



**ORSU METALS CORPORATION**

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

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting of shareholders (the “**Meeting**”) of Orsu Metals Corporation (the “**Corporation**” or “**Orsu Metals**”) will be held at the office of the Corporation, Unit 1 – 15782 Marine Drive, White Rock, B.C. on the 29<sup>th</sup> day of June, 2018 at 10:00 a.m. for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2017 together with the report of the auditors thereon;
2. to appoint auditors for the Corporation for the ensuing year at a remuneration to be fixed by the directors of the Corporation;
3. to elect directors to the board of directors of the Corporation;
4. to consider and, if thought fit, to approve a resolution in the form presented in the Information Circular accompanying this Notice, approving the stock option plan for directors, officers, employees, consultants and other personnel of the Company, subject to regulatory approval;
5. to consider, and if thought fit, with or without variation, the Change of Control Resolution, the full text of which is set forth in Part 5 of the Information Circular, to have disinterested shareholders approve the creation of a new control person; and
6. to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this notice is the Information Circular and a form of proxy. The Information Circular provides further information relating to the matter to be addressed at the Meeting and is incorporated into this notice.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are requested to read, complete, sign and mail or deliver the enclosed form of proxy in accordance with the instructions set out in the Information Circular and in the proxy accompanying this notice.

Please advise the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, of any change in your mailing address.

DATED as of the 25<sup>th</sup> day of May 2018.

**BY ORDER OF THE BOARD**

*/s/ Sergey V. Kurzin*  
Dr. Sergey V. Kurzin,  
**Executive Chairman**



## ORSU METALS CORPORATION

### MANAGEMENT INFORMATION CIRCULAR AS AT MAY 25, 2018

#### SOLICITATION OF PROXIES

**THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF ORSU METALS CORPORATION (THE “CORPORATION” OR “ORSU METALS”) FOR USE AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION (THE “MEETING”) (AND ANY ADJOURNMENT OR POSTPONEMENT THEREOF) TO BE HELD ON JUNE 29, 2018, AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING.** While it is expected that such solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Corporation at nominal cost. All costs of solicitation by management will be borne by the Corporation.

#### APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are directors and officers of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM, HER OR IT AT THE MEETING HAS THE RIGHT TO DO SO BY INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A shareholder wishing to be represented by proxy at the Meeting or any adjournment or postponement thereof, must, in all cases, deposit the completed proxy with the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> floor, Toronto, Ontario, Canada M5J 2Y1, facsimile: within North America (866) 249-7775 and outside North America (416) 263-9524 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment or postponement thereof. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion without notice.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his, her or its attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> floor, Toronto, Ontario, Canada M5J 2Y1, facsimile: within North America (866) 249-7775 and outside North America (416) 263-9524 or the corporate office of the Corporation at 15782 Marine Drive, Unit 1, White Rock, B.C. V4B 1E6 at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### EXERCISE OF DISCRETION BY PROXIES

The shares represented by proxies in favour of management nominees will be voted for or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by the proxy shall be voted accordingly. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS DESCRIBED IN THIS INFORMATION CIRCULAR. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING ACCOMPANYING THIS INFORMATION CIRCULAR AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS, HER OR ITS JUDGMENT MAY DETERMINE.** At the time of printing this Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

## NON-REGISTERED SHAREHOLDERS

Only registered holders of common shares of the Corporation (each, a “**Common Share**”) or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common 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 (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation will have distributed copies of this Information Circular and the accompanying Notice of Meeting and form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to certain Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to such Non-Registered Holders and the Non-Registered Holders will be given, in substitution for the proxy otherwise provided with the Meeting Materials, a request for voting instructions (the “**voting instructions form**”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own.

Should a Non-Registered Holder who receives the voting instructions form or other proxy wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose on such document. Where applicable, a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions set out in the voting instructions form or other proxy.

This Information Circular and accompanying securityholder materials are being sent to both registered owners of Common Shares and Non-Registered Holders. If you are a Non-Registered Holder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Common Shares on your behalf.

By choosing to send these materials to you directly, the Corporation (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. Please return your voting instructions as specified in the voting instructions form or other proxy.

The Meeting Materials are not being sent to registered or beneficial owners using the Notice and Access procedures contained in NI 54-101. The Corporation is sending the Meeting Materials directly to non-objecting beneficial holders (as defined in NI 54-101). The Corporation will not pay for intermediaries to deliver the Meeting Materials to objecting beneficial holders (as defined in NI 54-101) and objecting beneficial holders will not receive the Meeting Materials unless their intermediary assumes the cost of delivery.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at May 25, 2018, 36,072,771 Common Shares were issued and outstanding.

Only shareholders of record at the close of business on May 25, 2018 (the “**Record Date**”), who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have their Common Shares voted at the Meeting.

Each shareholder is entitled to one vote for each Common Share registered in his, her or its name on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. at the address listed above and will also be available at the Meeting. All matters to be voted upon at the Meeting must be approved by a resolution passed by the shareholders.

To the knowledge of the directors and officers of the Corporation, except as noted below, there are no persons or companies who beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares:

<b>Shareholder</b>	<b>No. of Common Shares</b>	<b>% of outstanding Common Shares</b>
Vladimir Pakhomov <sup>(1)</sup>	4,409,009	11.97%
Sergei Stefanovich <sup>(2)</sup>	7,103,876	19.69%

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**Notes:**

- (1) The 4,409,009 shares are owned as to 4,338,498 by OC Management Group Ltd., a private corporation, managed by Vladimir Pakhomov and 70,511 by Vladimir Pakhomov.
- (2) The 7,103,876 as to 3,378,067 shares are owned by Metalsib Group Ltd., a private corporation, and 3,725,809 by Cormentum Foundation, both entities wholly owned by Sergei Stefanovich.

**BUSINESS TO BE CONSIDERED AT THE MEETING**

All references to \$ mean US dollars.

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**ITEM 1 - FINANCIAL STATEMENTS**

The Corporation's consolidated financial statements for the financial year ended December 31, 2017 and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting of the auditors' report and the Corporation's consolidated financial statements for the financial year ended December 31, 2017 will not constitute approval or disapproval of any matters referred to therein.

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**ITEM 2 - APPOINTMENT OF THE AUDITOR**

Davidson & Company LLP has served as auditor of the Corporation since July 31<sup>st</sup>, 2017.

At the Meeting, shareholders of the Corporation will be requested to re-appoint Davidson & Company LLP as the Corporation's auditor to hold office for the ensuing year at remuneration to be fixed by the board of directors (the "**Board**") of the Corporation.

