



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 30, 2017**

AND

INFORMATION CIRCULAR

May 25, 2017

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.



Suite #140 - 5575 DTC Parkway
Greenwood Village, Colorado USA
80111
Telephone: 303.790.7528

May 25, 2017

Dear Shareholders:

You are cordially invited to attend the annual general and special meeting (the “**Meeting**”) of the holders of Class A common shares (“**Shares**”) of Azarga Uranium Corp. (“**Azarga**” or the “**Company**”) to be held at the offices of Blake, Cassels & Graydon LLP, Suite 2600 - 595 Burrard Street, Vancouver, BC, on June 30, 2017 at 10:00 a.m. (Pacific time).

At the Meeting, shareholders of Azarga (collectively, the “**Shareholders**”) will be asked to consider, and if appropriate, approve, among others, the following resolutions, which are more particularly described in the Information Circular:

- (a) the ordinary resolution of Shareholders providing for the election of Richard F. Clement, Jr., Matthew O’Kane, Apolonius (Paul) Struijk, Curtis Church, Joseph Havlin, Delos Cy Jamison and Alexander Bayer as directors of the Company to serve until the next annual general meeting (collectively, the “**Director Election Resolution**”);
- (b) the ordinary resolution of Shareholders (the “**Consultant Settlement Resolution**”) providing for the issuance of 87,500 Shares (the “**Consultant Shares**”) to an independent consultant of the Company at a deemed price per Consultant Share equal to the market price of the Shares on the date of the issuance of the Consultant Shares; and
- (c) the ordinary resolution of disinterested Shareholders (the “**Bonus Resolution**”) providing for the issuance of 750,000 Shares (the “**Bonus Shares**”) to an insider 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.

To be effective, the Consultant Settlement Resolution must be approved by not less than a simple majority of the votes cast by all Shareholders present in person or represented by proxy at the Meeting and the Bonus Resolution must be approved by not less than a simple majority of the votes cast by all disinterested Shareholders present in person or represented by proxy at the Meeting. The issuance of the Consultant Shares and the issuance of the Bonus Shares are subject to various conditions, including the receipt of all requisite regulatory and shareholder approvals. If the issuance of the Consultant Shares and the issuance of the Bonus Shares are approved by the requisite majority of the Shareholders, then the issuance of the Consultant Shares and the issuance of the Bonus Shares are expected to become effective as soon as reasonably practicable following the Meeting.

To be effective, the Director Election Resolution must be approved by not less than a simple majority of the votes cast by all Shareholders present in person or represented by proxy at the Meeting.

The Board also unanimously recommends that the Shareholders vote **IN FAVOUR** of the Director Election Resolution, the Consultant Settlement Resolution and the Bonus Resolution.

The accompanying Notice of Meeting and Information Circular provide a full description of the Director Election Resolution, the Consultant Settlement Resolution and the Bonus Resolution. You are encouraged to consider carefully all of the information in the accompanying Information Circular, including the documents incorporated by reference therein. If you require assistance, you should contact your financial, legal or other professional advisor.

Consistent with the prior year, Azarga 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, 2016 (collectively, the “**Meeting Materials**”), to its shareholders in respect of the Meeting.

Meeting Materials are also available upon request, **without charge**, by e-mail at jennifer.yu@azargauranium.com or by calling toll-free at 1-888-828-1202 or can be accessed online on SEDAR at www.sedar.com. The Meeting Materials will be available on the Company’s website at 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.

Your vote is important regardless of the number of common shares that you own. If you are a registered holder of our common shares, we encourage you to take the time now to complete, sign, date and return the enclosed form of proxy by no later than 10:00 a.m. (Pacific time) on June 28, 2017, to ensure that your common shares are voted at the Meeting in accordance with your instructions, whether or not you are able to attend in person. If you hold your common shares through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your common shares.

On behalf of Azarga, we would like to thank all Shareholders for their ongoing support.

“Richard F. Clement, Jr”

Richard F. Clement, Jr.
Interim Chief Executive Officer and Chairman

Greenwood Village, Colorado, USA
May 25, 2017



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NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF AZARGA URANIUM CORP.:

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 Blake, Cassels & Graydon LLP, located at Suite 2600 – 595 Burrard Street, Vancouver, British Columbia, on June 30, 2017, at the hour of 10:00 a.m. (Pacific time) for the following purposes:

1. to place before the Meeting the audited financial statements of Azarga for the financial period ended December 31, 2016, and accompanying report of the auditors;
2. to appoint BDO Canada LLP as the auditors of Azarga for the fiscal period ending December 31, 2017;
3. to authorize the board of directors to fix the remuneration to be paid to the auditors for the fiscal period ending December 31, 2017;
4. to set the number of directors of Azarga until the next annual general meeting of Azarga at seven (7);
5. to elect Richard F. Clement, Jr., Matthew O’Kane, Apolonius (Paul) Struijk, Curtis Church, Joseph Havlin, Delos Cy Jamison and Alexander Bayer as directors of Azarga until the next annual general meeting of the shareholders;
6. to consider and, if thought appropriate, pass an ordinary resolution of Shareholders of the Company (the “**Consultant Settlement Resolution**”) authorizing and approving the issuance of 87,500 Class A common shares of Azarga (each, a “**Share**” and, collectively, the “**Consultant Shares**”) to an independent consultant of the Company at a deemed price per Consultant Share equal to the market price of the Shares on the date of the issuance of the Consultant Shares;
7. to consider and, if thought appropriate, pass an ordinary resolution of disinterested Shareholders of the Company (the “**Bonus Resolution**”) authorizing and approving the issuance of 750,000 Shares (the “**Bonus Shares**”) to an insider 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; and
8. 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, 2016 (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 jennifer.yu@azargauranium.com or by calling toll-free at 1-888-828-1202 or can be accessed online on SEDAR at www.sedar.com. The Meeting Materials will be available on the Company's website at 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, 2017 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, by 10:00 a.m. (Pacific time) on June 28, 2017.

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 25th day of May 2017.

By Order of the Board of Directors of

AZARGA URANIUM CORP.

"Richard F. Clement, Jr."

Richard F. Clement, Jr.
Interim Chief Executive Officer and 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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INFORMATION CIRCULAR

Dated and information as of May 25, 2017 (unless otherwise noted)

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 10:00 a.m. (Pacific time) on June 30, 2017, at the offices of Blake, Cassels & Graydon LLP at Suite 2600 – 595 Burrard Street, Vancouver, British Columbia, 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.

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, 2016 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 jennifer.yu@azargauranium.com. A request for printed copies, which are required in advance of the Meeting, should be made no later than June 9, 2017 in order to allow sufficient time for mailing.

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

PROXIES AND VOTING RIGHTS

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.

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, 2017 (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. All proxies and votes must be received or completed by 10:00 a.m. (Pacific time) on June 28, 2017.

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.

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.

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.

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 Depositary 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:

- (a) 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

- (b) 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.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than the Bonus Resolution (as defined herein) and except as otherwise disclosed in this Information Circular, no director or executive officer of the Company, who was a director or executive officer since January 1, 2016, nominee for election as a director of the Company 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.

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 May 15, 2017, a total of 75,366,943 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, other than as set forth below:

Name of Shareholder	Number of Common Shares Owned⁽¹⁾⁽³⁾	Percentage of Outstanding Common Shares⁽²⁾
Wintercrest Advisors LLC	18,053,810	24.0%
Alexander Molyneux	11,367,718	15.1%

⁽¹⁾ As at May 15, 2017.

