



# Eurasian Minerals Inc.

## MANAGEMENT INFORMATION CIRCULAR

(As at March 27, 2015 (the “**Record Date**”), and in Canadian dollars, except where indicated)

### PERSONS MAKING THIS SOLICITATION OF PROXIES

This Management Information Circular (“**Circular**”) is provided in connection with the solicitation by the management of Eurasian Minerals Inc. (the “**Corporation**”) of proxies (“**Proxies**”) from registered shareholders and voting instruction forms (“**VIFs**”) from the beneficial shareholders (collectively, “**Shareholders**”) of common shares without par value of the Corporation (“**Common Shares**”) in respect of the annual general meeting of Shareholders (the “**Meeting**”) to be held at the time and place and for the purposes set out in the notice of meeting (the “**Notice of Meeting**”).

Although it is expected that the solicitation of Proxies and VIFs will be primarily by mail, Proxies and VIFs may also be solicited personally or by telephone, facsimile or other solicitation services. The costs of the solicitation of Proxies and VIFs will be borne by the Corporation.

The Corporation has given notice of the Meeting in accordance with the “Notice and Access” procedures of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian securities administrators (“**NI 54-101**”). In accordance with NI 54-101, the Corporation has sent the Notice of Meeting and the Proxy or VIF, but not this Circular, directly to its registered Shareholders. Instead of mailing this Circular to Shareholders, the Corporation has posted the Circular on its website pursuant to the “Notice and Access” procedures of NI 54-101. Shareholders may request a paper copy of this Circular be sent to them by contacting the Corporation as set out under “Additional Information” at the end of this Circular.

Pursuant to NI 54-101, arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries, banks, trust companies, trustees and their agents, nominees and other intermediaries (“**Intermediaries**”) to forward the Notice of Meeting and a VIF the unregistered (beneficial) owners of the Common Shares held of record by Intermediaries that have consented to allow their addresses to be provided to the Corporation (“**NOBOs**”). The Corporation may reimburse the Intermediaries for reasonable fees and disbursements incurred by them in doing so.

The Corporation does not intend to pay Intermediaries to forward the Notice of Meeting and VIF to those beneficial Shareholders that have refused to allow their address to be provided to the Corporation (“**OBOs**”). Accordingly, OBOs will not receive the Notice of Meeting and VIF unless their respective Intermediaries assume the cost of forwarding such documents to them.

None of the directors of the Company have informed the Company’s management in writing that they intend to oppose the approval of any of the matters set out in the Notice of Meeting.

## REGISTERED SHAREHOLDERS

Only persons registered as Shareholders in the Corporation's Central Security Register maintained by its registrar and transfer agent or duly appointed proxyholders of registered Shareholders ("Proxyholders") will be recognized, make motions or vote at the Meeting.

## BENEFICIAL SHAREHOLDERS

**The information set forth in this section is of significant importance as many Shareholders do not hold Common Shares in their own name.**

If Common Shares are listed in an account statement provided to a Shareholder (a "**Beneficial Shareholder**") by a broker, those Common Shares, in all likelihood, will **not** be registered in the Shareholder's name. It is more likely that such Common Shares will be registered under the name of an Intermediary. Common Shares held by Intermediaries on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting shares for the Beneficial Shareholders. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

As provided for NI 54-101, the Corporation has elected to obtain a list of its NOBOs from Intermediaries, and deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable VIF instead of a Proxy. A VIF enables a Shareholder to provide instructions to the registered holder of its Common Shares as to how those shares are to be voted at the Meeting and allows the registered Shareholder of those Common Shares to provide a Proxy voting the Common Shares in accordance with those instructions. VIFs should be completed and returned in accordance with its instructions. As indicated in the VIF, Internet voting is also allowed. The results of the VIFs received from NOBOs will be tabulated and appropriate instructions respecting voting of Common Shares to be represented at the Meeting will be provided to the registered Shareholders.

The forms of VIF requesting voting instructions supplied to Beneficial Shareholders are substantially similar to the Proxy provided directly to the registered Shareholders by the Corporation, however, their purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. A VIF has its own return instructions, which should be carefully followed by Beneficial Shareholders to ensure their Common Shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from OBOs to Broadridge Investor Communications in Canada and the United States of America. Broadridge prepares a machine-readable VIF, mails the VIFs and other proxy materials for the Meeting to OBOs and asks them to return the VIFs to Broadridge. It then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

**A Beneficial Shareholder may use their VIF to vote their own Common Shares directly at the Meeting if the Beneficial Shareholder inserts their own name as the name of the person to represent them at the Meeting. The VIF must be returned to Computershare, Broadridge or other Intermediary well in advance of the meeting in order to have the Common Shares voted. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

Shareholders with any questions respecting the voting of Common Shares held through a broker or other Intermediary, should contact that broker or other Intermediary for assistance.

## UNITED STATES SHAREHOLDERS

This solicitation of Proxies and VIFs involves securities of a company located in Canada and is being effected in accordance with the corporate and securities laws of the province of British Columbia, Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Corporation or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of British Columbia, Canada differ from the disclosure and proxy solicitation requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Business Corporations Act* (British Columbia), some of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign Corporation or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign Corporation and its officers and directors to subject themselves to a judgment by a United States court.

## APPOINTMENT OF PROXYHOLDERS AND COMPLETION AND REVOCATION OF PROXIES AND VIFs

Only persons registered as Shareholders in the Corporation's Central Security Register maintained by its registrar and transfer agent or duly appointed proxyholders of registered Shareholders will be recognized or may make motions or vote at the Meeting.

The persons named (the "**Management Designees**") in the Proxy or VIF have been selected by the board of directors of the Corporation (the "**Board**") and have agreed to represent as Proxyholder the Shareholders appointing them.

**A Shareholder has the right to designate a person (who need not be a Shareholder and, for a VIF, can be the appointing Shareholder) other than the Management Designees as their Proxyholder to represent them at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Proxy or VIF the name of the person to be designated and by deleting therefrom the names of the Management Designees or, if the Shareholder is a registered Shareholder, by completing another proper form of Proxy and delivering the Proxy or VIF in accordance with its instructions.** Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as Proxyholder and provide instructions on how their Common Shares are to be voted. The nominee should bring personal identification with them to the Meeting.

A Shareholder may indicate the manner in which the Proxyholders are to vote on behalf of the Shareholder, if a poll is held, by marking an "X" in the appropriate space of the Proxy. **If both spaces are left blank, the Proxy will be voted as recommended by management for any matter requiring a "For" or "Against" vote, and in favour of the matter for any matter requiring a "For" or "Withhold" vote.**

**The Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting.** As at the date of this Circular, the Company's management is not aware that any amendments or variations are to be presented at the Meeting. If any amendments or variations to such matters should properly come before the Meeting, the Proxies hereby solicited will be voted as recommended by management.

To be valid, the Proxy or VIF must be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy or VIF). The completed Proxy or VIF must then be returned in accordance with its instructions. Proxies (but not VIFs, unless the VIF has Computershare's name and address on the top right corner of the first page) and proof of authorization can also be delivered to the Corporation's transfer agent, Computershare Investor Services Inc. (Attn: Proxy Department), by fax within North America at 1-866-249-7775, outside North America at (+1) 416-263-9524, by mail to 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Canada or by hand delivery to 2<sup>nd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Proxies and VIFs received after that time may be accepted or rejected by the Chairman of the Meeting in the Chairman's discretion, and the Chairman is under no obligation to accept or reject late Proxies.

A Proxy will be revoked by a Shareholder personally attending at the Meeting and voting their Common Shares or the Shareholder may revoke their Proxy in respect of any matter upon which a vote has not already been cast pursuant to the authority conferred by the Proxy. A Proxy may also be revoked by depositing an instrument in writing (which includes an Proxy bearing a later date) executed by the Shareholder or by their authorized attorney in writing, or, if the Shareholder is a company, under its corporate seal by an officer or attorney thereof duly authorized, either at the office of the transfer agent at one of Computershare's addresses set out above or the registered office of the Corporation at Northwest Law Group (Attn: Michael F. Provenzano), Suite 704, 595 Howe Street, Vancouver, British Columbia V6C 2T5, Canada or by fax to (+1) 604-687-6650) or to the Corporation's head office (Eurasian Minerals Inc. (Attn: Valerie Barlow) at Suite 501, 543 Granville Street, Vancouver, British Columbia V6C 1X8, Canada or by fax to (+1) 604-688-1157), at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or by depositing the instrument in writing with the Chairman of such Meeting, or any adjournment thereof. VIFs may only be revoked in accordance with their specific instructions.