**THE PERSONS NAMED IN THE FORM OF PROXY WHICH ACCOMPANYS THIS INFORMATION CIRCULAR INTEND TO VOTE FOR THE APPOINTMENT OF DAVIDSON & COMPANY LLP AS THE AUDITOR OF THE CORPORATION TO HOLD OFFICE UNTIL ITS SUCCESSOR IS APPOINTED AND TO AUTHORIZE THE BOARD TO FIX THE REMUNERATION OF THE AUDITOR UNLESS IT HAS BEEN SPECIFIED IN THE FORM OF PROXY THAT THE COMMON SHARES REPRESENTED BY SUCH FORM ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

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**ITEM 3 - ELECTION OF DIRECTORS**

The Articles of Association of the Corporation provide that the Board must consist of a minimum of three (3) and a maximum of fifteen (15) directors. Each of the members of the Board shall be elected by the shareholders of the Corporation for such term as the shareholders shall determine, including on an annual basis, but a director's term of office shall not exceed the close of the third annual meeting following their election. The term of office of each of the present directors was for one year and therefore, the terms of such directors will expire at the close of the Meeting. It is intended that five (5) directors will be elected at the Meeting for the ensuing year.

The incumbent directors named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Each director elected will hold office until the next annual meeting of the Corporation, unless his office is earlier vacated in accordance with the Articles of Association of the Corporation and the provisions of the *BVI Business Companies Act 2004*, as amended (British Virgin Islands) (the "**Act**").

On May 19, 2015, the Board unanimously adopted a majority voting policy for the election of directors at uncontested meetings of shareholders of the Corporation (the "**Majority Voting Policy**") which provides that a director must promptly tender his or her resignation (a "**Resignation Tender**") if the number of Common Shares voted 'FOR' is equal to or less than the number of Common Shares voted 'WITHHELD' for his or her election at a meeting of shareholders of the Corporation. A Resignation Tender will become effective upon acceptance by the Board. Upon receipt of a Resignation Tender, the Governance and Nominating Committee or such other committee to which the responsibility of administering the Majority Voting Policy has been delegated (the "**MVP Committee**") will consider the Resignation Tender and will recommend to the Board whether or not to accept or reject the Resignation Tender. Following the recommendation of the MVP Committee, the Board will be required to determine whether to accept or reject the Resignation Tender, not later than the 90<sup>th</sup> day immediately succeeding the date of the relevant meeting of shareholders. The Board will generally be expected to accept the Resignation Tender absent exceptional circumstances. The Board's decision will be promptly disclosed in a news release issued by the Corporation (which will include the Board's reasons for rejecting a Resignation Tender, if applicable). The full text of the Majority Voting Policy is available on the Corporation's website at [www.orsumetals.com](http://www.orsumetals.com).

The Board also has an individual voting policy pursuant to which shareholders can vote their Common Shares in respect of each nominee individually rather than being required to vote in the same manner for all of the nominees together as a slate. If, at the Meeting, the number of nominees for election as directors exceeds the number fixed for such election, the five persons with the most ‘FOR’ votes will be elected. If the number of persons nominated for election as directors at the Meeting is the same as or less than the number of directors fixed, then the persons nominated will be elected as directors, subject to the provisions of the Majority Voting Policy set out above.

In considering director nominees, management and the Board seek to ensure that the Board is composed of members whose particular experience, qualifications, attributes and skills, when taken together, will allow the Board to satisfy its oversight obligations effectively.

The following table and notes thereto state the names of all persons proposed to be nominated by management for election as directors of the Corporation (each, a “**proposed director**”), their residence, all offices of the Corporation now held by them, their principal occupations or employments, the period of service as directors of the Corporation, the number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by each of them as at the date hereof, and their present status on any committees of the Board.

Name, Residence and Position with the Corporation <sup>(1)</sup>	Principal Occupations <sup>(1)</sup>	Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>(2)</sup>
<b>Dr. Sergey V. Kurzin</b> London, United Kingdom, Director and Executive Chairman	Executive Chairman of the Corporation from June 2008 to present.	June 18, 2008	732,000
<b>Mr. Sergei Stefanovich</b> Moscow, Russia Director and Managing Director	Appointed as a Director and Managing Director of the Corporation on May 18, 2017.	May 18, 2017	7,103,876 <sup>(4)</sup>
<b>Mr. Mark Corra</b> <sup>(3)</sup> British Columbia, Canada, Non-Executive Director	Private business executive.	July 7, 2008	72,768
<b>Mr. David Rhodes</b> <sup>(3)</sup> Kent, United Kingdom, Non-Executive Director	Managing Director of Endeavour Financial Limited (a financial services advisory firm) from June 2013 to present.	December 7, 2010	278,277
<b>Mr. Vladimir Pakhomov</b> <sup>(3)</sup> Moscow, Russia Non-Executive Director	Managing Partner, OC Management Group Ltd. and OC Capital, a Russia-focused investment firm since 2012, Investment Director Onexim Group (2007-2010)	May 18, 2017	4,409,009 <sup>(5)</sup>

**Notes:**

- (1) Information as to the residence and principal occupation has been provided by individual directors.
- (2) The information as to voting securities beneficially owned, controlled or directed directly or indirectly, not being within the knowledge of the directors and executive officers of the Corporation, has been furnished by the respective individual directors.
- (3) Current member of the Audit Committee of the Corporation (the “**Audit Committee**”), of which Mr. Corra is the Chairman.
- (4) The 7,103,876 as to 3,378,067 shares are owned by Metalsib Group Ltd., a private corporation, and 3,725,809 by Cormentum Foundation, both entities wholly owned by Sergei Stefanovich.
- (5) The 4,409,009 shares are owned as to 4,338,498 by OC Management Group Ltd., a private corporation, managed by Vladimir Pakhomov and 70,511 by Vladimir Pakhomov.

**Corporate Cease Trade Orders**

No proposed director of the Corporation is, or has been within the ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity, was subject to:

- (a) 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; or
- (b) an event that resulted, after the proposed director ceased to be a director, chief executive officer or chief financial officer, in the relevant 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.

***Penalties or Sanctions***

No proposed director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding to vote for a proposed director.

***Bankruptcies***

No proposed director of the Corporation:

- (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while such person was acting in that capacity, or within a year of such person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF EACH OF THE ABOVE-NAMED PROPOSED DIRECTORS UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE PROPOSED DIRECTORS WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A PROPOSED DIRECTOR IS FOR ANY REASON UNABLE TO SERVE AS A DIRECTOR OF THE CORPORATION, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING PROPOSED DIRECTORS AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF ONE OR MORE DIRECTORS.**

**ITEM 4 - APPROVAL OF STOCK OPTION PLAN**

The Board wishes to have the shareholders approve a stock option plan (the “**Option Plan**”) pursuant to which the Corporation may grant incentive stock options to directors, officers, employees, and consultants of the Corporation or any of its affiliates (“**Eligible Persons**”). In accordance with the rules and policies of the TSX Venture Exchange (the “**TSX-V**”), shareholders must each year approve the Option Plan. The policies require that a stock option plan must specify a maximum number of shares issuable under it, which number can later be increased to a higher specified number only if authorized by the shareholders and accepted by the TSX-V.

