positions and is currently the Vice President Finance of a mining company. He is also a qualified United States CPA. Mr. O’Kane is currently employed as a CFO and serves on the board of a private mining company. Mr. O’Kane has also previously served as a CFO of both private and public companies. Mr. Jamison served as National Director of the Bureau of Land Management overseeing nearly 1/8 of the USA’s surface estate and approximately 600 million acres of mineral estate. Ms. MacKay has served as chief legal officer and on the board of public mining companies. As a result, they are all acutely aware of the important roles independent directors have.
- (e) The Non-Executive Chairman of the Board is Glenn Catchpole. The Board provides leadership for its independent directors by giving the independent directors unrestricted access to the Company’s auditors and external legal counsel.

- (f) During the year ended December 31, 2018, there were 8 meetings of the Board of Directors, 4 meetings of the Audit Committee and 2 meetings of the Compensation Committee. The attendance of each of the Company's directors at these meetings (as applicable) is set out below.

Director	Pre July 5, 2018 - Board Meetings	Pre July 5, 2018 - Audit Committee Meetings	Pre July 5, 2018 - Compensation Committee Meetings	Post July 5, 2018 - Board Meetings	Post July 5, 2018 - Audit Committee Meetings	Post July 5, 2018 - Compensation Committee Meetings
Richard F. Clement, Jr. <sup>(1)</sup>	4/4	N/A	N/A	N/A	N/A	N/A
Joseph Havlin	4/4	2/2	N/A	4/4	2/2	N/A
Matthew O'Kane	4/4	2/2	N/A	4/4	2/2	2/2
Apolonius (Paul) Struijk <sup>(1)</sup>	3/4	N/A	N/A	N/A	N/A	N/A
Alexander Bayer <sup>(1)</sup>	4/4	2/2	N/A	N/A	N/A	N/A
Delos Cy Jamison	4/4	N/A	N/A	4/4	N/A	2/2
Glenn Catchpole <sup>(2)</sup>	N/A	N/A	N/A	4/4	N/A	N/A
Sandra MacKay <sup>(2)</sup>	N/A	N/A	N/A	4/4	2/2	N/A
Todd Hilditch <sup>(2)</sup>	N/A	N/A	N/A	4/4	N/A	2/2

- (1) Messrs. Clement, Struijk and Bayer resigned as directors on July 5, 2018 following the acquisition by the Company of URZ Energy Corp.  
(2) Messrs. Catchpole and Hilditch and Ms. MacKay were appointed as directors on July 5, 2018 following the acquisition by the Company of URZ Energy Corp

## 2. Board Mandate

The Board does not have a written mandate. The Board delineates its role and responsibilities through discussions among the members of the Board. In directing the affairs of the Company and delegating to management the day-to-day business of the Company, the Board endorses the guidelines for responsibilities of the Board as set out by regulatory authorities on corporate governance in Canada.

## 3. Position Descriptions

- (a) The Board has not developed written position descriptions for the chair and the chair of each committee of the Board. The Board delineates the role and responsibilities of each such position by discussing the role of the chair and by adopting written charters for each committee, which delineate the role and responsibilities for the chair of each such committee.

- (b) The Board and CEO have not developed a written position description for the CEO. The Board delineates the role and responsibilities of the CEO by discussing the role of the CEO at meetings of the Board.

#### **4. Orientation and Continuing Education**

- (a) The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information.
- (b) The Board does not provide continuing education for its directors. Each director is responsible to maintain the skills and knowledge necessary to meet his or her obligations as a director of the Company.

#### **5. Ethical Business Conduct**

- (a) Effective July 24, 2007, the Board adopted a Code of Ethics and Business Conduct (the “**Code**”):
  - (i) A copy of the Code can be obtained by written request to Doris Meyer, Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6
  - (ii) The Board conducts annual assessments of its performance, including the extent to which the Board and each director comply with the Code. The Board also assesses mechanisms by which it can monitor compliance with the Code in an efficient manner.
  - (iii) There has been no conduct of any director or officer that would constitute a departure from the Code, and therefore, no material change reports have been filed in this regard.
- (b) The directors are instructed to declare any conflicts of interest in matters to be acted on by the Board, to ensure that such conflicts are handled in an appropriate manner, and to disclose any contracts or arrangements with the Company, in which the director has an interest. Any director expressing a conflict or interest in a matter to be considered by the Board is asked to leave the meeting for the duration of the discussion related to the matter at hand, and to abstain from voting with respect to such matter.
- (c) The Board encourages and promotes a culture of ethical business conduct through the adoption and monitoring of the Code, the insider trading policy and such other policies that may be adopted from time to time. The Board conducts regular reviews with management for compliance with such policies.