### **VOTING OF PROXIES AND VIFS**

Voting at the Meeting will be by a show of hands, each registered Shareholder and each Proxyholder having one vote, unless a poll is required (if the number of Common Shares represented by Proxies and VIFs that are to be voted against a motion are greater than 5% of the votes that could be cast at the Meeting) or requested, whereupon each registered Shareholder and Proxyholder is entitled to one vote for each Common Share held or represented, respectively.

Each Shareholder may instruct their Proxyholder how to vote their Common Shares by completing the blanks on the Proxy or VIF. All Common Shares represented at the Meeting by properly executed Proxies and VIFs will be voted or withheld from voting when a poll is required or requested and, where a choice with respect to any matter to be acted upon has been specified in the Proxy or VIF, such Common Shares will be voted in accordance with such specification. **In the absence of any such specification on the Proxy or VIF as to voting, the Management Designees, if named as Proxyholder, will vote in favour of the matters set out therein.**

**The Proxy or VIF confers discretionary authority upon the Management Designees, or other person named as Proxyholder, with respect to amendments to or variations of matters identified in the Notice of Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting.**

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an “**ordinary resolution**”) unless the motion requires a “**special resolution**” in which case a majority of 66-2/3% of the votes cast will be required.

### QUORUM

The Articles of the Corporation provide that a quorum for the transaction of business at any meeting of Shareholders shall be two Shareholders present in person or represented by Proxy.

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares, which are the only shares entitled to be voted at the Meeting. As at the Record Date, the Corporation had 73,419,710 Common Shares issued and outstanding. Shareholders are entitled to one vote for each Common Share held.

To the knowledge of the directors and executive officers of the Corporation, no person, firm or company beneficially owned, or exercised control or direction over directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the Common Shares as at the Record Date except as indicated below:

| Name             | Number of Common Shares Owned or Controlled at the Record Date | Percentage of Outstanding Common Shares |
|------------------|--|---|
| Paul H. Stephens | 7,761,647  | 10.4%                                   |

### STATEMENT OF EXECUTIVE COMPENSATION

Unless otherwise noted the following information is for the Corporation’s last completed financial year (which ended December 31, 2014) and, since the Corporation has subsidiaries, is prepared on a consolidated basis.

#### Named Executive Officers

For the purposes of this Circular, a Named Executive Officer (“**NEO**”) means each of the following individuals:

- (a) the chief executive officer (“**CEO**”) of the Corporation;
- (b) the chief financial officer (“**CFO**”) of the Corporation; and
- (c) each of the Corporation’s three most highly compensated executive officers, or individuals acting in a similar capacity, other than the CEO and CFO, during the most recently completed financial year if their individual total compensation was more than \$150,000 for that financial year.

#### Compensation Discussion and Analysis

The Compensation Committee of the Board is responsible for ensuring that the Corporation has appropriate procedures for executive compensation and making recommendations to the Board with

respect to the compensation of the Corporation's executive officers. The Compensation Committee's mandate is to ensure that total compensation paid to all executives is fair and reasonable and is consistent with the Corporation's compensation philosophy.

The Compensation Committee is also responsible for recommending compensation for the directors and officers, stock options grants to the directors, officers, employees and consultants pursuant to the Corporation's Stock Option Plan (the "**Option Plan**") and issuances of Common Shares to directors and officers pursuant to the Corporation's Incentive Stock Grant Program (the "**Stock Grant Program**").

The Compensation Committee is currently comprised of Brian Bayley (Chairman), Brian Levet, and Larry Okada, all of whom are independent directors. The board is satisfied that the composition of the Compensation Committee ensures an objective process for determining compensation.

### *Philosophy*

The philosophy used by the Board and the Compensation Committee in determining compensation is that the compensation should (i) assist the Corporation in attracting and retaining high caliber executives, (ii) align the interests of executives with those of the Shareholders, (iii) reflect the executive's performance, expertise, responsibilities and length of service to the Corporation, and (iv) reflect the Corporation's current state of development, performance and financial status.

### *Compensation Components*

The compensation of the NEOs (as well as for other senior management and employees) is comprised primarily of (i) base salary, (ii) annual short-term incentives in the form of cash bonuses and stock grants under the Stock Grant Program, (iii) long-term incentives in the form of stock grants and stock options granted in accordance with the Option Plan and the Stock Grant Program, respectively, and (iv) benefits related to health and pension plans, such as United States 401(k) plans.

To be competitive with industry rates, the Corporation may provide additional compensation from time to time in the form of stock grants as part of annual salaries. The Stock Grant Program assists the Corporation in employee retention and cash preservation, while encouraging Common Share ownership and entrepreneurship on the part of its executives (as well as the Board, and management and other employees of the Corporation). The Compensation Committee believes that annual and long term stock grant awards align the interests of such persons with the interests of Shareholders by linking a component of compensation to the longer term performance of the Common Shares.

To date, no formulas have been developed to assign a specific weighting to each of these components. Instead, the Compensation Committee considers the Corporation's performance and, based on its assessment, recommends appropriate compensation levels to the Board. In establishing levels of cash and equity-based compensation, the executive's performance, level of expertise, responsibilities, length of service to the Corporation and comparable levels of remuneration paid to executives of other companies of comparable size and development within the mining exploration and development industries are considered as well as taking into account the financial and other resources of the Corporation.

In March 2015, the Compensation Committee retained the services of McDowall Associates Human Resource Consultants Ltd. ("**McDowall**"), a North American external compensation consultant headquartered in Toronto, Ontario, to provide an independent review of the compensation paid by the Corporation to its CEO and CFO. McDowall benchmarked the Corporation's compensation arrangements against a peer group of companies that included a mix of royalty companies and exploration companies with assets greater than \$30 million and less than \$450 million to reflect the Company's current business

operations. McDowall used total assets as the primary determinate of company size because it is more stable over time than either revenue or market capitalization. The peer group of companies consisted of:

|                                |                                    |
|--------------------------------|------------------------------------|
| Almaden Minerals Limited       | Altius Minerals Corporation        |
| Callinan Royalties Corporation | Gold Standard Ventures Corporation |
| Midway Gold Corporation        | Mirasol Resources Limited          |
| Osisko Gold Royalties Limited  | Pilot Gold Inc.                    |
| Panoro Minerals Limited        | Sandstorm Gold Limited             |
| Seabridge Metals Limited       | Strategic Metals Limited           |

In addition to the peer group analysis, McDowall compared CEO and CFO compensation against a broad group of 90 mining companies and 12 large mining companies. With respect to the broad group of 90 mining companies, direct comparisons were made to CEO and CFOs, while for the 12 large mining companies, comparisons were made to an executive one or two levels below the CEO.

McDowall compared base salary, total cash (base salary + bonuses) and total direct compensation (total cash + long term incentives). In making this comparison, McDowall used an average of the peer group companies and the broad group of 90 mining companies to establish a benchmark for comparison (“**Benchmark Companies**”).

McDowall concluded that the cash base salary of the CEO is higher than the Benchmark Companies average and below the large mining group. It also concluded, respect to total cash and total direct compensation, that the Corporation’s CEO is comparable to the Benchmark Companies average and substantially below the large mining group. It should be noted that the CEO’s cash salary is paid in US dollars but converted to Canadian dollars for reporting purposes. The Canadian equivalent was used in the comparison to the Benchmark Companies. The higher base salary of the CEO to the Benchmark Companies is partly attributable to the decline in the Canadian dollar against the US dollar in 2014.

McDowall concluded that the base salary, total cash, and total direct compensation for the CFO was below the Benchmark Companies and substantially below the larger mining group of companies.

In the Corporation’s last two financial years, McDowall has not provided any other services to the Corporation or its affiliates.