The Option Plan permits the granting of options of up to 10% of the common shares of the Corporation issued and outstanding at the date of grant.

The Board is of the view that it is in the best interests of the Corporation to approve the Option Plan, which will enable the Board to grant options to Eligible Persons as a means of rewarding positive performance and providing incentive to attract and retain personnel to effectively manage the affairs of the Corporation.

To summarize, the Option Plan authorizes the Board to grant stock options to the Eligible Persons on the following terms:

1. The number of shares subject to each option is determined by the Board provided that the Option Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12-month period, result in:
  - (a) the issuance of stock options to any one person, within that period, of a number of shares exceeding 5% of the issued shares of the Corporation;
  - (b) the issuance, within that period, to insiders of the Corporation of a number of shares exceeding 10%, or to one insider of a number exceeding 5%, or to a consultant of a number exceeding 2%; the aggregate number of shares granted to all eligible recipients employed to provide investor relations activities (as defined by the TSX-V) must not exceed 2% of the issued shares of the Corporation.

2. The aggregate number of shares which may be issued pursuant to options granted under the Option Plan, inclusive of options granted and outstanding under the previous stock option plan, may not exceed 10% of the issued and outstanding shares of the Corporation as at the date of the grant (after giving effect to the amendment described above).
3. The exercise price of options must be determined by the Board in compliance with applicable stock exchange policies.
4. The Option Plan provides that options are exercisable for ten years unless the Board provides for another exercise period when the options are granted in compliance with applicable stock exchange policies.
5. Options granted under the Option Plan are non-assignable and non-transferable. The options can only be exercised by the option holder as long as the option holder remains an Eligible Person pursuant to the Option Plan or within a period of not more than 90 days (30 days for providers of investor relations services) after ceasing to be an Eligible Person or, if the option holder dies or can no longer serve the Corporation due to disability, within the earlier of (a) a period following such death or disability equal to the period of such option holder's service to the Corporation, and (b) 365 days from the date of the optionee's death or disability.
6. The options granted pursuant to the Option Plan will be vested on a basis to be determined by the Board and may be vested immediately upon granting.
7. Options issued to eligible persons performing investor relations activities must vest in stages that are 12 months with no more than one-quarter of the options vesting in any three-month period.
8. On the occurrence of certain "substitution events" (including certain reorganizations, amalgamations, mergers or business combinations and takeover bids), all outstanding options will vest.
9. The Option Plan provides that the options of a deceased option holder expire on the earlier of (a) a period equal to the period the deceased option holder served the Corporation and (b) 365 days following death.
10. The Option Plan treats options held by employees who are no longer able to serve the Corporation due to disability the same way as options held by deceased option holders.
11. The Option Plan provides that if a consultant holding options becomes another kind of Eligible Person at the termination of a consulting contract - (e.g. if a consultant is hired as an employee), he or she will continue to hold the options granted when a consultant. Similarly, if an Eligible Person who is not a consultant becomes a consultant, he or she will continue to hold the options granted to him or her prior to becoming a consultant.
12. The Board has the discretion (subject to applicable stock exchange rules) to extend the expiry dates of options granted to consultants following the termination of a consulting agreement in the same way it can extend the expiry dates of options granted to other option holders following termination of service to the Corporation.

### **Recommendation**

The Corporation is of the view that the Option Plan provides the Corporation with the flexibility necessary to attract and maintain the services of senior management and other employees in competition with other companies in the mineral resource industry. A copy of the Option Plan will be available for inspection at the Meeting. A Shareholder may also obtain a copy of the Option Plan by contacting the Corporation at 604-536-2711. The Board shall also have the authority to amend the Option Plan to reduce the benefits to its participants if in their discretion it is necessary or advisable in order to obtain any necessary regulatory approvals.

### **Shareholder Approval**

The Corporation is asking its Shareholders to vote affirmatively on the following ordinary resolution to adopt and approve the Option Plan (the "**Option Plan Resolution**"):

**"BE IT RESOLVED THAT**, subject to regulatory approval, the Option Plan authorizing the directors to grant options on shares totalling up to a maximum of 10% of the Corporation's common shares issued and outstanding from time to time, as at the date of the relevant grant, be and it is hereby approved, together with all options granted thereunder as at the date hereof, and that the Board of Directors be and they are hereby authorized, without further shareholder approval, to carry out the intent of this resolution."

If this resolution is approved by Shareholders it is expected that the Board will in due course grant further options under the Option Plan as the Board deems fit in light of the overall compensation program and the relative efforts and contributions of the eligible participants under the Option Plan.

**THE BOARD OF DIRECTORS RECOMMEND THAT SHAREHOLDERS VOTE FOR THE OPTION PLAN RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE**

**ENCLOSED FORM OF PROXY INTEND TO VOTE FOR THE OPTION PLAN RESOLUTION. THE DISCRETIONARY AUTHORITY GRANTED BY THE ENCLOSED PROXY WILL BE USED BY MANAGEMENT TO APPROVE ANY AMENDMENTS TO THE ABOVE RESOLUTION ACCEPTABLE TO IT.**

## **ITEM 5 - APPROVAL OF NEW CONTROL PERSON**

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### *Summary of the Change of Control*

Sergei Stefanovich, a Director and the Managing Director of the Corporation controls a total of 7,103,876 (19.69%) Common Shares of the Corporation through his 100% ownership of Metalsib Group Ltd. the holder of 3,378,067 Common Shares of the Corporation and by being the founding member of Cormentum Foundation the holder of 3,725,809 Common Shares of the Corporation.

As the Corporation permits, Sergei Stefanovich has elected to be paid half of his annual salary of EUR€60,000 in cash and the remainder in Common Shares. All Common Shares to be issued will be subject to approval by the TSX-V and will be priced at the closing price on the last trading day of December each year and issued within 3 business days after that. During the year ended December 31, 2017, the Corporation recorded \$21,883 in trade and other payables for the portion of the year Mr. Stefanovich was paid fees to be settled by the issue of 168,282 Common Shares subject to disinterested shareholder approval.

The issue of these Common Shares will increase the number of Common Shares under the control of Mr. Stefanovich from 7,103,876 to 7,272,158 which will result in Mr. Stefanovich becoming a new control person of the Corporation as he will own or control 20.1% of the Common Shares of the Corporation post-closing.

Mr. Stefanovich has acquired the Common Shares for investment purposes and he could increase or decrease his investments in the Corporation depending on market conditions or any other relevant factor.