⁽²⁾ Based on 75,366,943 Shares issued and outstanding as at May 15, 2017.

⁽³⁾ The number of Common Shares owned are derived solely from public filings on the System for Electronic Disclosure by Insiders (SEDI) or SEDAR. This number does not include any warrants, stock options or convertible securities held by the Shareholder.

NUMBER OF DIRECTORS

The Articles of the Company provide for a board of directors of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the Shareholders.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at seven (7). The number of directors will be approved if the affirmative vote of at least a majority of Common Shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at seven (7).

Management recommends the approval of the resolution to set the number of directors of the Company at seven (7).

ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles, or until such director's earlier death, resignation or removal. The Company's current Board consists of Richard F. Clement, Jr., Matthew O'Kane, Curtis Church, Joseph Havlin, Alexander Bayer and Apolonius (Paul) Struijk.

Management of Azarga proposes to nominate the current directors of the Company as directors of the Company along with an additional nominee, Delos Cy Jamison. All directors elected at the Meeting will hold office until the next annual general meeting of Shareholders. Information concerning the proposed directors, as furnished by the individual nominees, is as follows:

Name Province/State Country of Residence and Position(s) with the Company⁽¹⁾	Principal Occupation Business or Employment for Last Five Years⁽¹⁾	Periods during which Nominee has Served as a Director	Number of Common Shares Owned⁽¹⁾
Richard F. Clement, Jr. Washington, USA Chairman and interim Chief Executive Officer	Mr. Clement has been a director of the Company from May 2006 until present and has been serving as the Chairman and Interim Chief Executive Officer since August 2015. He was Deputy Chairman of the Company from February 2015 to August 2015, President and Chief Executive Officer from May 2006 until February 2015 and Corporate Secretary from October 2013 until February 2015. Mr. Clement is a professional geologist with over 35 years of experience in uranium recovery.	May 2006 to present	503,217 ⁽²⁾ *

Name Province/State Country of Residence and Position(s) with the Company ⁽¹⁾	Principal Occupation Business or Employment for Last Five Years ⁽¹⁾	Periods during which Nominee has Served as a Director	Number of Common Shares Owned ⁽¹⁾
Matthew O’Kane Hong Kong Director, member of the audit committee and Chair of the compensation committee	Mr. O’Kane is currently engaged as the CFO of a modular home producer with operations in the Asia Pacific region, as well as providing 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 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, a coal mining company listed on the Australian Stock Exchange. Prior to joining Celsius Coal Limited, Mr. O’Kane was the CFO of SouthGobi Resources Limited, a coal production and development company listed on the Toronto Stock Exchange and the Hong Kong Stock Exchange, from July 2011 to November 2012 and the VP Commercial Operations and Investor Relations of SouthGobi Resources Limited from January 2011 to June 2011.	September 2013 to present	517,451 ⁽³⁾ *
Apolonius (Paul) Struijk Singapore Director, member of the compensation committee	Mr. Struijk is currently acting as the advisor to the CEO of OS X Brazil S/A, a company in the oil and gas sector listed on the BM&F BOVESPA. Mr. Struijk is also presently the CEO and founder of APS Global Resources (ASIA) Ltd. since April 2013. From April 2010 to March 2013, Mr. Struijk was the Executive Director of Winsway Coking Coal Holdings Limited, a company in the coal sector listed on the Hong Kong Stock Exchange, where he was also the Managing Director of the Winsway Resources Singapore branch and Director of the Winsway-Peabody JV. From 2012 to March 2013, Mr. Struijk was also the interim CEO for the Grande Cache Coal mine in Canada, a joint venture between Winsway Coking Coal Holdings Limited and Marubeni Corporation of Japan. During 2013 to 2015, Mr. Struijk also acted as advisor to senior management for two Singapore Stock Exchange listed companies in the natural and energy resources industry.	October 2013 to present	250,126 ⁽⁴⁾ *
Curtis Church Malaysia Director, member of the compensation committee Vice President, International Operations	Mr. Church is currently a director and Vice President, International Operations. Previously, he was President and Director of Azarga Resources from October 2012 to October 2014. Mr. Church previously served as the Chief Operating Officer of SouthGobi Resources, a coal production and development company listed on the Toronto Stock Exchange and the Hong Kong Stock Exchange, from April 2011 to October 2012. Mr. Church also served as Vice President of Mining Operations of SouthGobi Resources from October 2010 to March 2011.	October 2014 to present	7,444,345 ⁽⁵⁾ 9.88%

Name Province/State Country of Residence and Position(s) with the Company ⁽¹⁾	Principal Occupation Business or Employment for Last Five Years ⁽¹⁾	Periods during which Nominee has Served as a Director	Number of Common Shares Owned ⁽¹⁾
Joseph Havlin Montana, USA Director, Chair of the audit committee	Mr. Havlin has been a director of the Company and audit committee chair since October 2014 and a director of Azarga Resources since 2012. Currently, 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 reclaiming equipment. Mr. Havlin was also a Director of eBullion, Inc., a gold and silver trading company listed on the US Over the Counter market, from 2012 to 2016. Mr. Havlin was also a director of Black Range Minerals Limited, a uranium exploration and technology company listed on the Australian Stock Exchange, from March 2014 to September 2015.	October 2014 to present	1,225,162 ⁽⁶⁾ 1.63%
Alexander Bayer, British Columbia, Canada Director, member of the audit committee	Mr. Bayer has been a director of the Company since January 2015. Mr. Bayer is the Principal of Bayer Law Corporation (principal occupation), a consulting company providing legal services to public and private companies. Prior to founding Bayer Law Corporation in January 2015, he was the Chief Legal Officer and Corporate Secretary for Meryllion Resources Corporation, a mineral resource exploration company listed on the TSX Venture Exchange from January 2014 to January 2015. Prior to joining Meryllion, Mr. Bayer was a lawyer at Goodmans LLP from May 2006 to December 2013.	January 2015 to present	328,582 ⁽⁷⁾ *
Delos Cy Jamison, Montana, USA Proposed Director	Mr. Jamison currently is the founder and principal at the Jamison Group, LLC, which specializes in complex land and resource exchanges, involving Federal assets. From 1994 to 2009, he was a founder and principal at Jamison and Sullivan, Inc., which represented local government and business interests that were before the Congress and the Executive Branch. From 1989 to 1993, he served as National Director of the Bureau of Land Management, overseeing nearly 1/8 of the Nation's surface estate and approximately 600 million acres of mineral estate.	None	Nil
TOTAL:			10,268,883 13.63%

* Less than one percent.

(1) Information has been furnished by the directors individually. Percentages are based on a total of 75,366,943 Common Shares issued and outstanding, on a non-diluted basis, as of May 15, 2017.

(2) These Common Shares are registered in the name of the Clement Family Limited Partnership and Richard F. Clement, Jr. This number does not include: (i) stock options to acquire an aggregate of 150,000 Common Shares at a price of C\$0.34 per Common Share until May 19, 2020, (ii) stock options to acquire an aggregate of 150,000 Common Shares at a price of C\$0.36 per Common Share until May 19, 2021 and (iii) Common Share purchase warrants to acquire an aggregate of 20,833 Common Shares at a price of C\$0.35 per Common Share until September 23, 2019.