The fees charged by McDowall during the Corporation’s 2014 and 2013 financial years were as follows:

| Nature of Fee                       | 2014    | 2013 |
|-------------------------------------|---------|------|
| Executive Compensation-Related Fees | \$9,040 | Nil  |
| All Other Fees                      | Nil     | Nil  |

The Compensation Committee also relies on the experience of its members as officers and directors at other companies in similar lines of business as the Corporation in assessing compensation levels. The other companies of which they are currently a director are identified under the heading “Disclosure of Corporate Governance Practices – Other Directorships” of this Circular. The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar business characteristics;

- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

### *Base Salary*

The Compensation Committee recommends, and the Board establishes, the NEO's salary. The base salary review for each NEO is based on assessment of factors such as changes to competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Using this information, together with budgetary guidelines and other internally and externally generated planning and forecasting tools, the Compensation Committee performs an annual assessment of the compensation of the CEO and CFO. The Corporation did not increase the base salaries of the CEO and CFO for 2013 and 2014 and do not have base salary increases planned for 2015.

### *Annual Bonuses*

Annual bonuses are made by way of cash bonuses and the issuance of stock grants based, in part, on the Corporation's success in reaching its annual objectives and in part on individual performance and extraordinary effort and achievement. Also, the Corporation may utilize bonuses to encourage retention of its staff during periods of increased industry competition for its executive officers and other employees.

The Board, together with the Compensation Committee, reviews corporate performance objectives during the year to determine annual bonuses. In 2014, the principal performance factors and objectives included:

- Exploration success;
- Acquisition of new properties;
- Sale and joint venture of properties;
- Royalty creations and acquisitions;
- Capital management;
- Successful management of the Corporation's environmental, community, and safety objectives;
- Increasing market capitalization; and
- Management of human resources.

The success of the NEOs' contributions to the Corporation in reaching its overall goals is a factor in the determination of their annual incentive. The Compensation Committee assesses each NEO's performance on the basis of his or her respective contribution to the achievement of corporate goals as well as to needs of the Corporation that arise on a day-to-day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board with respect to the determination of annual incentives for the NEOs.

Although a number of the corporate performance objectives were achieved, the Corporation did not grant any annual bonuses by way of cash or stock grants to NEOs for 2014.

#### *Long-Term Incentives*

Stock Options are generally granted on an annual basis subject to the imposition of trading black-out periods, in which case options scheduled for grant will be granted subsequent to the end of the black-out period. All options granted to NEOs are recommended by the Compensation Committee and approved by the Board. In monitoring stock option grants, the Compensation Committee takes into account the level of options granted by comparable companies for similar levels of responsibility and considers each NEO or employee based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to Shareholder value.

To determine the number of Common Shares issuable under options granted pursuant to the methodology outlined above, the Compensation Committee also makes the following determinations:

- the exercise price for each option granted;
- the date on which each option is granted;
- the vesting terms for each stock option; and
- the other materials terms and conditions of each stock option grant.

The Compensation Committee makes these determinations subject to, and in accordance with, the provision of the Option Plan. The Corporation granted stock options in April 2014.

## Summary Compensation Table

The following table contains a summary of the compensation paid to the NEOs during the three most recently completed financial years.

| Name and principal position                                      | Year Ended Dec. 31 | Salary (\$)            | Share-based awards (\$) | Option-based awards (\$) | Non-equity incentive plan compensation |                                | Pension value (\$) | All Other Compensation (\$) | Total Compensation (\$) |
|--|--------------------|------------------------|-------------------------|--------------------------|--|--------------------------------|--------------------|-----------------------------|-------------------------|
|  |                    |                        |                         |                          | Annual incentive plans (\$)            | Long term incentive plans (\$) |                    |                             |                         |
| David M. Cole<br>President & CEO                                 | 2014               | 464,040 <sup>(1)</sup> | 41,648 <sup>(4)</sup>   | 81,000 <sup>(5)</sup>    | Nil                                    | Nil                            | 12,065             | Nil                         | 598,753                 |
|  | 2013               | 427,772 <sup>(2)</sup> | 174,890 <sup>(4)</sup>  | Nil                      | Nil                                    | Nil                            | 17,110             | Nil                         | 619,772                 |
|  | 2012               | 385,524 <sup>(3)</sup> | 370,059 <sup>(4)</sup>  | 79,720 <sup>(6)</sup>    | Nil                                    | Nil                            | 15,421             | Nil                         | 850,724                 |
| Christina Cepeliauskas <sup>(8)(9)</sup><br>CFO                  | 2014               | 86,520                 | 9,087 <sup>(4)</sup>    | 29,700 <sup>(5)</sup>    | Nil                                    | Nil                            | Nil                | Nil                         | 125,307                 |
|  | 2013               | 86,520                 | 35,126 <sup>(4)</sup>   | Nil                      | Nil                                    | Nil                            | Nil                | Nil                         | 121,646                 |
|  | 2012               | 86,520                 | 66,797 <sup>(4)</sup>   | 49,825 <sup>(6)</sup>    | Nil                                    | Nil                            | Nil                | 15,900 <sup>(7)</sup>       | 219,042                 |
| M. Stephen Enders <sup>(10)(11)</sup><br>Chief Operating Officer | 2014               | 232,020 <sup>(1)</sup> | 15,144 <sup>(4)</sup>   | 48,600 <sup>(5)</sup>    | Nil                                    | Nil                            | 9,280              | Nil                         | 305,044                 |
|  | 2013               | 267,358 <sup>(2)</sup> | 65,479 <sup>(4)</sup>   | Nil                      | Nil                                    | Nil                            | 10,694             | Nil                         | 343,531                 |
|  | 2012               | 273,597 <sup>(3)</sup> | 195,570 <sup>(4)</sup>  | 39,860 <sup>(6)</sup>    | Nil                                    | Nil                            | 10,984             | Nil                         | 589,570                 |

- (1) As Messrs. Cole and Enders are paid in U.S dollars, the salaries were converted to Canadian dollars on December 31, 2014 at \$1.1601.
- (2) As Messrs. Cole and Enders are paid in U.S dollars, the salaries were converted to Canadian dollars on December 31, 2014 at \$1.0694.
- (3) As Messrs. Cole and Enders are paid in U.S dollars, the salaries were converted to Canadian dollars on December 31, 2014 at \$0.9638.
- (4) The “grant date fair value” of share based awards granted was determined by using the closing market price of Common Shares on the date of grant. The share based awards will be issued in three equal installments over a two year period.
- (5) The “grant date fair value” of options granted during the year ended December 31, 2014 was determined by using the Black-Scholes model, as described below, and the following weighted average assumptions: stock price – \$1.20 exercise price - \$1.20, an option life of 5 years, a risk-free interest rate of 1.5% and a volatility of 51.75%.
- (6) The “grant date fair value” of options granted during the year ended December 31, 2012 was determined by using the Black-Scholes model, as described below, and the following weighted average assumptions: stock price – \$1.20 exercise price - \$1.20, an option life of 5 years, a risk-free interest rate of 1.2% and a volatility of 60.28%.
- (7) Discretionary cash bonus related to 2011.
- (8) Pursuant to a Management Services Agreement between the Corporation and Seabord Services Corp., Ms. Cepeliauskas’ remuneration is paid by Seabord. See “Management Contracts” for a description of the material terms of the Management Services Agreement.
- (9) Since the Corporation’s CFO is employed by Seabord, the amounts disclosed include any compensation paid by the management company for services rendered to the Corporation as a CFO. Such compensation has been attributed to the Corporation on the basis of the work commitments to the Corporation.
- (10) Mr. Enders resigned as Executive Chairman and was appointed Chief Operating Officer on May 23, 2012.
- (11) Mr. Enders ceased to be Chief Operating Officer and as a director of the Company on March 8, 2015.

The Corporation has calculated the “grant date fair value” amounts in the “Option-based Awards” column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating

the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. Stock options that are well “out-of-the-money” can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an “in-the-money” option value calculation. The total compensation shown in the last column is the total compensation of each NEO reported in the other columns. The value of the “in-the-money” options currently held by each NEO (based on share price less option exercise price) is set forth in the “Value of Unexercised in-the-money Options” column of the “Outstanding Share-Based and Option-based Awards” table below.

See “Employment and Consulting Agreements” for a description of the material terms of the employment and consulting agreements with the NEOs.