The Corporation is asking its disinterested shareholders to vote affirmatively on the following ordinary resolution to approve the creation of a new control person (the “**Change of Control Resolution**”):

“**RESOLVED THAT**, subject to TSX-V approval, the Change of Control is hereby approved and that any one director or officer of the Corporation be and is authorized and directed to do all such acts and things as he or she may determine to be necessary or desirable in order to carry out the intention and effect of this resolution, the doing of all such acts and things being conclusive evidence of such determination.”

**THE BOARD OF DIRECTORS RECOMMEND THAT SHAREHOLDERS VOTE FOR THE CHANGE OF CONTROL RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE FOR THE CHANGE OF CONTROL RESOLUTION. THE DISCRETIONARY AUTHORITY GRANTED BY THE ENCLOSED PROXY WILL BE USED BY MANAGEMENT TO APPROVE ANY AMENDMENTS TO THE ABOVE RESOLUTION ACCEPTABLE TO IT.**

## **EXECUTIVE AND DIRECTOR COMPENSATION**

The Corporation reports its financial results in United States Dollars. Unless otherwise indicated, in this executive compensation disclosure, \$ and US\$ means United States Dollars, CAD\$ means Canadian Dollars, GBP£ means British Pounds Sterling and EUR€ means Euro.

### **COMPENSATION DISCUSSION AND ANALYSIS**

#### *Compensation Philosophy*

Our overall compensation philosophy is to provide a compensation package that enables us to attract, retain and motivate named executive officers to achieve our short-term and long-term business goals. Consistent with this philosophy, the following goals provide a framework for our named executive officers compensation program:

- Pay competitively to attract, retain, and motivate named executive officers;
- Relate total compensation for each named executive officer to overall performance of the corporation;
- Aggregate the elements of total compensation to reflect competitive market requirements and to address strategic business needs; and
- Align the interests of our named executive officers with those of our shareholders.



### ***Oversight of Executive Compensation Program***

The Board is responsible for determining all forms of compensation to be granted to the Executive Chairman of the Corporation and the directors, and for reviewing the Executive Chairman's recommendations respecting compensation of the other senior executives of the Corporation, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its executive officers, the Board considers the following issues: i) recruiting and retaining executives critical to the success of the Corporation and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Corporation's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general.

In order to achieve these objectives, the compensation paid to the Corporation's executive officers consists of a base salary and long-term incentives in the form of stock options.

#### *Base Salary*

The base salary currently paid to our named executive officers is commensurate with the nature of our business and their individual experience, duties and scope of responsibilities. In the future, we intend to pay competitive base salaries required to recruit and retain executives of the quality that we must employ to ensure our success.

In making determinations of salary levels for the named executive officers, the Board is likely to consider the entire compensation package for named executive officers, including the equity compensation provided under the Option Plan. Orsu Metals intends for salary levels to be consistent with competitive practices of comparable institutions and each executive's level of responsibility. The Board is likely to determine the level of any salary (or salary increase) after reviewing the qualifications, experience, and performance of the particular executive officer and the nature of our business, the complexity of its activities, and the importance of the executive's contribution to the success of the business through discussion only, with no formal objectives (performance or otherwise) or criteria.

The Board may also take into consideration salaries paid to others in similar positions in the Corporation's industry based on the experience of the Board and review of publicly available information. The discussion of the information and factors considered and given weight by the Board is not intended to be exhaustive, but it is believed to include all material factors considered by the Board. In reaching the determination to approve and recommend the current base salaries of Orsu Metals' named executive officers, the Board did not assign any relative or specific weight to the factors which were considered, and the members may have given a different weight to each factor.

The Board will review and adjust the base salaries of our executive officers when deemed appropriate.

We intend to pay competitive base salaries required to recruit and retain executives of the quality that we must employ to ensure our success.

#### *Option-based awards*

Executive officers of the Corporation, as well as directors, employees and consultants (together the "**Optionees**"), are eligible to participate in the Corporation's Option Plan (as previously defined and described herein at Part 3 – The Business of the Meeting – Approval of Stock Option Plan). Stock option grants are an important part of the Corporation's incentive strategy permitting executive officers to share in any appreciation of the market value of the Corporation's shares over a stated period of time, and it is intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance, as measured through the price of the Corporation's shares, and enables executive officers to acquire a significant ownership position in the Corporation.

Management recommended the individual stock option allotments to the Board and the size of the grants are dependent on, among other things, each Optionees' level of responsibility, authority and importance to the Corporation and the degree to which such long-term contribution to the Corporation will be responsible for its long-term success. The Board also evaluate the number of options an Optionee has been granted, the exercise price of the options and the term remaining on those options when considering further grants.

The Board normally grants stock options to an executive officer when they first join the Corporation based on their level of responsibility. Additional grants may be made periodically to ensure that the number of options granted to any particular officer is commensurate with the officer's ongoing level of responsibility within the Corporation.

See "Outstanding Option-Based Awards" and "Incentive Plan Awards – Value vested or earned during the year" below, as well as Part 5 – Securities Authorized for Issuance under Equity Compensation Plans.

*Benefits and Perquisites*

Orsu Metals' named executive officers do not receive perquisites or benefits that are not generally available to all employees of Orsu Metals. All the Corporation's employees receive reimbursement for the use of personal vehicles for valid company business.

*Risk Oversight*

The Board is responsible for risk oversight and risk management in connection with the Corporation's compensation policies and practices. The Board has considered the risks relating to the compensation paid to the Corporation's executives, directors and other employees and has determined that the type and structure of the compensation does not present any risks that are reasonably likely to have a material adverse effect on the Corporation.

Directors and officers are prohibited from purchasing financial instruments (including prepaid variable forward contracts, equity swaps, and collars) that are designed to hedge or offset a decrease in the market value of the Corporation's equity securities that are granted as compensation or held, directly or indirectly, by a director or officer.