(3) This number does not include: (i) stock options to acquire an aggregate of 29,200 Common Shares at a price of C\$1.20 per Common Share until May 1, 2018, (ii) stock options to acquire an aggregate of 28,336 Common Shares at a price of C\$1.20 per Common Share until October 28, 2019, (iii) stock options to acquire an aggregate of 40,000 Common Shares at a price of C\$0.34 per Common Share until May 19, 2020, (iv) stock options to acquire an aggregate of 60,000 Common Shares at a price of C\$0.36 per Common Share until May 19, 2021 and (v) Common Share purchase warrants to acquire an aggregate of 31,250 Common Shares at a price of C\$0.35 per Common Share until September 23, 2019.

- (4) This number does not include: (i) stock options to acquire an aggregate of 75,000 Common Shares at a price of C\$0.34 per Common Share until May 19, 2020 and (ii) stock options to acquire an aggregate of 50,000 Common Shares at a price of C\$0.36 per Common Share until May 19, 2021.
- (5) This number does not include: (i) stock options to acquire an aggregate of 31,025 Common Shares at a price of C\$1.20 per Common Share until May 1, 2018, (ii) stock options to acquire an aggregate of 228,125 Common Shares at a price of C\$1.20 per Common Share until October 28, 2019, (iii) stock options to acquire an aggregate of 100,000 Common Shares at a price of C\$0.34 per Common Share until May 19, 2020 and (iv) stock options to acquire an aggregate of 125,000 Common Shares at a price of C\$0.36 per Common Share until May 19, 2021.
- (6) This number does not include: (i) stock options to acquire an aggregate of 29,200 Common Shares at a price of C\$1.20 per Common Share until May 1, 2018, (ii) stock options to acquire an aggregate of 45,000 Common Shares at a price of C\$0.34 per Common Share until May 19, 2020 and (iii) stock options to acquire an aggregate of 60,000 Common Shares at a price of C\$0.36 per Common Share until May 19, 2021.
- (7) This number does not include: (i) stock options to acquire an aggregate of 45,000 Common Shares at a price of C\$0.34 per Common Share until May 19, 2020 and (ii) stock options to acquire an aggregate of 60,000 Common Shares at a price of C\$0.36 per Common Share until May 19, 2021.

Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.

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.

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.

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 2016, 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 2016.

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, 2016, the Compensation Committee and the Board approved the issuance of the 750,000 Shares to one NEO as a bonus in connection with the performance exhibited by this NEO. 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.

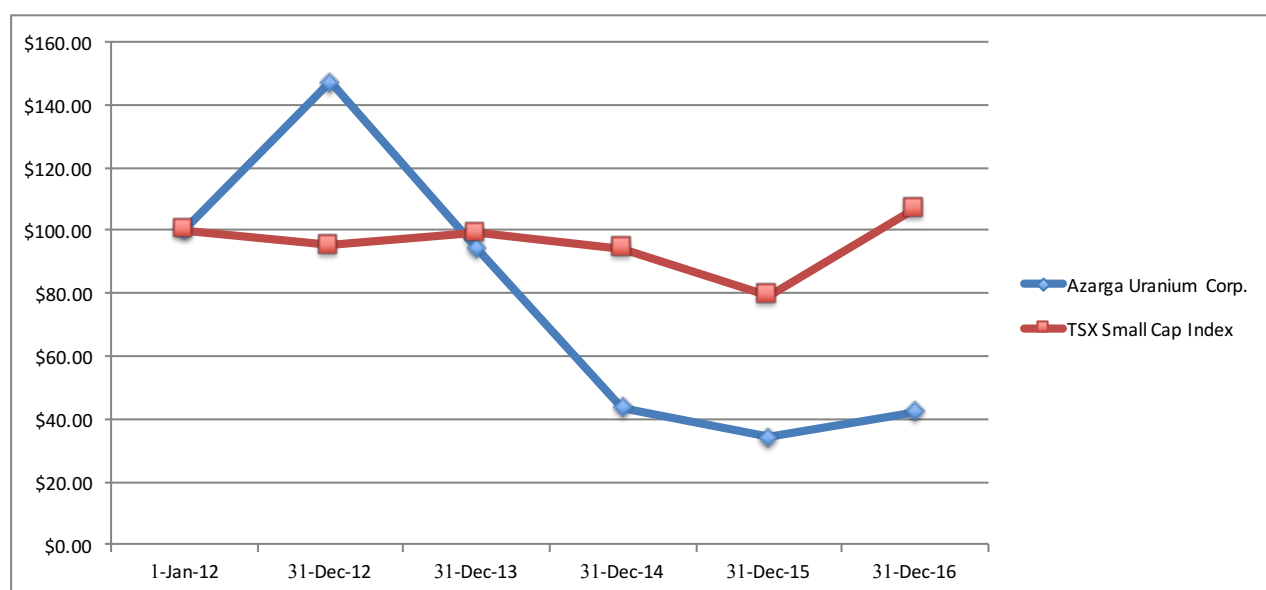
No NEO or director is permitted to purchase financial instruments including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, 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*”.

Performance Graph

The following graph compares the five year cumulative total shareholder return on the Common Shares to the cumulative total return (assuming reinvestment of dividends) of the TSX SmallCap Index, assuming an initial investment of \$100 was made on January 1, 2012. The price performance of the Common Shares as shown on the graph does not necessarily indicate future price performance.

	Year					
	January 1, 2012	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016
Azarga Uranium Corp.	\$100	\$147	\$94	\$44	\$34	\$42
TSX SmallCap Index	\$100	\$95	\$99	\$94	\$79	\$105



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, 2016, salaries paid to NEOs remained consistent with salaries paid to NEOs in 2015 and 2014, excluding those NEOs whose role within the Company changed.

Security Based Compensation Arrangements

The Company currently has three security based compensation arrangements, the Company's 2014 Stock Option Plan (the "**2014 Plan**"), the Company's Employee Share Purchase Plan ("**ESPP**") and the Company's Director Services Agreements ("**DSA**" or "**Director Services Agreements**").

Under the 2014 Plan, the total number of Common Shares reserved and available for issuance cannot exceed 7,271,816 Common Shares. The 2014 Plan is currently administered by the Board. Subject to the provisions of the 2014 Plan, the Board, in its sole discretion, determines all options to be granted pursuant to the 2014 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 2014 Plan, please see below under the heading "*Terms of 2014 Stock Option Plan*".

Under the ESPP, the total number of Common Shares reserved and available for issuance cannot exceed 3,000,000 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*".

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.

The Compensation Committee currently consists of Apolonius (Paul) Struijk, Curtis Church and Matthew O'Kane. Mr. Struijk and O'Kane are non-employee directors of the Company and are independent. Mr. Struijk, Church and O'Kane have several years of experience working with public companies in executive capacities. The combined skills and experience of Mr. Struijk, Church and O'Kane 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.

Summary Compensation Table

Particulars of compensation earned by each NEO in the most recently completed financial years ended December 31, 2016, 2015 and 2014 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 ⁽¹⁾ (\$)	Option-based Awards ⁽²⁾ (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Richard F. Clement, Jr.	2016	-	-	23,684 ⁽⁴⁾	-	-	-	-	23,684
Chairman and Interim CEO of the Company, Former President and Corporate Secretary of the Company ⁽³⁾	2015	30,000	-	26,460 ⁽⁴⁾	-	-	-	480,000 ⁽⁵⁾	536,460
	2014	240,000 ⁽¹²⁾	20,423 ⁽⁶⁾	-	-	-	-	-	260,423
Blake Steele	2016	200,000	206,799 ⁽⁸⁾	31,579 ⁽⁹⁾	-	-	-	-	438,378
President, CFO, and Corporate Secretary ⁽⁷⁾	2015	200,000	126,993 ⁽⁸⁾	22,050 ⁽⁹⁾	-	-	-	-	349,043
	2014	200,000	322,540 ⁽⁸⁾	18,191 ⁽⁹⁾	-	-	-	-	540,731
John Mays	2016	200,000	-	19,737 ⁽¹¹⁾	-	-	-	-	219,737
Chief Operations Officer of the Company	2015	200,000	15,686 ⁽¹⁰⁾	22,050 ⁽¹¹⁾	-	-	-	-	237,736
	2014	200,000 ⁽¹²⁾	40,847 ⁽¹⁰⁾	-	-	-	-	-	240,847

(1) “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.