### Incentive Plan Awards

#### *Outstanding Share-Based and Option-Based Awards held by NEOs*

The following table sets out, for each NEO, the incentive stock options to purchase Common Shares (option-based awards) held as of December 31, 2014. The closing price of the Common Shares on the TSX-V on December 31, 2014 was \$0.88.

| Name                                       | Option-based Awards   |                                      |                                |  | Share-based Awards   |  |   |
|--|---|--------------------------------------|--------------------------------|--|--|--|---|
|  | Number of securities underlying unexercised options (vested-unvested) | Option exercise price (\$ per share) | Option expiration date (m/d/y) | Value of unexercised “in-the-money” options (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) | Market or Payout Value of Shares vested but not paid out (\$) |
| David M. Cole<br>CEO                       | 150,000   | 1.20                                 | 4/25/2019                      | 0  | 0  | 0  | 0   |
|  | 80,000  | 1.94                                 | 8/22/2016                      | 0  | 0  | 0  | 0   |
|  | 200,000   | 2.80                                 | 7/19/2016                      | 0  | 0  | 0  | 0   |
|  | 200,000   | 2.18                                 | 5/7/2015                       | 0  | 0  | 0  | 0   |
| Christina<br>Cepeliauskas<br>CFO           | 55,000  | 1.20                                 | 4/25/2019                      | 0  | 0  | 0  | 0   |
|  | 50,000  | 1.94                                 | 8/22/2016                      | 0  | 0  | 0  | 0   |
|  | 75,000  | 2.80                                 | 7/19/2016                      | 0  | 0  | 0  | 0   |
|  | 75,000  | 2.18                                 | 5/7/2015                       | 0  | 0  | 0  | 0   |
| M. Stephen<br>Enders <sup>(1)</sup><br>COO | 90,000  | 1.20                                 | 4/25/2019                      | 0  | 0  | 0  | 0   |
|  | 40,000  | 1.94                                 | 8/22/2016                      | 0  | 0  | 0  | 0   |
|  | 100,000   | 2.80                                 | 7/19/2016                      | 0  | 0  | 0  | 0   |
|  | 100,000   | 2.18                                 | 5/7/2015                       | 0  | 0  | 0  | 0   |

(1) Mr. Enders ceased to be Chief Operating Officer and a Director of the Company on March 8, 2015.

The Compensation Committee’s approach to recommending options to be granted is consistent with prevailing practice in the mineral exploration industry. Grants of options depend on the length of service of the NEO. There are, therefore, no formulae followed or performance goals or significant conditions

which must be met before options will be granted. Options are always granted at the prevailing market price of the Common Shares.

*Value of Share-Based and Option-Based Awards Vested or Earned During the Year by NEOs*

The following table sets forth, for each NEO, the values of all incentive plan awards which vested or were earned during the year ended December 31, 2014.

| Name & Position                         | Value vested during the year |                            |  |
|---|------------------------------|----------------------------|--|
|   | Option-based awards<br>(\$)  | Share-based awards<br>(\$) | Value earned during the year<br>Non-equity incentive plan<br>compensation awards<br>(\$) |
| David M. Cole<br>CEO                    | 0                            | 0                          | Nil  |
| Christina Cepeliauskas<br>CFO           | 0                            | 0                          | Nil  |
| M. Stephen Enders <sup>(1)</sup><br>COO | 0                            | 0                          | Nil  |

(1) Mr. Enders ceased to be Chief Operating Officer and a Director of the Company on March 8, 2015.

*Defined Contribution Plans*

The following table sets forth the particulars of the defined contribution plan for NEOs during the Corporation's last completed financial year.

| Name                                    | Accumulated value<br>at<br>start of year | Compensatory<br>(\$) | Accumulated value at<br>year end<br>(\$) |
|---|--|----------------------|--|
| David M. Cole<br>CEO                    | 0  | 12,065               | 12,065                                   |
| Christina Cepeliauskas<br>CFO           | 0  | 0                    | 0  |
| M. Stephen Enders <sup>(1)</sup><br>COO | 0  | 9,280                | 9,280                                    |

(1) Mr. Enders ceased to be Chief Operating Officer and a Director of the Company on March 8, 2015.

**Employment and Consulting Agreements**

*Chief Executive Officer*

The Corporation is a party to an employment agreement with David M. Cole, President and CEO of the Corporation, effective October 1, 2010. Under the agreement, Mr. Cole receives US\$400,000 per year. The agreement may be terminated by the Corporation without reason by written notice and a lump sum payment equal to 12 months of salary and benefits. Mr. Cole may terminate the agreement for any reason

upon two months notice to the Corporation during which time he will continue to receive his usual remuneration and benefits.

If Mr. Cole’s agreement is terminated or his duties and responsibilities are materially changed within 12 months following a change in control of the Corporation, he is entitled to receive a lump sum payment equal to 12 months of his salary and benefits and all unvested stock options and grants.

#### *Chief Operating Officer*

The Corporation was a party to an employment agreement with M. Stephen Enders, Chief Operating Officer of the Corporation, effective October 1, 2010. Under the agreement, Mr. Enders received US\$200,000 per year. Mr. Enders ceased to be Chief Operating Officer on March 8, 2015 and the position was eliminated. In consideration thereof, Mr. Enders shall receive a lump sum payment equal to 12 months of his salary and benefits. Mr. Enders will continue with the Company as a consultant and a member of the advisory board.

#### *Other Named Executive Officers*

The Corporation has not entered into another employment or consulting contracts with its other NEOs.

#### **Pension Plan Benefits**

For the officers and employees in the United States, the Corporation pays 4% of the annual salary each year to the officer or employees’ 401(k) retirement plan effective January 1, 2012.

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

Other than described above under “Employment and Consulting Agreements”, the Corporation does not have written contracts with any of its NEOs respecting the resignation, retirement or other termination of employment resulting from a change of control.

#### **Director Compensation**

The following table describes director compensation for directors (other than the NEOs) for the year ended December 31, 2014.

| Name                            | Fees <sup>(1)</sup><br>earned<br>(\$) | Awards              |                                     | Non-equity<br>incentive plan<br>compensation<br>(\$) | Pension<br>value<br>(\$) | All other<br>Compensation<br>(\$) | Total<br>(\$) |
|---------------------------------|---------------------------------------|---------------------|-------------------------------------|--|--------------------------|-----------------------------------|---------------|
|                                 |                                       | Share-based<br>(\$) | Option-based <sup>(2)</sup><br>(\$) |  |                          |                                   |               |
| Brian E. Bayley                 | 24,000                                | 0                   | 27,000                              | 0  | 0                        | 0                                 | 51,000        |
| Michael D. Winn                 | 60,000 <sup>(3)</sup>                 | 7,370               | 40,500                              | 0  | 0                        | 0                                 | 107,870       |
| George K. C. Lim <sup>(4)</sup> | 24,000                                | 0                   | 27,000                              | 0  | 0                        | 0                                 | 51,000        |
| Brian K. Levet                  | 24,000                                | 0                   | 27,000                              | 0  | 0                        | 0                                 | 51,000        |
| Larry M. Okada                  | 24,000                                | 0                   | 27,000                              | 0  | 0                        | 0                                 | 51,000        |

(1) Compensation paid as directors’ fees. Each of the Corporation’s non-employee directors receives an annual retainer equal to \$24,000 with no additional meeting or *per diem* fees.

- (2) The stock benefit is the grant date fair value using the Black-Scholes option pricing model using the following weighted average assumptions: stock price - \$1.20, exercise price - \$1.20, an option life for 5 years, a risk-free interest rate of 1.5% and a volatility of 51.75%.
- (3) Mr. Winn receives additional compensation as the non-executive Chairman of the Board.
- (4) Mr. Lim will not be standing for re-election.

The Corporation has calculated the “grant date fair value” amounts in the “Option-based Awards” column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. Stock options that are well “out-of-the-money” can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an “in-the-money” option value calculation. The total compensation shown in the last column is the total compensation of each director reported in other columns. The value of the “in-the-money” options currently held by each director (based on share price less option exercise price) is set forth in the “Value of Unexercised in-the-money Options” column of the “Outstanding Share-Based and Option-Based Awards” table below.

The methodology used for determining the remuneration of the Board is similar to that used for the remuneration of NEOs. Remuneration of committee chairmen is determined based on their own merits and circumstances after being considered in light of prevailing economic conditions – both on a corporate level and on national and international levels – and industry norms for such remuneration. Levels of remuneration of directors, committee members and committee chairmen are usually first informally discussed among the members of the Compensation Committee before being formally considered and approved by the Board.