Summary Compensation Table

The following table provides a summary of the compensation earned by the NEOs for services rendered in all capacities during the fiscal years ended December 31, 2015, 2016 and 2017:

Name and Principal Position	Year	Salary (US\$)	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation Annual Incentive Plan (US\$)	All other Compensation (US\$)	Total Compensation (US\$)
<b>Dr. Sergey V. Kurzin</b> Executive Chairman	2017	\$94,821 <sup>(3)</sup>	N/A	\$71,479	Nil	Nil	\$166,300
	2016	\$202,140 <sup>(1)</sup>	N/A	Nil	Nil	\$8,822 <sup>(2)</sup>	\$210,963
	2015	\$235,572 <sup>(1)</sup>	N/A	\$25,333	Nil	\$9,909 <sup>(2)</sup>	\$270,814
<b>Sergei Stefanovich</b> Managing Director	2017	\$44,543 <sup>(3)</sup>	N/A	\$71,479	Nil	Nil	\$116,022
<b>Dr. Alexander S. Yakubchuk</b> Chief Operating Officer	2017	\$91,320	N/A	\$32,490	Nil	Nil	\$123,810
	2016	\$194,055 <sup>(1)</sup>	N/A	Nil	Nil	Nil	\$194,055
	2015	\$234,636 <sup>(1)</sup>	N/A	\$18,999	Nil	Nil	\$253,635
<b>Golden Oak Corporate Services Ltd.</b> Chief Financial Officer / Corporate Secretary	2017	\$115,612 <sup>(4)</sup>	N/A	\$51,984	Nil	Nil	\$167,596
	2016	\$29,577 <sup>(4)</sup>	N/A	Nil	Nil	Nil	\$29,577

**Notes:**

- (1) Drs. Kurzin and Yakubchuk were paid in British Pounds Sterling in each of 2015 and 2016. Their compensation has been stated in U.S. Dollars based on the average exchange rate for British Pounds Sterling to U.S. Dollars, which was GBPE/US\$ = 1.5136 for 2015 and GBPE/US\$ = 1.3476 for 2016.
- (2) The Corporation made aggregate contributions of GBP£6,547 to Dr. Kurzin's personal pension plan in each of 2015 and 2016. This compensation has been stated in U.S. Dollars based on the average exchange rates referred to in Note (1) above.
- (3) Dr. Kurzin and Mr. Stefanovich were paid in Euro in 2017. Their compensation has been stated in U.S. Dollars based on the average exchange rate for Euro to U.S. Dollars, which was EUR€/US\$ = 1.19786 for 2017.
- (4) Consulting fees are paid to Golden Oak Corporate Services Ltd., a company owned by Doris Meyer, which provides Doris Meyer's and Dan O'Brien's services to the Company. Ms. Meyer was appointed Corporate Secretary on October 26, 2016 and Mr. O'Brien was appointed CFO on December 30, 2016. Golden Oak is paid in Canadian Dollars that has been stated in U.S. Dollars based on the average exchange rate of the Bank of Canada for Canadian Dollars to U.S. Dollars which was CAD\$/US\$ = 0.7487 for 2016 and CAD\$/US\$ = 0.7704 for 2017.

Incentive Plan Awards

The following table provides details regarding outstanding NEO option-based and share-based awards, as applicable, as at December 31, 2017:

Name	Number of securities underlying unexercised options <sup>(1)</sup> (#)	Option exercise price (CAD\$) <sup>(2)</sup>	Expiration date	Aggregate Value of unexercised in-the-money options <sup>(2)</sup> (CAD\$)	Number of shares that have not vested (#)	Market value of share-based awards that have not vested (\$)	Market value of vested share-based awards not distributed (\$)
Dr. Sergey V. Kurzin	550,000	\$0.13	Sept. 21, 2022	\$19,250	Nil	Nil	Nil
Sergei Stefanovich	550,000	\$0.13	Sept. 21, 2022	\$19,250	Nil	Nil	Nil
Dr. Alexander S. Yakubchuk	300,000 250,000	\$0.20 \$0.13	Sept. 2, 2020 Sept. 21, 2022	Nil \$8,750	Nil Nil	Nil Nil	Nil Nil

**Notes:**

- (1) All of the options have fully vested.
- (2) All of the options were granted in Canadian Dollars, with each such option having an exercise price of CAD\$0.20 or \$0.13. Some of these options were in-the-money on December 31, 2017 based on the closing price of the Common Shares on the TSX-V of CAD\$0.165 on December 31, 2017.

**Termination and Change of Control Benefits**

All NEOs have consulting agreements with the Corporation as at December 31, 2017. Pursuant to the terms of each such agreement, each NEO's appointment is to continue for an indefinite period. The Corporation may terminate the agreements without "cause" at any time upon 10 days written notice of termination specifying the date of such termination. If the NEO is terminated without "cause" the Corporation shall pay the NEO, within 30 days of such termination an amount equal to six months of the service fee in effect at the time and payment of six months health insurance premiums in the case of each of Dr. Kurzin and Mr. Stefanovich and in the case of Dr. Yakubchuk payment of three months service fees and health insurance premiums.

The Board allows each director at the beginning of the year to elect to be paid 100% of their annual fees in cash or in shares or 50% in cash and 50% in Common Shares. Dr. Kurzin has opted to be paid his annual service fee of EUR€60,000 in cash and Mr. Stefanovich opted to be paid his annual service fee of EUR€60,000 as to 50% in cash and 50% in Common Shares. The Common Shares to be issued will be subject to approval by the TSX-V and will be priced at the closing price on the last trading day of December each year and issued within 3 business days after that.

With effect from March 1, 2017, Dr. Alexander Yakubchuk is now engaged as the Director of Exploration at the annual service fee (the "Service Fee") of US\$72,000. Dr. Yakubchuk will be entitled to three months Service fee in the event of termination without cause. Providing Dr. Yakubchuk continues to be engaged by the Corporation at the time of the publication of the Inferred Resource, the Corporation will pay Yakubchuk an additional discovery bonus fee of US\$100,000 for each 1 million ounces of gold included in an independently estimated Inferred Resource on the Sergeevskoe gold project in Russia (the "Bonus"). The Bonus will be payable by the Corporation within 30 days of the publication of the Inferred Resource.

**Golden Oak Corporate Services Ltd.**

On October 26, 2016, as amended December 15, 2016, the Corporation entered into a consulting agreement (the "GO Agreement") with Golden Oak Corporate Services Ltd. (the "Contractor"), a company owned by Doris Meyer, the Corporation's corporate secretary.

Pursuant to the GO Agreement, the Contractor provides the services of qualified personnel employed by the Contractor. On October 26, 2016, Doris Meyer was appointed by the Corporation to serve as the Corporate Secretary of the Corporation. On December 30, 2016, Dan O'Brien was appointed by the Corporation to serve as the Chief Financial Officer. The Contractor provides as an independent contractor to the Corporation accounting, financial, corporate and regulatory compliance services in consideration of an annual service fee of CAD\$150,000 (the "Annual Service Fee") plus applicable taxes. The Corporation reimburses the Contractor a share of reasonable office costs and expenses and all pre-approved travel and out-of-pocket expenses incurred by the Contractor in furtherance of or in connection with the business of the Corporation and its subsidiaries.