(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 value of the stock options awarded is the estimated fair value on the date of grant calculated using the Black- Scholes option pricing model with the following assumption: an estimated volatility equal to the historical volatility of the Company’s Common Shares over a period equal to the expected life of the option, an estimated dividend yield of \$nil, a risk free rate of return equal to the rate currently available on federal government zero-coupon bonds with a term equal to the expected life of the option and an expected life approximating the term of the option. 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.

The terms of all option-based awards (including the exercise price) granted prior to the Company’s reverse take-over with Azarga Resources Limited (“Azarga Resources”) and disclosed herein have been adjusted to reflect the terms of the reverse take-over.

(3) Richard F. Clement, Jr. was appointed President and CEO of the Company on May 11, 2006 and Corporate Secretary on October 21, 2013, and retired from these positions on February 15, 2015; however, he continued to serve as a director and was appointed Deputy Chairman of the Board. In August 2015, Mr. Clement was appointed as the Interim CEO and Chairman of the Board.

(4) For the year ended December 31, 2016, Mr. Clement was granted 150,000 stock options to purchase 150,000 Shares of the Company at an exercise price of C\$0.36 per Share until May 19, 2021. For the year ended December 31, 2015, Mr. Clement was granted 150,000 stock options to purchase 150,000 Shares of the Company at an exercise price of C\$0.34 per Share until May 19, 2020.

(5) Other compensation for Mr. Clement pertains to the Clement Severance Agreement (as defined below). Mr. Clement received a severance package including compensation of \$480,000, which is payable \$5,000 per month for the first 36 months, followed by one lump-sum payment of \$300,000 in February 2018.

(6) Mr. Clement earned 62,500 Shares as bonus compensation for the year ended December 31, 2014. The Shares were valued using the Common Share price on the date of board approval for the year the bonus was earned and converted from Canadian dollars to United States dollars at the foreign exchange rate of the same date.

(7) Mr. Steele was CFO of Azarga Resources until October 28, 2014. Upon closing of the reverse take-over with Azarga Resources, Mr. Steele was appointed CFO of the Company. Subsequently, Mr. Steele was appointed Corporate Secretary on February 15, 2015 and President on August 10, 2015.

- (8) Mr. Steele earned 750,000 Shares as bonus compensation for the year ended December 31, 2016. See “*Particulars of Matters To Be Acted Upon – Approval of Bonus Shares*”. Additionally, Mr. Steele had elected to contribute \$50,000 to the Company’s ESPP. Mr. Steele earned 391,914 Shares pursuant to the Company’s ESPP at a weighted average deemed price of C\$0.28 per Share for the year ended December 31, 2016. As of the Record Date, the Company had issued the 391,914 Shares earned pursuant to the terms of the ESPP plan.
- Mr. Steele earned 450,000 Shares as bonus compensation for the year ended December 31, 2015. Subsequent to receiving his salary increase to \$250,000 on August 10, 2015, Mr. Steele elected to contribute \$50,000 to the Company’s ESPP. Mr. Steele earned 143,714 Shares pursuant to the Company’s ESPP at a weighted average deemed price of C\$0.31 per Share for the year ended December 31, 2015. The Company issued the 143,714 Shares earned pursuant to the ESPP on May 11, 2016.
- For the year ended December 31, 2014, the Company issued \$200,000 of Common Shares to Mr. Steele pursuant to the Share Match Right clause of the Steele Employment Agreement (as such terms are defined below). The Company also issued 375,000 Shares to Mr. Steele as bonus compensation for the year ended December 31, 2014.
- The Shares earned as bonus compensation were valued using the Common Share price on the date of board approval for the year the bonus was earned and converted from Canadian dollars to United States dollars at the foreign exchange rate of the same date.
- (9) For the year ended December 31, 2016, Mr. Steele was granted 200,000 stock options to purchase 200,000 Shares at an exercise price of C\$0.36 per Share until May 19, 2021. For the year ended December 31, 2015, Mr. Steele was granted 125,000 stock options to purchase 125,000 Shares at an exercise price of C\$0.34 per Share until May 19, 2020. For the year ended December 31, 2014, Mr. Steele was granted 136,875 stock options to purchase 136,875 Shares at an exercise price of C\$1.20 per Share until October 28, 2019.
- (10) For the years ended December 31, 2015 and 2014, the Company issued 75,000 and 125,000 Shares, respectively, to John Mays as bonus compensation. The Shares earned as bonus compensation were valued using the Common Share price on the date of board approval for the year the bonus was earned and converted from Canadian dollars to United States dollars at the foreign exchange rate of the same date.
- (11) For the year ended December 31, 2016, Mr. Mays was granted 125,000 stock options to purchase an aggregate of 125,000 Shares at an exercise price of C\$0.36 until May 19, 2021. For the year ended December 31, 2015, Mr. Mays was granted 125,000 stock options to purchase an aggregate of 125,000 Shares at an exercise price of C\$0.34 until May 19, 2020.
- (12) A portion of these fees are subject to a deferred compensation agreement entered into between the Company and the NEO.

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, CFO and Corporate Secretary of the Company):

- Blake Steele entered into an employment agreement, as amended, (the “**Steele Employment Agreement**”) with the Company pursuant to which Mr. Steele has agreed to serve as President, CFO & Corporate Secretary to the Company.
- Under the Steele Employment Agreement, Mr. Steele is entitled to: (i) receive remuneration of \$250,000 per year (prior to being promoted to President on August 10, 2015, Mr. Steele received \$200,000 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.
- The Steele Employment Agreement also entitled Mr. Steele to receive one additional Share for no additional consideration for each Share purchased by Mr. Steele up to a maximum of \$200,000 of purchased Shares, such that Mr. Steele would receive \$400,000 of Shares for \$200,000 of Shares purchased (collectively, the “**Share Match Right**”). For the year ended December 31, 2014, the Company issued \$200,000 of Common Shares to Blake Steele pursuant to the Share Match Right clause of the Steele Employment Agreement.
- 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 fares, 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*”.