*Schedule of Director Fees*

The fees payable to the independent directors of the Corporation for their services as director of the Board are as follows:

| <b>Annual Retainer<br/>(\$)</b> | <b>Meeting Stipend<br/>(\$)</b> | <b>Per diem fees<br/>(\$)</b> |
|---------------------------------|---------------------------------|-------------------------------|
| 24,000                          | Nil                             | Nil                           |

*Outstanding Share-based and Option-based Awards held by Directors*

The following table sets out, for each independent director, the incentive stock options (option-based awards) to purchase Common Shares held as of December 31, 2014. The closing price of the Corporation’s shares on the TSX-V on December 31, 2014 was \$0.88.

| Name                            | Option-based Awards   |                            |                                |  | Share-based Awards   |  |   |
|---------------------------------|---|----------------------------|--------------------------------|--|--|--|---|
|                                 | Number of securities underlying unexercised options (# vested-unvested) | Option exercise price (\$) | Option expiration date (m/d/y) | Value of unexercised "in-the-money" options (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) | Market or Payout Value of Shares vested but not paid out (\$) |
| Brian E. Bayley                 | 50,000  | 1.20                       | 4/25/2019                      | 0  | 0  | 0  | 0   |
|                                 | 50,000  | 1.94                       | 8/22/2017                      | 0  | 0  | 0  | 0   |
|                                 | 50,000  | 2.80                       | 7/19/2016                      | 0  | 0  | 0  | 0   |
|                                 | 75,000  | 2.18                       | 5/7/2015                       | 0  | 0  | 0  | 0   |
| Michael D. Winn                 | 75,000  | 1.20                       | 4/25/2019                      | 0  | 0  | 0  | 0   |
|                                 | 50,000  | 1.94                       | 8/22/2017                      | 0  | 0  | 0  | 0   |
|                                 | 50,000  | 2.80                       | 7/19/2016                      | 0  | 0  | 0  | 0   |
|                                 | 100,000   | 2.18                       | 5/7/2015                       | 0  | 0  | 0  | 0   |
| George K. C. Lim <sup>(1)</sup> | 50,000  | 1.20                       | 4/25/2019                      | 0  | 0  | 0  | 0   |
|                                 | 50,000  | 1.94                       | 8/22/2017                      | 0  | 0  | 0  | 0   |
|                                 | 50,000  | 2.80                       | 7/19/2016                      | 0  | 0  | 0  | 0   |
|                                 | 75,000  | 2.18                       | 5/7/2015                       | 0  | 0  | 0  | 0   |
| Brian K. Levett                 | 50,000  | 1.20                       | 4/25/2019                      | 0  | 0  | 0  | 0   |
|                                 | 50,000  | 1.94                       | 8/22/2017                      | 0  | 0  | 0  | 0   |
|                                 | 150,000   | 2.91                       | 5/21/2016                      | 0  | 0  | 0  | 0   |
| Larry M. Okada                  | 50,000  | 1.20                       | 4/25/2019                      | 0  | 0  | 0  | 0   |

(1) Mr. Lim will not be standing for re-election.

*Value of Share-Based and Option-Based Awards Vested or Earned During the Year by Directors*

The following table sets forth, for each director, the values of all incentive plan awards which vested or were earned during the year ended December 31, 2014.

| Name                            | Value vested during the year |                         | Value earned during the year Non-equity incentive plan compensation (\$) |
|---------------------------------|------------------------------|-------------------------|--|
|                                 | Option-based awards (\$)     | Share-based awards (\$) |  |
| Brian E. Bayley                 | 0                            | 0                       | 0  |
| Michael D. Winn                 | 0                            | 0                       | 0  |
| George K. C. Lim <sup>(1)</sup> | 0                            | 0                       | 0  |
| Brian K. Levett                 | 0                            | 0                       | 0  |

(1) Mr. Lim will not be standing for re-election.

## Management Contracts

Pursuant to a management service agreement dated February 13, 2014 between the Corporation and Seabord Services Corp. of Suite 501, 543 Granville Street, Vancouver, British Columbia, the Corporation pays \$34,900 per month to Seabord in consideration of Seabord providing the services of the CFO and Corporate Secretary and office, reception, secretarial, accounting and corporate records services to the Corporation.

Seabord is a private company wholly-owned by Michael D. Winn, a director of the Corporation.

## Stock Option Plan

The Board established the Option Plan to attract and motivate the directors, officers and employees of the Corporation (and any of its subsidiaries), employees of any management company and consultants to the Corporation (collectively the “**Optionees**”) and thereby advance the Corporation’s interests by providing them an opportunity to acquire an equity interest in the Corporation through the exercise of stock options granted to them under the Option Plan.

Pursuant to the Option Plan, the Board, based on the recommendation of the Compensation Committee, may grant options to Optionees in consideration of them providing their services to the Corporation or a subsidiary. The number of Common Shares subject to each option is determined by the Board within the guidelines established by the Option Plan. The options enable the Optionees to purchase Common Shares at a price fixed pursuant to such guidelines. The options are exercisable by the Optionee giving the Corporation notice and payment of the exercise price for the number of Common Shares to be acquired.

The Option Plan authorizes the Board to grant stock options to the Optionees on the following terms:

1. The number of Common Shares subject to issuance pursuant to outstanding options, in the aggregate, cannot exceed 10% of the outstanding Common Shares.
2. The number of Common Shares subject to issuance upon the exercise of options granted under the Option Plan by one Optionee or all Optionees providing investor relations services is subject to the following limitations
  - (a) no Optionee can be granted options during a 12 month period to purchase more than
    - (i) 5% of the issued Common Shares unless disinterested Shareholder approval has been obtained (such approval has not been sought), or
    - (ii) 2% of the issued Common Shares, if the Optionee is a consultant, and
  - (b) the aggregate number of Common Shares subject to options held by all Optionees providing investor relations services cannot exceed 2% in the aggregate.
3. Unless the Option Plan has been approved by disinterested Shareholders (such approval has not been obtained), options granted under the Option Plan, together with all of the Corporation’s previously established and outstanding stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Common Shares, shall not result, at any time, in

- (a) the number of Common Shares reserved for issuance pursuant to stock options granted to insiders exceeding 10% of the outstanding Common Shares at the time of granting,
    - (b) the grant to insiders, within a one year period, of options to purchase that number of Common Shares exceeding 10% of the outstanding Common Shares, or
    - (c) the issuance to any one insider and such insider's associates, within a one year period, of Common Shares totalling in excess of 5% of the outstanding Common Shares.
  4. The exercise price of the options cannot be set at less than the greater of \$0.10 per Common Share and the closing trading price of the Common Shares on the day before the granting of the stock options. If the Optionee is subject to the tax laws of the United States of America and owns (determined in accordance with such laws) greater than 10% of the Common Shares, the exercise price shall be at least 110% of the price established as aforesaid.
  5. The options may be exercisable for up to 10 years.
  6. There are not any vesting requirements unless the Optionee is a consultant providing investor relations services to the Corporation, in which case the options must vest over at least 12 months with no more than one-quarter vesting in any three month period. However, the Board may impose additional vesting requirements and, subject to obtaining any required approval from the Exchange, may authorize all unvested options to vest immediately. If there is a potential "change of control" of the Corporation due to a take-over bid being made for the Corporation or a similar event, all unvested options, subject to obtaining any required approval from the Exchange, shall vest immediately.
  7. The options can only be exercised by the Optionee (to the extent they have already vested) for so long as the Optionee is a director, officer or employee of, or consultant to, the Corporation or any subsidiary or is an employee of the Corporation's management corporation and within a period thereafter not exceeding the earlier of:
    - (a) the original expiry date;
    - (b) 90 days after ceasing to be a director, officer or employee of, or consultant at the request of the Board or for the benefit of another director or officer to, the Corporation unless the Optionee is subject to the tax laws of the United States of America, in which case the option will terminate on the earlier of the 90<sup>th</sup> day and the third month after the Optionee ceased to be an officer or employee; and
    - (c) if the Optionee dies, within one year from the Optionee's death.
- If the Optionee is terminated "for cause", involuntarily removed or resigns (other than at the request of the Board or for the benefit of another director or officer) from any such positions, the option will terminate concurrently.
8. The options are not assignable except to a wholly-owned holding company. If the option qualifies as an "incentive stock option" under the United States Internal Revenue Code, the option is not assignable to a holding company.
  9. No financial assistance is available to Optionees under the Option Plan.