The GO Agreement shall continue for an indefinite term, unless otherwise terminated. The GO Agreement may be terminated by the Corporation for cause without notice or without cause at any time upon 90 days written notice of termination or payment in lieu of notice and reimbursement of any other amounts then due and owing. The GO Agreement may be terminated by the Contractor upon 60 days written notice to the Corporation provided that the Corporation may waive such notice, in which case the Contractor's services will terminate upon the Corporation giving such waiver. During the 60 day notice period, the Contractor will agree to perform its obligations to the Corporation if the Corporation requests such performance and will perform such obligations in the manner directed by the Corporation. On a defined change of control event, if the Corporation terminates the GO Agreement within one year of the change of control event, Contractor shall be paid an amount equal to one times the Annual Service Fee.

## Director Compensation

Until February 28, 2017, pursuant to the current director compensation program established by the Compensation Committee at the time, non-executive directors are each paid an annual retainer in the amount of GBP£18,000. No additional meeting fees are paid for the Board meetings or committee meetings attended. With effect from March 1, 2017, the non-executive directors are paid an annual retainer of US\$15,000 year. Directors are also reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or shareholder meetings and otherwise incurred in carrying out their duties as directors of the Corporation.

The Board allows each director at the beginning of the year to elect to be paid 100% of their annual fees in cash or in shares or 50% in cash and 50% in Common Shares. Dr. Kurzin has opted to be paid 100% cash. Messrs. Corra and Stefanovich opted for 50% in cash and 50% in Common Shares. Messrs. Rhodes and Pakhomov opted for 100% payment in Common Shares. The Common Shares to be issued will be subject to approval by the TSX-V and will be priced at the closing price on the last trading day of December each year and issued within 3 business days after that.

Directors may also receive options granted under the Option Plan as determined by the Board. Among other things, the Board considers the overall number of options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of options to directors and the size of such grants. The exercise price of such options is determined by the Board but shall in no event be less than the market price of the common shares on the day prior to the date on which the grant of the options is made.

Directors are also entitled to receive compensation to the extent that they have provided services other than in their capacity as a director or officer of the Corporation to the Corporation at rates that would otherwise be charged by such directors for such services to arm's length parties or less. During the financial year ended December 31, 2017, there were no additional fees paid to directors for such additional services.

### Director Summary Compensation Table

The following compensation table sets out the compensation paid to each of the Corporation's directors (who were not NEOs) during the year ended December 31, 2017:

Name	Fees earned (US\$)	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)	All other Compensation (US\$)	Total (US\$)
Mark Corra	\$15,000	NIL	NIL	N/A	N/A	\$15,000
David Rhodes	\$15,000	NIL	NIL	N/A	N/A	\$15,000
Vladimir Pakhomov	\$15,000	NIL	NIL	N/A	N/A	\$15,000

### Incentive Plan Awards

The following table provides details regarding the outstanding option-based and share-based awards, as applicable, held by individuals who acted as directors (and are not NEOs) during the year ended December 31, 2017 as at the year-end:

Name	Number of securities underlying unexercised options <sup>(1)</sup> (#)	Option exercise price (CAD\$) <sup>(2)</sup>	Expiration date	Aggregate Value of unexercised in-the-money options <sup>(2)</sup> (CAD\$)	Number of shares that have not vested (#)	Market value of share-based awards that have not vested (\$)	Market value of vested share-based awards not distributed (\$)
Mark Corra	150,000	\$0.20	Sept. 2, 2020	Nil	Nil	Nil	Nil
	100,000	\$0.13	Sept. 21, 2022	\$3,500	Nil	Nil	Nil
David Rhodes	150,000	\$0.13	Sept. 21, 2022	\$5,250	Nil	Nil	Nil
Vladimir Pakhomov	150,000	\$0.13	Sept. 21, 2022	\$5,250	Nil	Nil	Nil

#### Notes:

- (1) All of the options have fully vested.
- (2) All of the options were granted in Canadian Dollars, with each such option having an exercise price of CAD\$0.20 or \$0.13. Some of these options were in-the-money on December 31, 2017 based on the closing price of the Common Shares on the TSX-V of CAD\$0.165 on December 31, 2017.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table provides information as of December 31, 2017 with respect to securities that are authorized for issuance under the Option Plan:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by securityholders	3,325,000	CAD\$0.14	246,868
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>3,325,000</b>	<b>CAD\$0.14</b>	<b>246,868</b>

**AGGREGATE INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES OF THE CORPORATION OR ANY OF ITS SUBSIDIARIES**

As of the date of this Information Circular and at any time within 30 days prior to the date hereof, no executive officer, director, employee, or former executive officer, director or employee of the Corporation or any of its subsidiaries is or was indebted in respect of any purchase of securities or otherwise to the Corporation or any of its subsidiaries or to any other entity for which the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

**INDEBTEDNESS OF THE CORPORATION’S DIRECTORS AND EXECUTIVE OFFICERS AND OTHERS UNDER SECURITIES PURCHASE AND OTHER PROGRAMS**

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

**AUDIT COMMITTEE DISCLOSURE**

**COMPOSITION OF THE AUDIT COMMITTEE**

The following table provides information relating to each member of the Audit Committee, including his name, a description of whether he is (i) independent of Orsu Metals and (ii) financially literate, and a summary of his relevant education and experience.

<b>Name</b>	<b>Independent of Orsu Metals</b>	<b>Financially Literate</b>	<b>Relevant Education and Experience</b>
Mark Corra	Yes	Yes	Mr. Corra is currently a Director of Energold Drilling Corp., a drilling company in the mining and energy sectors, since June 2014 as well Sunridge Gold Corp., a junior exploration company, from July 2008 to December 2016 and at Uracon Resources Ltd, a junior uranium exploration company listed on the TSX-V, since May 2014. Prior to this Mr Corra was Senior VP Finance and CFO of B2Gold until April 2014. Mr Corra has extensive experience in finance, particularly with respect to the natural resource sector. A Chartered Professional Accountant, Certified Management Accountant, with a diploma in financial management from the British Columbia Institute of Technology. He has also acted as CFO for Consolidated Puma Minerals Corp., Victoria Resources Corp. and Consolidated Westview Resource Corp.

David Rhodes	Yes	Yes	Mr. Rhodes is the Managing Director at Endeavour Financial Ltd since 2004. His experience in the natural resource business spans more than twenty-five years, having arranged, structured and advised on over \$4.5 billion of resource related projects around the world. Mr Rhodes' career prior to joining Endeavour Financial Limited was at Standard Bank, Barclays Capital and Royal Bank of Scotland. At Standard Bank and Barclays Capital, he sourced, structured and syndicated finance for resource projects and companies on a global basis. Having lived and worked in London and New York, he has international experience with the CIS, North/South American, European and African markets. Mr. Rhodes is a member of the Institute of Financial Services and has a BSc (Hons) in Financial Services.
Vladimir Pakhomov	Yes	Yes	Mr. Pakhomov is a Managing Partner of Olympia Capital, an asset management and merchant banking firm specializing in investment opportunities primarily in Russia and CIS (2011 – present). He was the Investment Director with Onexim Group (2007 – 2010). He graduated Moscow Institute of International Relations and is CFA Charterholder. Mr. Pakhomov resides in Moscow and is fluent in Russian and English.