Richard F. Clement, Jr. (Interim CEO and Chairman):

- Richard F. Clement, Jr. entered into an employment agreement with the Company in April 2011 (the “**Clement Employment Agreement**”), whereby Mr. Clement agreed to serve as President and CEO of the Company.
- Under the Clement Employment Agreement, Mr. Clement was entitled to: (i) receive an annual salary of \$240,000, subject to annual review; (ii) participate in any employee benefit plans of the Company; (iii) receive, at Mr. Clement’s discretion, a vehicle allowance of \$700 per month; (iv) be reimbursed for expenses incurred in the course of his duties, and (v) receive certain compensation in the event of a change of control of the Company as defined below in the Clement Severance Agreement.
- During the course of his employment, Mr. Clement and the Company entered into a Deferred Compensation Agreement dated October 31, 2011, as amended, (the “**Clement Deferred Compensation Agreement**”), whereby Mr. Clement agreed to defer certain compensation payable to him pursuant to the Clement Employment Agreement. The Company and Mr. Clement also entered into a settlement agreement on May 12, 2014 (the “**Clement Settlement Agreement**”), whereby the Company agreed to settle certain deferred compensation owed to Mr. Clement under the Clement Deferred Compensation Agreement by the issuance of Shares.
- Under the Clement Deferred Compensation Agreement, Mr. Clement and the Company agreed to defer payment of 25% of the fees payable to Mr. Clement under the Clement Employment Agreement until the earlier of: (i) termination of Mr. Clement’s employment by reason of death or disability, (ii) termination of Mr. Clement’s employment without cause, (iii) a Change of Control (as defined in the Clement Deferred Compensation Agreement), and (iv) December 31, 2014.
- Under the Clement Settlement Agreement, the Company agreed to issue up to 171,273 Shares subject to a floor price of C\$0.65 per Share to Mr. Clement in settlement of approximately \$101,429 owed to Mr. Clement in deferred compensation as at June 30, 2014, subject to approval of the TSX and the shareholders of the Company. The shareholders of the Company approved this issuance of Shares at the annual general and special meeting held on June 30, 2014; however, the Company did not complete the settlement by July 31, 2014. As a result, pursuant to the Clement Deferred Compensation Agreement and the Clement Severance Agreement (as defined below), the Company agreed to issue up to 578,822 Shares at C\$0.39 per Share, equal to the 30 day volume weighted average price of the Shares ending February 15, 2015, with such settlement Shares to be issued on October 28, 2016, however, Azarga and Mr. Clement have agreed to defer the settlement to 2017. The total deferred compensation owed to Mr. Clement as at December 31, 2016 is \$187,500.
- Upon Mr. Clement’s retirement from his roles as President, CEO and Corporate Secretary of the Company effective February 15, 2015, Mr. Clement and the Company entered into a severance agreement (the “**Clement Severance Agreement**”), whereby Mr. Clement and the Company agreed upon the waiver of certain termination benefits under the Clement Employment Agreement, the revised terms for payment of termination benefits, and revised terms for settlement of the outstanding deferred compensation owed to Mr. Clement.
- Under the Clement Severance Agreement, Mr. Clement is entitled, among other things, to receive a total termination payment of \$480,000, payable \$5,000 per month for the first 36 months followed by a lump-sum payment of \$300,000 on February 15, 2018. In addition, the revised terms of settlement of the deferred compensation owed to Mr. Clement, as set out above, with respect to the issuance of up to 578,822 Shares at C\$0.39 per Share, equal to the 30 day volume weighted average price of the Shares ending February 15, 2015. As of the Record Date, the 578,822 Shares have not been issued.

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.

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, 2016 under the 2014 Plan.

	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Richard F. Clement, Jr.	70,000	2.00	May 15, 2017	N/A ⁽¹⁾
	150,000	0.34	May 19, 2020	3,750
	150,000	0.36	May 19, 2021	N/A ⁽¹⁾
Blake Steele	136,875	1.20	October 28, 2019	N/A ⁽¹⁾
	15,513	1.20	November 4, 2018	N/A ⁽¹⁾
	54,750	1.50	November 4, 2018	N/A ⁽¹⁾
	125,000	0.34	May 19, 2020	3,125
	200,000	0.36	May 19, 2021	N/A ⁽¹⁾
John Mays	50,000	2.00	May 15, 2017	N/A ⁽¹⁾
	125,000	0.34	May 19, 2020	3,125
	125,000	0.36	May 19, 2021	N/A ⁽¹⁾

- ⁽¹⁾ The closing price of the Common Shares on the TSX on December 31, 2016 was C\$0.36 per Share. Accordingly, none of these options held by the NEOs were in-the-money as at December 31, 2016.

The following table sets forth the outstanding share-based awards granted to NEOs that were outstanding as of December 31, 2016.

	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 (\$)
Richard F. Clement, Jr.	N/A	N/A	\$187,500 ⁽¹⁾
Blake Steele	N/A	N/A	\$144,299 ⁽²⁾

- ⁽¹⁾ In accordance with the Clement Severance Agreement, the Company will issue up to 578,822 Shares at C\$0.39 per Share, equal to the 30-day volume weighted average price of the Shares ending February 15, 2015, with such settlement Shares to be issued in 2017. As of the Record Date, such settlement Shares have not been issued.
- ⁽²⁾ Mr. Steele earned 750,000 Shares as bonus compensation for the year ended December 31, 2016. See “*Particulars of Matters To Be Acted Upon – Approval of Bonus Shares*”. Mr. Steele also earned 93,305 Shares pursuant to the Company’s ESPP at a weighted average deemed price of C\$0.30 per Share for the three months ended December 31, 2016. The Company issued the Shares earned pursuant to the ESPP in February 2017.

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 2014 Plan, pursuant to which all current option-based awards have been granted to NEOs, please see below under the heading “*Terms of 2014 Stock Option Plan*”. There was no repricing of stock options under the 2014 Plan or otherwise during the Company’s most recently completed financial period ended December 31, 2016.

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

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 (2016: \$18,000 or \$24,000 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.

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, 2016, the estimated incremental amounts owing to Mr. Steele under this scenario would be approximately \$420,000.
- 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, 2016, the estimated incremental amounts owing to Mr. Steele under this scenario would be approximately \$420,000.

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, 2016. All amounts shown in the table are in United States dollars.

	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total
Curtis Church	-	26,666 ⁽¹⁾	19,737 ⁽²⁾	-	-	-	46,403
Joseph Havlin	-	33,333 ⁽³⁾	9,474 ⁽⁴⁾	-	-	-	42,807
Matthew O'Kane	-	33,333 ⁽⁵⁾	9,474 ⁽⁶⁾	-	-	-	42,807
Apolonius (Paul) Struijk	-	26,666 ⁽⁷⁾	7,895 ⁽⁸⁾	-	-	-	34,561
Alexander Bayer	-	33,333 ⁽⁹⁾	9,474 ⁽¹⁰⁾	-	-	-	42,807
Kim Huatt Ng	-	22,825 ⁽¹¹⁾	7,895 ⁽¹²⁾	-	-	-	30,720

- (1) Mr. Church earned 78,378 Shares pursuant to the Company's ESPP at a weighted average deemed price of C\$0.28 per Share and 47,028 Shares in accordance with the DSA between the Company and Mr. Church at a weighted average deemed price of C\$0.28 per Share. The Company has issued the Shares earned pursuant to the ESPP and DSA.
- (2) Mr. Church was granted 125,000 stock options to purchase 125,000 Shares of the Company at an exercise price of C\$0.36 per Share until May 19, 2021.
- (3) Mr. Havlin earned 97,975 Shares pursuant to the Company's ESPP at a weighted average deemed price of C\$0.28 per Share and 58,785 Shares in accordance with the DSA between the Company and Mr. Havlin at a weighted average deemed price of C\$0.28 per Share. The Company has issued the Shares earned pursuant to the ESPP and DSA.
- (4) Mr. Havlin was granted 60,000 stock options to purchase 60,000 Shares of the Company at an exercise price of C\$0.36 per Share until May 19, 2021.
- (5) Mr. O'Kane earned 97,975 Shares pursuant to the Company's ESPP at a weighted average deemed price of C\$0.28 per Share and 58,785 Shares in accordance with the DSA between the Company and Mr. O'Kane at a weighted average deemed price of C\$0.28 per Share. The Company has issued the Shares earned pursuant to the ESPP and DSA.
- (6) Mr. O'Kane was granted 60,000 stock options to purchase 60,000 Shares of the Company at an exercise price of C\$0.36 per Share until May 19, 2021.
- (7) Mr. Struijk earned 78,378 Shares pursuant to the Company's ESPP at a weighted average deemed price of C\$0.28 per Share and 47,028 Shares in accordance with the DSA between the Company and Mr. Struijk at a weighted average deemed price of C\$0.28 per Share. The Company has issued the Shares earned pursuant to the ESPP and DSA.
- (8) Mr. Struijk was granted 50,000 stock options to purchase 50,000 Shares of the Company at an exercise price of C\$0.36 per Share until May 19, 2021.
- (9) Mr. Bayer earned 97,975 Shares pursuant to the Company's ESPP at a weighted average deemed price of C\$0.28 per Share and 58,785 Shares in accordance with the DSA between the Company and Mr. Bayer at a weighted average deemed price of C\$0.28 per Share. The Company has issued the Shares earned pursuant to the ESPP and DSA.
- (10) Mr. Bayer was granted 60,000 stock options to purchase 60,000 Shares of the Company at an exercise price of C\$0.36 per Share until May 19, 2021.