10. Any amendments to outstanding stock options are subject to the approval of the TSX-V and NYSE MKT and, if required by either exchange or the Option Plan, of the Shareholders of the Corporation, possibly with only “disinterested Shareholders” being entitled to vote. Disinterested Shareholder approval must be obtained for the reduction of the exercise price of options (including the cancellation and re-issuance of options within a one year period so as to effectively reduce the exercise price) of options held by insiders of the Corporation. The amendment to an outstanding stock option will also require the consent of the Optionee.
11. Any amendments to the Option Plan are subject to the approval of the TSX-V and NYSE MKT and, if required by either exchange or the Option Plan, of the Shareholders of the Corporation, possibly with only “disinterested Shareholders” being entitled to vote.

No options have been granted under the Option Plan which are subject to Shareholder approval.

The Option Plan does not permit stock options to be transformed into stock appreciation rights.

### **Stock Grant Program**

The Board created the Incentive Stock Grant Program for the benefit of the officers and directors of the Corporation in 2010, and expanded the Program in 2011. The grants have a two year vesting period.

The purpose of the Stock Grant Program is as follows. Firstly, to reward and provide an incentive to such persons for the ongoing efforts towards the continuing successes and goals of the Corporation as many of its successes directly result from their very significant efforts. Secondly, to provide such persons with a long term incentive to remain with the Corporation. Finally, from time to time, the Corporation may provide additional compensation in the form of stock grants as part of annual salaries.

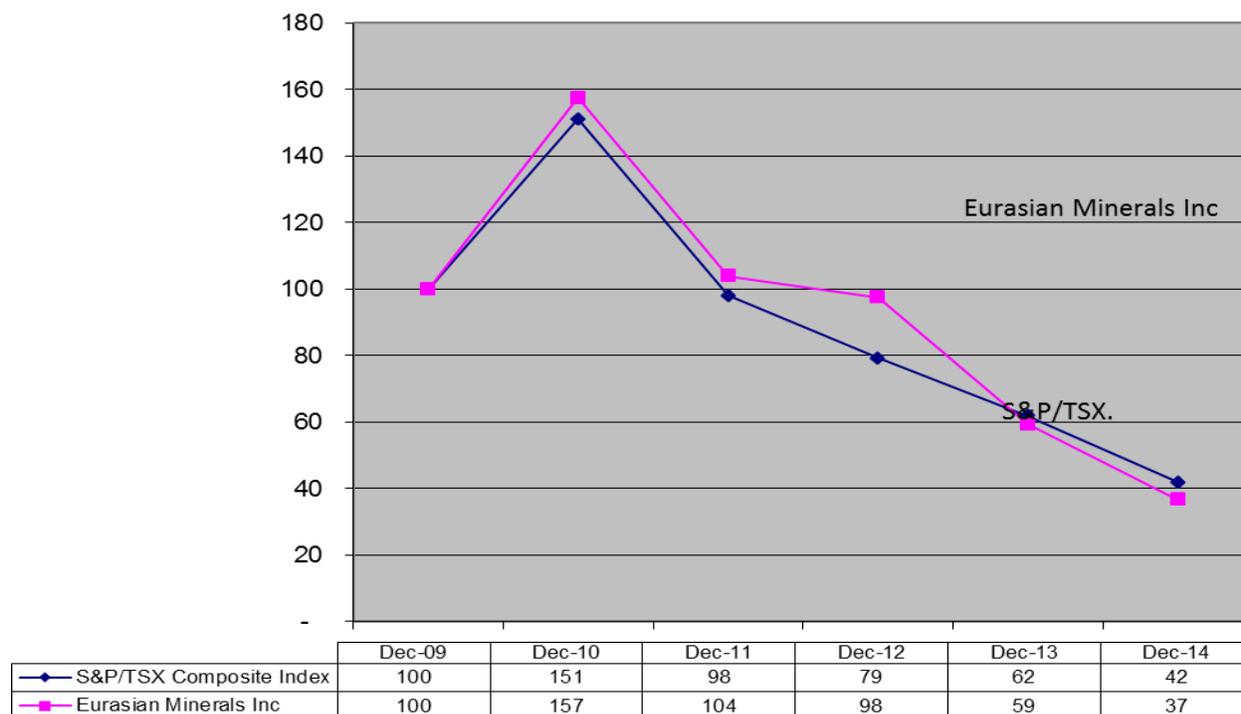
The Stock Grant Program provides that, following the approval of the independent members of the Compensation Committee, up to 300,000 Common Shares may be awarded in each year. The Common Shares awarded will vest and be issued in three separate tranches over a two year period – on the date of grant, and on the first and second anniversaries of the initial grant. None of the 300,000 Common Shares not awarded in one year can be rolled over or awarded in subsequent years. If the recipient ceases to be a director or officer of the Corporation before the relevant anniversary, he or she will not be entitled to receive any further Common Shares under the Stock Grant Program, including Common Shares previously awarded for issuance on such anniversary (with the exception of historical stock grants to Mr. Michael Winn, who shall receive the Common Shares even if he ceases to be the director).

The actual number of Common Shares awarded in each year is that number recommended and approved by the independent members of the Compensation Committee or independent directors of the Corporation.

In addition to the Stock Grant Program, the Compensation Committee can recommend the Board approve the issuance of up to 700,000 Common Shares to certain officers and directors of the Corporation as performance based discretionary bonuses. The purposes of the bonuses are to reward these individuals for their extraordinary efforts and to provide them with a long term incentive to remain with the Corporation. Any such share grants are subject to the approval of by the TSX-V and NYSE MKT and, if required by either exchange, the independent Shareholders of the Corporation.

## Performance Graph

The following graph shows the Corporation's cumulative total return on the Common Shares compared with the cumulative total return of the Standards & Poor's – TSX Venture Composite Index (assuming reinvestment of dividends) during the Corporation's last five financial years if \$100 were invested in each at the start of such five year period.



- (1) Amounts shown in parentheses are the closing price of the Common Shares and the Standard & Poors – TSX Venture Index value, respectively, on such dates.
- (2) For the purposes of this graph, it is assumed that \$100 had been invested in the Common Shares and in such index on the first day of such five year period.

## DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-101 *Disclosure of Corporate Governance Practices* of the Canadian securities administrators requires the Corporation to annually disclose certain information regarding its corporate governance practices. That information is disclosed below.

### The Board of Directors

The Board has responsibility for the stewardship of the Corporation including responsibility for strategic planning, identification of the principal risks of the Corporation's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems.

The Board sets long term goals and objectives for the Corporation and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The

Board delegates the responsibility for managing the day-to-day affairs of the Corporation to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Corporation and its business. The Board is responsible for protecting Shareholders' interests and ensuring that the incentives of the Shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Corporation's business, including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Corporation is authorized to act without Board approval, on all ordinary course matters relating to the Corporation's business.

The Board also monitors the Corporation's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board is responsible for the appointment of senior management and monitoring of their performance.

The Board has not adopted a written mandate or code setting out the foregoing obligations, since it believes it is adequately governed by the requirements of applicable corporate and securities common and statute law which provide that the Board has responsibility for the stewardship of the Corporation. That stewardship includes responsibility for strategic planning, identification of the principal risks of the Corporation's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems.

More than half of the Board is "independent" under both applicable Canadian securities law and the rules of the NYSE MKT in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Corporation, other than interests and relationships arising from shareholding. The Board considers that the following directors are independent: Brian E. Bayley, George K. C. Lim, Brian K. Levet, and Larry M. Okada. The Board considers that David M. Cole, the President and CEO of the Corporation, is not independent because he is a member of management, and that Michael D. Winn, Chairman of the Corporation, is not independent because of his ownership of Seabord and the payment by the Corporation of consulting fees to a company owned by him.

The Board facilitates its exercise of independent supervision over the Corporation's management through regular meetings of the Board.

The Board does not hold regularly scheduled meetings without the non-independent directors and members of management. Since the beginning of the Corporation's last financial year, the independent directors did not hold any ad hoc meetings without the non-independent directors and management.

When a matter being considered involves a director, that director does not vote on the matter. As well, the directors regularly and independently confer amongst themselves and thereby keep apprised of all operational and strategic aspects of the Corporation's business.

The Chairman of the Board is responsible for presiding over all meetings of the directors and Shareholders. He is not an independent director, however, the independent directors either have significant experience as directors and officers of publicly traded companies or as members of the financial investment community and, therefore, do not require the guidance of an independent Chairman of the Board in exercising their duties as directors.