### Audit Committee Oversight

During the fiscal year ended December 31, 2017, all recommendations of the Audit Committee to nominate or compensate the external auditors were adopted by the Board of Directors.

### Pre-Approval Policies and Procedures

Included as part of the Audit Committee's charter is the responsibility of the Audit Committee to pre-approve all non-audit services to be provided to Orsu Metals by its external auditors.

### External Auditor Service Fees

The following tables summarize the fees paid to the former external auditor of the Corporation, PricewaterhouseCoopers LLP as auditor of Orsu Metals for the fiscal year ended December 31, 2016 and the current external auditor of the Corporation, Davidson & Company LLP for the fiscal year ended December 31, 2017

PricewaterhouseCoopers LLP		Davidson & Company LLP	
Service description	Fees 2016 GBP£	Service description	Fees 2017 CAD\$
Audit Fees	50,000	Audit Fees	50,000
Tax Fees	20,000	Tax Fees	-
<b>Total Fees</b>	<b>70,000</b>	<b>Total Fees</b>	<b>50,000</b>

## CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

### 1. PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of Orsu Metals Corporation (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- a) conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- b) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- c) ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- d) review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;

- e) select and monitor the independence and performance of the Corporation's external auditors (the "**Independent Auditors**"), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- f) provide oversight of related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part 3 of this Charter.

## 2. COMPOSITION AND MEETINGS

- a) The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the TSX and the AIM exchanges and all applicable securities regulatory authorities.
- b) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
- c) Each member of the Committee must be "independent" (as defined under *Multilateral Instrument 52-110 - Audit Committees* ("**MI 52-110**")).
- d) Each member of the Committee must, to the satisfaction of the Board, be "financially literate" (as defined under MI 52-110).
- e) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
- f) Unless otherwise agreed, notice of each meeting of the Committee, confirming the venue, time and date together with an agenda of items to be discussed and any supporting papers, shall be forwarded to each member of the Committee and any other person invited to attend, no fewer than five business days prior to the date of the meeting.
- g) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- h) If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- i) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- j) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- k) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- l) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, or other persons, from time to time, to attend at meetings of the Committee.
- m) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
- n) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Chair shall not have a casting vote on all matters in the event of an equality of votes. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members

of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

### **3. RESPONSIBILITIES**

#### **A. Financial Accounting and Reporting Process and Internal Controls**

- a) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with IFRS applicable to the relevant reporting period. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- b) The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.
- c) The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including annual and interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws prior to their being filed with the appropriate regulatory authorities.
- d) The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than disclosure addressed in paragraph 3 above, and must periodically assess the adequacy of those procedures.
- e) The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
- f) The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management, has taken to minimize such risks.
- g) The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
- h) The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
- i) The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls and auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- j) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former Independent Auditors.
- k) The Committee shall provide oversight to related party transactions entered into by the Corporation.

#### **B. Independent Auditors**

- a) The Committee shall recommend to the Board the Independent Auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation.
- b) The Committee shall recommend to the Board the compensation of the Independent Auditors and shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
- c) The Committee shall be directly responsible for the oversight of the Independent Auditors, including the resolution of disagreements between management of the Corporation and the Independent Auditors regarding financial reporting and the Independent Auditors shall report directly to the Committee.
- d) The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors to the Corporation and its subsidiary entities.
- e) The Committee shall monitor and assess the relationship between management and the Independent Auditors and



monitor, confirm, support and assure the independence and objectivity of the Independent Auditors.

- f) The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.
- g) The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit.
- h) The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.

**C. Reporting Responsibilities**

- a) The Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- b) The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

**D. Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

**4. AUTHORITY**

The Committee is authorised to:

- a) engage independent counsel and other advisors as it determines necessary to carry out its responsibilities;
- b) set and pay the compensation for any advisors employed by the Committee; and
- c) communicate directly with the internal auditors of the Corporation as well as with the Independent Auditors.

**STATEMENT OF CORPORATE GOVERNANCE**

The Board and management of the Corporation recognize that effective corporate governance practices are fundamental to the long-term success of the Corporation. Sound corporate governance contributes to shareholder value through increased confidence. The Board and management are committed to maintaining a high standard of corporate governance having regard to the suggestions contained in National Policy 58-201 - *Corporate Governance Guidelines* (the "**Guidelines**"), which establishes the basis for effective corporate governance. The Corporation's approach to corporate governance, with reference to the Guidelines, is outlined below in accordance with National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

**The Board of Directors**

The Board is currently comprised of five members, three of whom the Board has determined are "independent" directors within the meaning of NI 58-101.

Dr. Sergey V. Kurzin (who is also Executive Chairman) and Sergei Stefanovich (who is also Managing Director), are considered non-independent directors within the meaning of NI 58-101, as they are officers of the Corporation.

Mark Corra, David Rhodes and Vladimir Pakhomov are considered independent directors within the meaning of NI 58-101.

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the Board reviews its procedures from time to time to ensure that it can function independently of management. The Board and/or independent directors meet, as necessary, without management and/or non-independent directors present. Mr. Mark Corra acts as a lead director when required and provides leadership to the other independent directors. When conflicts do arise on the Board in respect of a proposed transaction, event or other matter, the interests of any director in such proposed transaction, event or matter are disclosed to the rest of the Board prior to any vote on the proposed transaction, event or matter. In light of the suggestions contained in NI 58-101, the Board intends to continue to convene meetings of independent directors in the future, at which non-independent directors and members of management are not in attendance as may be deemed necessary.

The following directors are presently a director of one or more other reporting issuers (or equivalent) in Canada or in another jurisdiction:

Director	Other Reporting Issuers
Mark Corra	Uracan Resources Ltd. Energold Drilling Corp.
Vladimir Pakhomov	Azarga Metals Corp.

### Board Mandate

There is currently no specific written mandate of the Board, other than that contained in corporate regulations or legislation to which the Board is subject in relation to the discharge of the directors' duties and standards of care.

In addition to those matters which must be approved by the Board by law, significant business activities and actions proposed to be taken by the Corporation are subject to Board approval.

Annual capital and operating budgets and significant changes thereto, long range plans, major changes in the organizational structure of the Corporation, annual financial statements, major acquisition and disposition transactions, major financing transactions involving the issuance of shares, debt securities and the like, major banking transactions, long term contracts with significant cumulative financial commitments, appointment of senior executive officers, benefit plans, stock option or other share-based compensation plans, issuance of stock options or other share-based compensation and succession plans are all subject to Board approval or, where appropriate, a duly authorized committee of the Board.