- (11) Mr. Ng earned 67,628 Shares pursuant to the Company’s ESPP at a weighted average deemed price of C\$0.28 per Share and 40,578 Shares in accordance with the DSA between the Company and Mr. Ng at a weighted average deemed price of C\$0.28 per Share. The Company has issued the Shares earned pursuant to the ESPP and DSA.
- (12) Mr. Ng was granted 50,000 stock options to purchase 50,000 Shares of the Company at an exercise price of C\$0.36 per Share until May 19, 2021. These options expired prior to being exercised due to Mr. Ng resigning from the Board of Directors on November 22, 2016.

Narrative Discussion

A total of \$240,105 was paid to directors of the Company for services rendered as directors, or for committee participation or assignments, during the Company’s most recently completed financial year. During the Company’s most recently completed financial year, the following were 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).

In consideration for the services provided by the directors to the Company, provided that the director is not receiving cash compensation or severance as an executive officer of the Company, each director will receive \$20,000 per annum in directors fees 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**”). The directors contribute 50% of their Director Fees to the ESPP and the remaining 50% is settled in accordance with the DSA.

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, 2016 under the 2014 Plan.

	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Curtis Church	31,025	1.20	May 1, 2018	N/A ⁽¹⁾
	228,125	1.20	October 28, 2019	N/A ⁽¹⁾
	100,000	0.34	May 19, 2020	2,500
	125,000	0.36	May 19, 2021	N/A ⁽¹⁾
Joseph Havlin	29,200	1.20	May 1, 2018	N/A ⁽¹⁾
	45,000	0.34	May 19, 2020	900
	60,000	0.36	May 19, 2021	N/A ⁽¹⁾
Matthew O’Kane	29,200	1.20	May 1, 2018	N/A ⁽¹⁾
	28,336	1.20	October 28, 2019	N/A ⁽¹⁾
	40,000	0.34	May 19, 2020	800
	60,000	0.36	May 19, 2021	N/A ⁽¹⁾
Apolonius (Paul) Struijk	75,000	0.34	May 19, 2020	1,500
	50,000	0.36	May 19, 2021	N/A ⁽¹⁾
Alexander Bayer	45,000	0.34	May 19, 2020	900
	60,000	0.36	May 19, 2021	N/A ⁽¹⁾

- (1) The closing price of the Common Shares on the TSX on December 31, 2016 was C\$0.36 per Common Share. Accordingly, none of these options held by the directors were in-the-money as at December 31, 2016.

The following table sets forth all share-based awards granted to the Company's directors, other than to NEOs, that were outstanding as of December 31, 2016.

	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 (\$)
Curtis Church	N/A	N/A	\$6,667 ⁽¹⁾
Joseph Havlin	N/A	N/A	\$8,333 ⁽²⁾
Matthew O'Kane	N/A	N/A	\$8,333 ⁽³⁾
Apolonius (Paul) Struijk	N/A	N/A	\$6,667 ⁽⁴⁾
Alexander Bayer	N/A	N/A	\$8,333 ⁽⁵⁾
Kim Huatt Ng	N/A	N/A	\$2,826 ⁽⁶⁾

- (1) Mr. Church earned 18,660 Shares pursuant to the Company's ESPP at a weighted average deemed price of C\$0.30 per Share and 11,196 Shares in accordance with the DSA between the Company and Mr. Church at a weighted average deemed price of C\$0.30 per Share for the three months ended December 31, 2016. The Company issued the Shares earned pursuant to the ESPP and DSA in February 2017.
- (2) Mr. Havlin earned 23,325 Shares pursuant to the Company's ESPP at a weighted average deemed price of C\$0.30 per Share and 13,995 Shares in accordance with the DSA between the Company and Mr. Havlin at a weighted average deemed price of C\$0.30 per Share for the three months ended December 31, 2016. The Company issued the Shares earned pursuant to the ESPP and DSA in February 2017.
- (3) Mr. O'Kane earned 23,325 Shares pursuant to the Company's ESPP at a weighted average deemed price of C\$0.30 per Share and 13,995 Shares in accordance with the DSA between the Company and Mr. O'Kane at a weighted average deemed price of C\$0.30 per Share for the three months ended December 31, 2016. The Company issued the Shares earned pursuant to the ESPP and DSA in February 2017.
- (4) Mr. Struijk earned 18,660 Shares pursuant to the Company's ESPP at a weighted average deemed price of C\$0.30 per Share and 11,196 Shares in accordance with the DSA between the Company and Mr. O'Struijk at a weighted average deemed price of C\$0.30 per Share for the three months ended December 31, 2016. The Company issued the Shares earned pursuant to the ESPP and DSA in February 2017.
- (5) Mr. Bayer earned 23,325 Shares pursuant to the Company's ESPP at a weighted average deemed price of C\$0.30 per Share and 13,995 Shares in accordance with the DSA between the Company and Mr. Bayer at a weighted average deemed price of C\$0.30 per Share for the three months ended December 31, 2016. The Company issued the Shares earned pursuant to the ESPP and DSA in February 2017.
- (6) Mr. Ng earned 7,910 Shares pursuant to the Company's ESPP at a weighted average deemed price of C\$0.30 per Share and 4,746 Shares in accordance with the DSA between the Company and Mr. Ng at a weighted average deemed price of C\$0.30 per Share for the three months ended December 31, 2016. The Company issued the Shares earned pursuant to the ESPP and DSA in February 2017.

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 2014 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 2014 Stock Option Plan". There was no re-pricing of stock options under the 2014 Plan or otherwise during the Company's most recently completed financial period ended December 31, 2016.

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.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at December 31, 2016, the following securities had been authorized for issuance under the 2014 Plan, the ESPP and the DSA:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	6,185,368	C\$0.58 per Share	6,086,448
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	6,185,368	C\$0.58 per Share	6,086,448

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.

TERMS OF 2014 STOCK OPTION PLAN

A maximum of 7,271,816 Common Shares may be issued pursuant to the 2014 Plan. As at December 31, 2016 and the Record Date, a total of 3,193,054 and 3,318,054 Common Shares remained available for issuance pursuant to the 2014 Plan, respectively. As at December 31, 2016, the 4,078,762 stock options outstanding under the 2014 Plan represented approximately 5.5% of the number of Shares issued and outstanding. As at May 15, 2017, the 3,853,762 stock options outstanding under the 2014 Plan represented approximately 5.1% of the number of Shares issued and outstanding.