#### **6. Nomination of Directors**

- (a) The Board is responsible for identifying new director nominees. In identifying candidates for membership on the Board, it takes into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills, diversity and the extent to which the candidate would fill a present need on the Board. As part of the process, the Board is responsible for conducting background searches, and is empowered to retain search firms to assist in the nominations process. Once candidates have gone through a screening process and met with a number of the existing directors, they are formally put forward as nominees for approval by the Board.
- (b) The Board does not have a nominating committee and nominating functions are currently performed by the Board as a whole. The Board believes that it is able to encourage an objective nominating process as any individual director is able to bring to the attention of the Board potential new directors.
- (c) In proposing any candidate for election to the Board, the Board seeks to obtain the best possible candidate available, having regard to the current needs of the Board, while recognizing the benefits to the Company and its Board of advancing the principles of diversity in all its aspects when determining the composition of the Board. In particular, the Board considers the level of representation of women on the Board when identifying and nominating candidates for election or re-election to the Board. When a vacancy occurs on the Board, or the need to add a new Board member is perceived to exist, the Board will first assess the number and proportion of current directors who are women. Depending on the result of that initial assessment, the Board takes active steps

to seek out potential candidates who are female, and gives close consideration to the background, characteristics and capabilities of the female candidates prior to making a final recommendation to the Board. The Company has not adopted a written policy relating to the identification and nomination of women directors, nor has it adopted any specific target for the number or percentage of women that it must have on its Board by a specific date. While the Company takes active steps to seek out female candidates to fill existing vacancies, the Board is of the view that it would not be beneficial to the Company to impose artificial deadlines for that purpose, or to increase the size of the Board for the sole purpose of adding a director from any specific gender or identity group. The Board is also mindful of the potential advantages to broadening the diversity of the Board with reference to factors other than gender and does not wish to constrain itself to considering only one particular factor when conducting searches for Board candidates.

## **7. Compensation**

- (a) The Board has appointed a Compensation Committee which is responsible for, among other things, developing the Company's approach to executive compensation and periodically reviewing the compensation of the directors. The Compensation Committee reviews and approves annual salaries, bonuses and other forms and items of compensation for our senior officers and employees. Except for plans that are, in accordance with their terms or as required by law, administered by the Board or another particularly designated group, the Compensation Committee also administers and implements all of the Company's stock option and other stock-based and equity-based benefit plans (including performance-based plans), recommends changes or additions to those plans, and reports to the Board on compensation matters.
- (b) The Compensation Committee is composed of a majority of independent directors, which ensures an objective process for determining the compensation for the Company's directors and officers.
- (c) The responsibilities, powers and operation of the Compensation Committee are detailed in its charter, which is attached as Schedule "A" to the Information Circular.
- (d) No compensation consultant or advisor has been retained since the beginning of the Company's most recently completed financial year to assist in determining compensation for any of the directors and officers.

## **8. Other Board Committees**

The Board also has an Audit Committee and Disclosure Committee.

Disclosure regarding the Company's Audit Committee is contained in the Company's Annual Information Form, which was filed on the SEDAR website at [www.sedar.com](http://www.sedar.com) on March 29, 2019 and is incorporated by reference herein.

The purpose of the Disclosure Committee is to ensure that the Company complies with its timely disclosure obligations as required under applicable Canadian and other applicable securities laws and that all material information is reviewed before it is disclosed to the public.

### **Disclosure Committee**

On July 24, 2007, the Company adopted a Disclosure, Confidentiality and Insider Trading Policy. In accordance with this Policy, a Disclosure Committee was created to implement the terms of the Policy.

#### *Mandate*

The Disclosure Committee has the responsibility to:

- evaluate the necessity of making public disclosures;
- review and approve, before they are generally disclosed, each document to assess the quality of the disclosures made in the document including, but not limited to, whether the document is accurate and complete in all material respects;