The attendance record of the current directors at meetings of the Board since the beginning of the Corporation's last financial year to the Record Date is as follows:

| <b>Director</b>  | <b>Number of Meetings Attended / Held</b> |
|------------------|---|
| David M. Cole    | 4 of 6                                    |
| Brian E. Bayley  | 5 of 6                                    |
| George K. C. Lim | 5 of 6                                    |
| Michael D. Winn  | 6 of 6                                    |
| Brian K. Levet   | 6 of 6                                    |
| Larry M. Okada   | 6 of 6                                    |

### **Descriptions of Roles**

The Board has not established written descriptions of the positions of Chairman of the Board, CEO or chair of any of the committees of the Board (except as may be set out in a charter applicable to a committee) as it feels they are unnecessary and would not improve the function and performance of the Board, CEO or committee. The role of chair is delineated by the nature of the overall responsibilities of the Board (in the case of the Chairman of the Board) or the committee (in the case of a chair of a committee).

The Board has not set limits on the objectives to be met by the CEO, but believes that such limits and objectives should depend upon the circumstances of each situation and that to formalize these matters would be restrictive and unproductive.

### **Other Directorships**

Certain of the directors are presently a director of one or more other reporting issuers (public companies), as follows:

| <b>Director</b>  | <b>Other Issuer</b>  |
|------------------|--|
| David M. Cole    | Gold Standard Ventures Corp.   |
| Brian E. Bayley  | American Vanadium Corp. (formerly Rocky Mountain Resource Corp.)<br>Cypress Hills Resource Corp.<br>Kramer Capital Corp.<br>Legend Gold Corp.<br>TransAtlantic Petroleum Corp. |
| George K. C. Lim | N/A  |

| <b>Director</b> | <b>Other Issuer</b>  |
|-----------------|--|
| Michael D. Winn | Alexco Resource Corp.<br>Atico Mining Corporation<br>Lara Exploration Ltd.<br>Legend Gold Corp.<br>Nebo Capital Corp.<br>Reservoir Capital Corp.<br>Reservoir Minerals Inc.<br>Revelo Resource Corp. |
| Brian K. Levet  | N/A  |
| Larry M. Okada  | Forum Uranium Corp.<br>Revett Mining Inc.<br>Rokmaster Resources Corp.   |

### **Orientation and Continuing Education**

The Board takes the following measures to ensure that all new directors receive a comprehensive orientation regarding their role as a member of the Board, its committees and its directors, and the nature and operation of the Corporation.

The first step is to assess a new director's set of skills and professional background since each new director brings a different skill set and professional background. Once that assessment has been completed, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director

The second step is taken by one or more existing directors, who may be assisted by the Corporation's management, to provide the new director with the appropriate orientation through a series of meetings, telephone calls and other correspondence.

The Corporation has a Board Policy Manual which provides a comprehensive introduction to the Board and its committees.

The Board takes the following measures to provide continuing education for its directors to maintain the skill and knowledge necessary for them to meet their obligations as directors:

- the Board Policy Manual is reviewed on an annual basis and a revised copy will be given annually to each director; and
- there are technical presentations from time to time or as necessary at Board meetings, focusing on either a particular property or a summary of various properties. The "question and answer" portions of these presentations are a valuable learning resource for the non-technical directors.

### **Ethical Business Conduct**

To comply with its legal mandate, the Board seeks to foster a culture of ethical conduct by striving to ensure the Corporation carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Board

- has adopted a written Code of Business Conduct and Ethics for its directors, officers, employees and consultants. A copy of the Code has been filed on SEDAR and EDGAR (see “Additional Information” at the end of this Circular). Compliance with the Code is achieved as follows. Each director is responsible for ensuring that they individually comply with the terms of the Code, while the Board is responsible for ensuring that the directors, as a group, and all officers comply with the Code and the executive officers of the Corporation are responsible for ensuring compliance with the Code by employees. Since the beginning of the Corporation’s last financial year, it has not filed a Material Change Report relating to any conduct of a director or executive officer that constitutes a departure from the Code.
- has established a Corporate Governance Committee, as described below under “Board Committees”, and adopted a Charter for the Committee;
- has established a Whistleblower Policy which details complaint procedures for financial concerns.
- has created a Disclosure Policy which details when directors, officers and employees should not engage in trading in the Corporation’s securities.
- has adopted a Disclosure Policy to ensure fair, accurate and timely disclosure of material information regarding the Corporation and its business.
- encourages management to consult with legal and financial advisors to ensure the Corporation is meeting those requirements.
- is cognizant of the Corporation’s timely disclosure obligations and reviews material disclosure documents such as financial statements and the Management’s Discussion & Analysis (“MD&A”) prior to distribution.
- relies on its Audit Committee to annually review the systems of internal financial control and discuss such matters with the Corporation’s external auditor.
- actively monitors the Corporation’s compliance with the Board’s directives and ensures that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management.

The Board must also comply with the conflict of interest provisions of the British Columbia *Business Corporations Act*, as well as the relevant securities regulatory instruments, to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

### **Complaints**

The Audit Committee has established a “Whistleblower Policy” which outlines procedures for the confidential, anonymous submission by employees regarding the Corporation’s accounting, auditing and financial reporting obligations, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls or financial reporting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing and forward it to the Chairman of the Audit Committee in a sealed envelope labelled “*To be opened by the Chairman of the Audit Committee only.*” Further, if the applicable individual wishes to discuss any matter with the Audit Committee, this request should be indicated in the submission. Any such envelopes received by the Corporation will be forwarded promptly and unopened to the Chairman of the Audit Committee.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions.

The Audit Committee will retain as part of its records, any complaints or concerns for a period of no less than seven years. The Audit Committee will keep a written record of all such reports or inquiries and make quarterly reports on any ongoing investigation which will include steps taken to satisfactorily address each complaint.

The “Whistleblower Policy” is reviewed by the Audit Committee on an annual basis.

### **Nomination of Directors**

To identify new candidates for nomination for election as directors, the Board considers the advice and input of the Corporate Governance Committee, the members of which are listed under “Particulars of Matters to be Acted Upon – 4. Election of Directors” and which is composed of majority independent directors, regarding:

- the appropriate size of the Board,
- the necessary competencies and skills of the Board as a whole and the competencies and skills of each director individually; and
- the identification and recommendation of new individuals qualified to become new Board members. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve as directors.

### **Other Board Committees**

In addition to the Audit Committee, the Board has established a Compensation Committee, and a Corporate Governance Committee. The details of the Corporation’s Audit Committee and related information are contained in the Corporation’s Annual Information Form.

See “Particulars of Matters to be Acted Upon - 4. Election of Directors” for the members of the committees. The functions of these committees are described below.

*Compensation Committee:* The Compensation Committee is responsible for the review of all compensation paid (including stock options granted under the Option Plan and Common Shares issued under the Stock Grant Program) by the Corporation to the Board, officers and employees of the Corporation and any subsidiaries, to report to the Board on the results of those reviews and to make recommendations to the Board for adjustments to such compensation.

*Corporate Governance Committee:* The Corporate Governance Committee is responsible for advising the Board of the appropriate corporate governance procedures that should be followed by the Corporation and the Board and monitoring whether they comply with such procedures.

### **Assessments**

The Corporate Governance Committee evaluates the effectiveness of the Board and its committees. To facilitate this evaluation, each committee will conduct an annual assessment of its performance, consisting of a review of its Charter, the performance of the committee as a whole and will submit a Committee Annual Report to the Corporate Governance Committee, including recommendations. In addition, the Board will conduct an annual review of its performance.

### **AUDIT COMMITTEE**

National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) of the Canadian securities administrators and Rule 10A-3 under the U.S. Securities Exchange Act of 1934, as amended, require the Audit Committee of the Board to meet certain requirements. NI 52-110 also requires the Corporation to disclose certain information regarding the Audit Committee. That information has been disclosed in the Corporation’s Annual Information Form for the last financial year which has been filed on SEDAR and EDGAR (see “Additional Information” at the end of this Circular).

### **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No individual who is or who at any time during the last financial year was a director or executive officer or employee of the Corporation, a proposed nominee for election as a director of the Corporation or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Corporation or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year 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.

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

The following table sets out, as at the end of the Corporation’s last completed financial year, information regarding outstanding options, warrants and rights (other than those granted *pro rata* to all Shareholders) granted by the Corporation under its equity compensation plans.