The key provisions of the 2014 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 2014 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 2014 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 2014 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 2014 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 2014 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 five years.
- If desired by the Board or the Compensation Committee, options granted under the 2014 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 2014 Plan will expire 30 days later, and (ii) an option holder dies or becomes disabled, options granted to such option holder under the 2014 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 2014 Plan, such as in the event of the death of an optionee.
- The Company is authorized, in its sole discretion, to provide financial assistance to optionees to purchase Common Shares under the 2014 Plan, subject to applicable laws and the rules and policies of any securities regulatory authority, stock exchange or quotation system with jurisdiction over the Company or a trade in securities of the Company. Any financial assistance so provided will be repayable with full recourse and the term of any such financing shall not exceed the term of the option to which the financing applies.
- The Board may at any time terminate or amend the 2014 Plan in certain respects without shareholder approval:
 - for the purposes of making formal minor or technical modifications to any of the provisions of the 2014 Plan;
 - to correct any ambiguity, defective provisions, error or omissions;
 - to reduce the exercise price of an option granted to a non-insider;
 - to change the vesting provisions of an option;
 - to change the termination provisions of an option or the 2014 Plan that does not entail an extension beyond the original expiry date of the option;
 - to add a cashless exercise feature to the 2014 Plan, providing for the payment in cash or securities on the exercise of options; and
 - to add or change provisions relating to any form of financial assistance provided by the Company to participants that would facilitate the purchase of securities under the 2014 Plan;

provided, however, that (i) no amendment of the 2014 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 any amendment that results in:

- an increase in the number of Common Shares issuable under options granted pursuant to the 2014 Plan;
- a change in the persons who qualify as eligible optionees under the 2014 Plan;
- the cancellation and reissue of any option;

- a change to the participation limits set out in the 2014 Plan;
- a reduction in the exercise price of an option granted to an insider;
- an extension of the term of an option granted to an insider; or
- subject to certain limited exceptions, options becoming transferable or assignable.

The 2014 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 2014 Plan was attached as Schedule F to the Company's Information Circular dated May 13, 2014, a copy of which was filed on SEDAR under the Company's profile on May 14, 2014 and is available at www.sedar.com.

TERMS OF EMPLOYEE SHARE PURCHASE PLAN

The ESPP 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 3,000,000 Common Shares may be issued pursuant to the ESPP. As at December 31, 2016 and the Record Date, a total of 1,534,050 and 1,058,048 Common Shares remained available for issuance pursuant to the ESPP, respectively. As at May 15, 2017, the 1,941,952 Common Shares issued pursuant to the ESPP, represented approximately 2.6% of the number of Shares issued and outstanding

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 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 was attached as Schedule G to the Company’s Information Circular dated May 19, 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.

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, 2016 and the Record Date, a total of 1,359,344 and 1,234,449 Common Shares remained available for issuance pursuant to the DSA, respectively. As at May 15, 2017, the 765,551 Common Shares issued pursuant to the DSA represented approximately 1.0% of the number of Shares issued and outstanding.

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 receive \$20,000 per annum in directors fees 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**”). 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 2014 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.

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.

In September 2016, the Company closed a non-brokered private placement of C\$2,218,401 (\$1,701,930) through the issuance of 9,243,336 units (each, a “**2016 Financing Unit**”) at a price of C\$0.24 per 2016 Financing Unit (the “**2016 Financing**”). Each 2016 Financing Unit consists of one Common Share of the Company and one-half of one share purchase warrant (each whole warrant, a “**2016 Financing Warrant**”). One 2016 Financing Warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.35 per Share for a period of three years from the close of the 2016 Financing.

With respect to the 2016 Financing, Richard F. Clement, Jr. subscribed for 41,667 Common Shares (C\$10,000), Matthew O’Kane subscribed for 62,500 Common Shares (C\$15,000) and Blake Steele subscribed for 416,667 Common Shares (C\$100,000).

In May 2016, the Company entered into shares for debt settlement agreements (collectively, the “**Debt Settlement Agreements**”) with two insiders, Curtis Church and Alexander Molyneux, and one shareholder of the Company (collectively, the “**Interest Debtholders**”). The Debt Settlement Agreements relate to loan interest in the aggregate amount of up to US\$532,800 (the “**Interest Amount**”), calculated based on the amount of loan interest expected to be owed to the Interest Debtholders as at July 31, 2016. The Interest Amount relates to a US\$1,800,000 loan facility, as amended, entered into by the Company and the Interest Debtholders on July 31, 2012. In August 2016, the Interest Amount was settled through the issuance of 1,140,626 Common Shares.

For the year ended December 31, 2016, deferred compensation owing to Mr. Blubaugh of \$61,406 was settled through the issuance of 123,028 Common Shares. Outstanding deferred compensation of \$187,500 owing to Mr. Clement, Jr. is expected to be settled through the issuance of up to 578,822 Common Shares in 2017.

As at December 31, 2016, Powerlite Ventures Limited (“Powerlite”) held 18,053,810 Common Shares representing approximately 24.0% of the total issued and outstanding Common Shares. As at December 31, 2016 and the Record Date, a total of \$3,000,000 remains available to the Company under the \$21,000,000 Powerlite loan facility (the “**Powerlite Facility**”). Although \$3,000,000 remains available under the terms of the Powerlite Facility, the Company believes it is unlikely that Powerlite will be able to fund the remaining amount of the Powerlite Facility. See the Company’s Annual Information Form for the year ended December 31, 2016 and the Company’s most recent financial statements and management discussion and analysis as available under the Company’s profile on SEDAR at www.sedar.com for additional information regarding the Powerlite Facility. In May 2017, Powerlite completed the transfer of the 18,053,510 Common Shares to Wintercrest Advisors LLC.

APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to vote for the appointment of BDO Canada LLP to serve as auditor of the Company for the fiscal year ending December 31, 2017, at a remuneration to be fixed by the Board. BDO Canada LLP was first appointed as auditor on March 31, 1994 and has remained auditor of the Company.

The Board recommends the appointment of BDO Canada LLP to serve as auditor of the Company for the fiscal year ending December 31, 2017 at remuneration to be fixed by the Board.

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 on March 29, 2017 and is incorporated by reference herein.

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, 2016 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, 2016, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

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.

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 "E".

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Approval of Consultant Shares

The Company seeks to issue 87,500 Common Shares (collectively, the "**Consultant Shares**"), representing approximately 0.1% of the total issued and outstanding Common Shares as at the Record Date on an undiluted basis, as a consulting fee (the "**Consultant fee**") to an independent consultant of the Company, whom is not an insider of the Company, at a deemed price per Consultant Share equal to the market price of the Shares on the date of the issuance of the Consultant Shares.

The Shareholders of the Company will be asked at the Meeting to authorize and approve an ordinary resolution (the "**Consultant Settlement Resolution**") as set forth in Schedule "C" hereto.

Consultant Settlement Resolution

At the Meeting, the Shareholders will be asked to consider and, if deemed appropriate, approve the Consultant Settlement Resolution, in the form attached hereto as Schedule "C", as an ordinary resolution. The Consultant Settlement Resolution must be approved by a majority of the Shareholders who are present in person or represented by proxy at the Meeting.

Recommendation of the Board

The Board has approved the issuance of the Consultant Shares as set out in this Information Circular and recommends that the Shareholders approve, by way of ordinary resolution, the Consultant Settlement Resolution, in substantially the form set forth at Schedule "C".