In addition, the Board is responsible for overseeing the strategic direction of the Corporation, monitoring the performance of the Corporation's assets and assessing opportunities for and risks affecting the Corporation's business and assessing means to effectively deal with same.

The Board does not have set dates for holding Board meetings, except meetings held to approve quarterly and annual accounts (when such accounts are not approved by written resolution). Other meetings are held as the needs of the Corporation's business require.

The Board does not currently have in place a formal program for succession planning; however, the Board is responsible for establishing and maintaining a succession plan for the Executive Chairman as well as overseeing the Corporation's overall execution of its succession planning. The Board will consider implementing a formal program for the Corporation as part of the development planning process.

### Position Descriptions

The Corporation has not developed written position descriptions for the Executive Chairman of the Corporation or the Chair of the Audit Committee. The members of the Audit committee are approved by the Board and the Chair of each of the Audit Committee is approved by the Board as well as the members.

The Audit Committee has a charter which outlines the responsibilities of that committee. The Chair of the Audit Committee is responsible for ensuring that the committee operates in accordance with its charter and leads the meetings of that committee. The Executive Chairman is responsible for the strategic development of the Corporation, including developing the objectives and strategies of the Corporation and its subsidiaries, examining major capital expenditures, identifying and executing acquisitions and dispositions of projects, leading geographic diversification initiatives, identifying and executing new business opportunities, and ensuring the timely and accurate disclosure of information. The Executive Chairman reports to the Board and all major matters are approved by the Board at meetings or by way of written resolution. The Executive Chairman may also make recommendations to the Board relating to remuneration policy, executive remuneration and the employment terms of the senior executive officers of the Corporation and on the roles and competencies required of executive director nominees.

The Corporation has not developed a written position description for the Managing Director. The Managing Director reports to the Executive Chairman and the Board, and the Board responds to and, if it considers it to be appropriate, approves, with such revisions as it may require, corporate objectives and recommended courses of action, which have been brought forward by the Managing Director and management. The Board and the Managing Director review, on a regular basis, the scope and limits of management's responsibilities and powers.

The Board has delegated to management (including the Executive Chairman, the Managing Director, the Chief Financial Officer and the Corporate Secretary) responsibility for meeting the Corporation's objectives, implementing approved strategic and operating plans, generally managing the Corporation's day to day business and cash flows, evaluating new business opportunities and compliance with regulatory requirements as they apply to the Corporation. In addition, management is tasked with preparing and recommending long-term strategic objectives, annual operating plans and budgets. The responsibilities of a Chief Executive Officer are undertaken by the Executive Chairman and the Managing Director together, and decisions are generally made jointly, other than with respect to certain responsibilities that are within the sole responsibility of the particular executive officer. For

example, in such capacity, the Executive Chairman is primarily responsible for the Corporation's strategic planning and the Managing Director is primarily responsible for the certification of the Corporation's financial reports.

### **Orientation and Continuing Education**

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

### **Ethical Business Conduct**

The Board has adopted a formal Code of Ethics and Business Principles for directors, officers and employees (the "Code"). A copy of the Code is available on SEDAR ([www.sedar.com](http://www.sedar.com)). The Board is responsible for safeguarding the Corporation's interests and assisting the Corporation's business development initiatives.

The Board does not formally monitor compliance with the Code. Management is expected to report any breaches of the Code to the Board. Additionally, the Code also provides a process by which actual or potential violations of its provisions are to be reported to the individual's manager or, if this is inappropriate, to the Corporation's legal counsel and confirms that there will not be any reprisals against an individual who does so in good faith.

All of the Corporation's employees, officers and directors are expected to comply with the Code.

When conflicts arise on the Board in respect of a proposed transaction, event or other matter, the interests of any director in such proposed transaction, event or matter are disclosed to the rest of the Board prior to any vote on the proposed transaction, event or matter.

### **Nomination of Directors**

The Board considers the skills and attributes that would be required of a new director. Current directors and senior management are requested to advise the Executive Chairman of potential candidates. Once candidates are identified, the Executive Chairman, alone or with other directors, interviews the individuals and advises the Board the results of the interviews and makes a recommendation on a candidate to the Board for its approval.

The Board seeks to select well-qualified candidates with a diversity of background, experience and geographic location to maintain a well-balanced and highly competent group of directors with the ability to act together effectively. The Board is responsible for implementing orientation and education programs for new members of the Board and implementing procedures for assessing the effectiveness of the Board and its committees and for assessing the contribution of each of the Corporation's directors.

### **Committees**

Given the size of the Board, the Board has no committees other than the Audit Committee.

### **Assessments**

The Board is collectively responsible for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors as it relates to the Board's mandate and the Corporation's goals.

The Board is also responsible for the examination of the size of the Board with a view to determining the impact of the number upon effectiveness and to undertake where appropriate, a program to reduce or enlarge the number of directors to a number which facilitates more effective decision-making.

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

No person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last completed financial year, and no proposed director of the Corporation, nor any associate or affiliate of any such director,

executive officer or proposed director has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Information Circular.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No director, executive officer, proposed director, any person or company beneficially owning, controlling or directing, directly or indirectly (or a combination thereof), Common Shares carrying more than ten percent of the voting rights of the Common Shares, any directors or executive officers of such shareholders, or any associate or affiliate of the foregoing persons, have had a material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries.

#### **MANAGEMENT CONTRACTS**

The management functions of the Corporation and its subsidiaries are performed by the directors and/or executive officers of the Corporation and its subsidiaries, as applicable, and not, to any substantial degree, by any other person. See "*Executive and Director Compensation - Termination and Change of Control Benefits*" above.

#### **OTHER MATTERS TO BE ACTED ON**

Management of the Corporation is unaware of any matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. **However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote in respect of any such matters in accordance with their best judgment.**

#### **ADDITIONAL INFORMATION**

You may obtain additional financial information about Orsu Metals in our Financial Statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2017, by completing the enclosed Financial Statement Request Form, which is being mailed with this Information Circular. Copies may be obtained without charge upon request to us at Unit 1 – 15782 Marine Drive, White Rock, B.C. Canada V4B 1E6 - telephone (604) 536-2711; fax (604) 536-2788. You may also access our disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) or the Corporation's website at [www.orsumetals.com](http://www.orsumetals.com).

#### **BOARD APPROVAL**

The contents of this Information Circular have been approved, and its mailing has been authorized by the Board.

Dated at White Rock, British Columbia, this 25<sup>th</sup> day of May, 2018.

**ON BEHALF OF THE BOARD,**

*/s/ Sergey V. Kurzin*

Dr. Sergey V. Kurzin,

**Executive Chairman and Director**