### Equity Compensation Plan Information

| Plan Category   | Number of shares issuable upon exercise of outstanding options, warrants and rights <sup>(1)</sup> | Weighted average exercise price of outstanding options, warrants and rights | Number of shares remaining available for issuance under equity compensation plans <sup>(2)</sup> |
|---|--|---|--|
| Equity compensation plans <b>approved</b> by Shareholders     | 5,493,200  | \$2.03  | 1,843,971  |
| Equity compensation plans <b>not approved</b> by Shareholders | N/A  | N/A   | N/A  |
| <b>Total</b>  | <b>5,493,200</b>   | <b>\$2.03</b>   | <b>1,843,971</b>   |

(1) Assuming outstanding options, warrants and rights are fully vested.

(2) Excluding the number of Common Shares issuable upon exercise of outstanding options, warrants and rights shown in the first column.

### INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

The Corporation is not aware of any substantial or material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, of any director, nominee for election as a director, or executive officer, anyone who has held office as such since the beginning of the Corporation's last financial year or any associate or affiliate of any of such person in any matter to be acted on at the Meeting (other than the election of directors) except for the current and future directors and executive officers of the Corporation, inasmuch as, in the following year, they may be granted options to purchase Common Shares pursuant to the Option Plan, ratification and approval of which will be sought at the Meeting.

### INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein and the Corporation's MD&A for the last financial year, a copy of which is filed on SEDAR at [www.sedar.com](http://www.sedar.com) and EDGAR at [www.sec.gov](http://www.sec.gov) and which, upon request, the Corporation will promptly provide free of charge (see "Additional Information" below), there are no material interests, direct or indirect, of current directors, executive officers, any persons nominated for election as directors, or any Shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates of such persons, in any transaction within the last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

### PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

## 1. Report of Directors

The Board will provide a report on the events of its last financial year at the meeting. No approval or other action needs to be taken at the Meeting in respect of this matter.

## 2. Financial Statements, Auditor's Report & Management Discussion & Analysis

The Board has approved the financial statements of the Corporation, the auditor's report thereon, and the MD&A for the year ended December 31, 2014, all of which will be tabled at the Meeting. No approval or other action needs to be taken at the Meeting in respect of these documents.

## 3. Set Number of Directors to be Elected

Shareholders of the Corporation will be asked to pass an ordinary resolution at the Meeting setting the number of directors to be elected.

At the Meeting, it will be proposed that five directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution setting the number of directors to be elected at five.**

## 4. Election of Directors

The Corporation currently has six directors and all of these directors are being nominated for re-election with the exception of Mr. George K.C. Lim. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's province or state and country of residence, principal occupation at the present and during the preceding five years (unless shown in a previous management information circular), the period during which the nominee has served as a director, and the number of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date.

**Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote for the election of the persons named in the following table to the Board.** Management does not contemplate that any of such nominees will be unable to serve as directors. Each director elected will hold office until the next annual general meeting of Shareholders or until their successor is duly elected, unless their office is earlier vacated in accordance with the Articles of the Corporation or the provisions of the corporate law to which the Corporation is subject.

| Name and Province or State & Country of Residence                           | Present Office and Date First Appointed a Director | Principal Occupation and Positions Held During the Past Five Years (unless previously disclosed)                          | Number of Common Shares <sup>(4)</sup> |
|---|--|---|--|
| <b>Brian E. Bayley</b> <sup>(1) (2) (3)</sup><br>British Columbia<br>Canada | Director<br>May 13, 1996                           | President of Ionic Management Corp. (private management company).<br><br>Director and officer of various public companies | 186,375                                |
| <b>David M. Cole</b><br>Colorado<br>United States of America                | President, CEO and Director<br>November 24, 2003   | President and CEO of the Corporation.   | 972,951                                |

| Name and Province or State & Country of Residence                               | Present Office and Date First Appointed a Director                       | Principal Occupation and Positions Held During the Past Five Years (unless previously disclosed)  | Number of Common Shares <sup>(4)</sup> |
|---|--|---|--|
| <b>Brian K. Levet</b> <sup>(2)</sup><br>Western Australia<br>Australia          | Director<br>March 18, 2011   | Retired mining executive  | Nil                                    |
| <b>Larry M. Okada</b> <sup>(1)(2)</sup><br>British Columbia, Canada             | Director<br>June 11, 2013  | Chief Financial Officer of Africo Resources Ltd. (TSX: ARL).  | Nil                                    |
| <b>Michael D. Winn</b> <sup>(3)</sup><br>California<br>United States of America | Chairman & Director<br>May 23, 2012<br><br>Director<br>November 24, 2003 | President of Seabord Capital Corp. (private consulting company providing analysis of mining and energy companies).<br><br>President of Seabord Services Corp. (a private company that management, administrative, and regulatory services to private and public mining companies).<br><br>Director and officer of various public companies. | 618,908                                |

- (1) Member of the Audit Committee. See the Corporation's Annual Information Form for particulars of the Audit Committee's members, its charter and related matters.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance Committee.
- (4) Number of Common Shares beneficially owned directly or indirectly as at the Record Date. No director, together with the director's associates and affiliates beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Common Shares.

Pursuant to the provisions of the *Business Corporations Act* (British Columbia) the Corporation is required to have an Audit Committee whose members are indicated above. The Corporation does not have an Executive Committee.

No proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that was 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 that was issued
  - (i) while the proposed director was acting as a director, chief executive officer or chief financial officer of that company, or
  - (ii) after the proposed director ceased to be a director, chief executive officer or chief financial officer of that company but resulted from an event that occurred while acting in such capacity;
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that while acting in that capacity or within a year of ceasing to act in that capacity, become 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 the assets of the proposed director;

- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets;
- (d) has entered into, at any time, a settlement agreement with a securities regulatory authority; or
- (e) has been subject to, at any time, any penalties or sanctions imposed by
  - (i) a court relating to securities legislation or a securities regulatory authority, or
  - (ii) a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

other than Brian E. Bayley, who was a director of American Natural Energy Corp. (TSX-V listed) from June 15, 2001 to November 30, 2010 which was issued cease trading orders by the BCSC in July 2007, Autorité des marchés financiers de Québec in August 2007, Ontario Securities Commission in August, 2007, Alberta Securities Commission in November 2007 and Manitoba in March 2008 for failing to file financial statements and MD&A. The orders were rescinded on October 29, 2008 when it filed the financial statements and MD&A.

## **5. Appointment and Remuneration of Auditor**

Davidson & Company LLP, Chartered Accountants, of Suite 1200, 609 Granville Street, Vancouver, British Columbia, is currently the Auditor of the Corporation. **Unless otherwise directed, it is the intention of the Management Designees to vote the Proxies in favour of an ordinary resolution re-appointing Davidson & Company LLP, as the Auditor and authorizing the Board to approve the compensation of the Auditor.**

## **6. Ratification of Stock Option Plan**

The Board has established the Option Plan as described under “Statement of Executive Compensation – Stock Option Plan”.

The policies of the TSX-V require stock option plans which reserve for issuance up to 10% (instead of a fixed number) of a listed company’s shares be approved annually by its Shareholders. That approval is being sought at the Meeting by way of an ordinary resolution. The persons named in the accompanying Proxy intend to vote in favour of this proposed resolution.

Following approval of the Option Plan by the Shareholders, any options granted pursuant to the Option Plan will not require further Shareholder or Exchange approval unless the exercise price is reduced or the expiry date is extended for an option held by an insider of the Corporation.

**Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution approving the Option Plan.**

## **OTHER BUSINESS**

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, **it is intended that the Proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com) and on EDGAR at the SEC's website at [www.sec.gov](http://www.sec.gov). Shareholders may contact the Corporation at Suite 501, 543 Granville Street, Vancouver, British Columbia V6C 1X8, Canada by mail, telecopier (1-604-688-1157), telephone (1-604-688-6390; collect calls accepted) or e-mail ([valerie@eurasianminerals.com](mailto:valerie@eurasianminerals.com)) to request copies of the Corporation's financial statements and MD&A.

Financial information for the Corporation's most recently completed financial year is provided in its comparative financial statements and MD&A which are filed on SEDAR and with the SEC.

**DATED** this 31<sup>st</sup> day of March, 2015

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

(signed) VALERIE BARLOW  
Corporate Secretary