2. Approval of Bonus Shares

The Company seeks to issue an aggregate of 750,000 Common Shares (collectively, the "**Bonus Shares**"), representing approximately 1.0% of the total issued and outstanding Common Shares as at the Record Date on an undiluted basis, as a bonus payment (the "**Bonus Payment**") to an insider 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:

Name and Position with the Company	Number of Bonus Shares Issuable
Blake Steele <i>President, Chief Financial Officer and Secretary</i>	750,000
Total	750,000

The 2016 share-based bonus to be received by the NEO was approved by the Compensation Committee and the Board. See “*Statement of Executive Compensation*” for additional information.

The disinterested Shareholders of the Company will be asked at the Meeting to authorize and approve an ordinary resolution (the “**Bonus Resolution**”) as set forth in Schedule “D” hereto to approve the issuance of the Bonus Shares.

Minority Shareholder Approval of the Issuance of Bonus Shares

The issuance of the Bonus Shares is considered a “related party transaction” as Blake Steele is an officer 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 issued to Mr. Steele was C\$165,000 as of November 9, 2016 (the date the Bonus Shares were granted by the Company’s board of directors), 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 Resolution has been received by non-interested Shareholders. As of the Record Date, the 2,506,910 Common Shares held by Mr. Steele (representing approximately 3.3% of the issued and outstanding Common Shares) will be excluded from voting on the approval of the Bonus Resolution. 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.

Bonus Resolution

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

Recommendation of the Board

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 Resolution, in substantially the form set forth at Schedule “D”.

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.

ADDITIONAL INFORMATION

Additional information about the Company can be obtained free of charge through the SEDAR website at www.sedar.com. Shareholders may also contact Jennifer Yu at Suite #140 - 5575 DTC Parkway, Greenwood Village, Colorado, USA 80111, Telephone: 303.790.7528, 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, 2016.

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 25th day of May 2017.

ON BEHALF OF THE BOARD OF DIRECTORS OF

AZARGA URANIUM CORP.

“Richard F. Clement, Jr.”

Richard F. Clement, Jr.
Interim Chief Executive Officer and
Chairman

SCHEDULE "A"
DIRECTOR ELECTION RESOLUTION

RESOLVED as an ordinary resolution that:

- (a) the number of directors of the Company is hereby set at seven (7);
- (b) the following persons, each of whom has consented in writing to act as a director or is present at this meeting and has not refused at this meeting to be a director, are appointed as directors of the Company:

Richard F. Clement, Jr.;
Alexander Bayer;
Matthew O'Kane;
Delos Cy Jamison;
Apolonius (Paul) Struijk;
Curtis Church; and
Joseph Havlin;

- (c) any director or officer of the Company is hereby authorized to do all acts and things necessary or desirable to give effect to the foregoing.

**SCHEDULE “B”
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 "C"

CONSULTANT SETTLEMENT RESOLUTION

RESOLVED as an ordinary resolution of the shareholders that:

- (a) the issuance of 87,500 common shares of the Company (each, a "**Share**") as a consulting fee to an independent consultant (the "**Consultant 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 Consultant Issuance have not been issued as provided for by this resolution by December 31, 2017, then the Company shall seek re-approval for such issuance from the 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 Consultant 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 Consultant Issuance approved) by the 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 Consultant Issuance, subject to the terms of the Toronto Stock Exchange; or (ii) not to proceed with the Consultant Issuance.

SCHEDULE "D"

BONUS RESOLUTION

RESOLVED as an ordinary resolution of the disinterested shareholders that:

- (a) the issuance of 750,000 common shares of the Company (each, a "**Share**") as a bonus to an insider of the Company (the "**Bonus Issuance**") be and is hereby authorized and approved;
- (b) the issuance of 750,000 Shares at a deemed price per Share equal to the market price of the Shares on the date of the issuance of the Shares to Blake Steele as a bonus payment be and is hereby authorized and approved;
- (c) if the Shares approved for issuance pursuant to the Bonus Issuance have not been issued as provided for by this resolution by December 31, 2017, 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;
- (d) 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
- (e) 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.

SCHEDULE “E”

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) Joseph Havlin, Matthew O’Kane, Alexander Bayer and Apolonius (Paul) Struijk are considered to be “independent” as defined by NI 58-101.
- (b) Richard F. Clement, Jr. and Curtis Church are not considered to be “independent” as defined by NI 58-101 as each of them is a senior executive officer of the Company. Richard F. Clement Jr. is Chairman and Interim CEO and Curtis Church is VP International Operations.
- (c) Four of the six current directors are independent, so the Board has a majority of independent directors.
- (d) The following table sets out the directors and nominees that are currently the directors of other reporting issuers in all Canadian and foreign jurisdictions:

Name of Director or Nominee	Name of Reporting Issuer ⁽¹⁾	Exchange	Term
Richard F. Clement, Jr.	None		
Matthew O’Kane	None		
Apolonius (Paul) Struijk	None		
Curtis Church	None		
Joseph Havlin	None		
Alexander Bayer	None		
Delos Cy Jamison	Northern Oil & Gas Inc.	NYSE ⁽²⁾	Since August 2011

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

(2) New York Stock Exchange

- (e) 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. Bayer is a corporate and securities lawyer with over 10 years of advising Canadian public companies on corporate governance compliance. Mr. Struijk has served as a managing director. As a result, they are acutely aware of the important roles independent directors have.

- (f) The Chairman of the Board is Richard F. Clement, Jr. The Board provides leadership for its independent directors by giving the independent directors unrestricted access to the Company's auditors and external legal counsel.
- (g) The attendance record of each director for all Board meetings held during the year ended December 31, 2016 and since the beginning of the financial year ended December 31, 2017 is as follows:

Name of Director	Number of Board meetings held during the year ended December 31, 2016⁽¹⁾	Number of Board meetings attended during the year ended December 31, 2016	Number of Board meetings held since January 1, 2017⁽¹⁾	Number of Board meetings attended since January 1, 2017
Richard F. Clement, Jr.	5	5	2	2
Curtis Church	5	4	2	2
Joseph Havlin	5	5	2	2
Matthew O'Kane	5	4	2	2
Apolonius (Paul) Struijk	5	4	2	1
Alexander Bayer	5	5	2	2
Kim Huatt Ng ⁽²⁾	5	4	N/A	N/A

- ⁽¹⁾ In addition to conducting business at directors' meetings, certain business of the Company was approved by the directors by way of unanimous consent resolutions of the directors.
- ⁽²⁾ This director resigned as a director of the Company on November 22, 2016. The disclosure for this director's attendance record relates only to meetings held during his term as a director.

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 Jennifer Yu at Suite #140 - 5575 DTC Parkway, Greenwood Village, CO, USA 80111.
 - (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 B 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 and Disclosure Committee is contained in the Company’s Annual Information Form, which was filed on the SEDAR website at www.sedar.com on March 29, 2017 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.

9. Assessments

The Board intends that individual director assessments be conducted by other directors, taking into account each director’s contributions at Board meetings, service on committees, experience base, and their general ability to contribute to one or more of the Company’s major needs. The Board recently conducted assessments of the performance of each of the directors, whereby each director undertook a self-evaluation that was discussed by the Board as a group. Going forward, the Board intends to conduct such assessments on a routine basis.

10. Director Term Limits and Other Mechanisms of Board Renewal

- (a) The Board has not adopted a retirement policy or limits regarding the time a director can serve. The following sets out the current tenure for the Company’s seven nominated directors:

<u>Number of Directors</u>	<u>Approximate Tenure</u>
1	11 years
2	>3 years
3	>2 year
1	Nominee

- (b) 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. The Company's long serving director 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 no Board members or executive officers that are women.