- review and approve the guidelines and procedures to be distributed to appropriate management and other Company personnel designed to gather the information required to be disclosed in core documents including: prospectuses, take-over bid circulars, issuer bid circulars, directors' circulars, rights offering circulars, MD&A, annual information forms, information circulars, annual financial statements, interim financial statements and material change reports ("Core Documents");
- establish timelines for the preparation of Core Documents, which timelines will include critical dates and deadlines during the disclosure process relating to: (i) the preparation of drafts, (ii) the circulation of drafts to appropriate Company personnel, the Company's independent auditors and the Audit Committee of the Board, (iii) the receipt of comments, and (iv) the review of the comments by the Disclosure Committee. Such timetables will allow for circulation of draft Core Documents to the Chief Executive Officer, the Chief Financial Officer, the Audit Committee of the Board and the Board sufficiently in advance of the applicable filing deadline in order to enable such persons to review carefully the filing and discuss any questions and comments related thereto;
- make determinations about whether:
  - any information is Material Information,
  - a Material Change has occurred,
  - selective disclosure has been or might be made, or
  - a Misrepresentation has been made.
- oversee the design and implementation of this Policy and the Company's "Disclosure Controls and Procedures", which are defined as controls and procedures that are designed to ensure that information required to be disclosed by the Company in its Core Documents is recorded, processed, summarized and reported within the specified time periods;
- periodically evaluate the effectiveness of the Company's Disclosure Controls and Procedures, particularly prior to the filing of each Core Document, and assist the Chief Executive Officer and the Chief Financial Officer with their evaluation of the effectiveness of such Disclosure Controls and Procedures. The Disclosure Committee's evaluation will include an assessment of the adequacy of the controls and procedures in place to ensure that material information required to be disclosed in the Core Documents is being recorded, processed, summarized and reported;
- make recommendations to the Chief Executive Officer and the Chief Financial Officer with respect to the disclosures to be contained in the Core Documents to be filed by the Company;
- in its discretion, conduct interim evaluations of the Company's Disclosure Controls and Procedures in the event of significant changes in securities regulatory requirements, Canadian GAAP, legal or other regulatory policies, or stock exchange requirements, or if it otherwise considers such evaluations appropriate;
- educate the Directors, Officers, Employees and Contractors about the matters contemplated by this Policy;
- monitor the effectiveness of, and compliance with, this Policy and report to the Audit Committee of the Board on the operation of this Policy, or to the Chief Executive Officer and the Chief Financial Officer in the case of the effectiveness of the Disclosure Controls and Procedures and the Disclosure Committee's assessment of the quality of the disclosures made in Core Documents, and recommend any necessary changes to this Policy;
- annually review and re-assess the adequacy of this Policy and, if necessary, recommend any proposed changes to the Chief Executive Officer and the Chief Financial Officer for approval such that the Policy complies with changing requirements and best practices;

- accumulate information which may be required to be reported upon or disclosed and communicated to the executive officers of the Company to allow the Company to meet its disclosure obligations on a timely basis; and
- report to the Chief Executive Officer and the Chief Financial Officer prior to such officers executing their certifications related to the Core Documents setting out the evaluation, findings and conclusions of the Disclosure Committee regarding the effectiveness of the Disclosure Controls and Procedures and the Disclosure Committee's assessment of the quality of the disclosures made in the Core Documents.

### *Composition*

Various representatives of the Company, as may be designated by the Chief Executive Officer and the Chief Financial Officer, from time to time, will be responsible for the implementation of this Policy. Currently, the Disclosure Committee consists of Matthew O'Kane, Sandra MacKay, Todd Hilditch, Blake Steele, Dan O'Brien and John Mays as the Qualified Person (QP).

## **9. Assessments**

The Board assesses, at least annually, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of individual directors, including considering the appropriate size of the Board.

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

The Board has not adopted a retirement policy or limits regarding the time a director can serve. The Board recognizes that term limits can ensure Board refreshment and new perspectives. However, the Company's long serving director has significant in-depth knowledge of the Company and its business and is highly valued for his expertise. He can provide historical context for consideration in corporate strategic decision-making. In addition, he has industry connections, which are very important to the Company. The Board believes the risk of imposing director term limits and thereby losing its long serving director who has in-depth knowledge and understanding of the Company will not serve the Company or its shareholders.

## **11. Board Diversity**

- (a) The Company recognizes that improving diversity on the Board and among its senior executives presents the Company with an opportunity to develop a competitive advantage by ensuring that the Company appeals to potential employees from the broadest possible talent pool. The focus always has been, and will continue to be, to recruit and appoint the most qualified individuals.
- (b) The Company has not adopted any specific target for the number or percentage of women that it must have in executive officer positions by a specific date, or any written policy to that effect as the Board does not believe that quotas or strict rules will necessarily result in the identification or selection of the best candidates. The Company is committed to recruiting and selecting executive officers who are the most qualified to perform the requirements of each position. Performance, skill and the ability to perform the job are the primary considerations for the selection of internal candidates. Previous directly related experience, skill and ability are the primary considerations for selecting external candidates. The Company seeks to obtain the best possible candidate available, having regard to the current needs of the Company, while recognizing the benefits to the Company of advancing the principles of diversity in all its aspects, including gender. In the context of the foregoing, the Company does give consideration to the level of representation of women in executive officer positions when making executive officer appointments. The Company currently has one women Board member and one woman executive officer.