

NAUTILUS MINERALS INC.

Suite 1400, 400 Burrard Street
Vancouver, British Columbia V6C 3A6

INFORMATION CIRCULAR

(As at May 8, 2018 except as indicated)

Nautilus Minerals Inc. (the "**Company**" or "**Nautilus**") is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the Company to be held on Monday, June 25, 2018 and at any adjournments. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact with shareholders. The Company will pay the cost of solicitation.

This Information Circular contains references to United States dollars, Australian dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars, Australian dollars are referred to as "A\$", and Canadian dollars are referred to as "C\$".

NOTICE AND ACCESS

The Company has elected to use the notice and access provisions ("**Notice and Access Provisions**") for the Meeting pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") with respect to the distribution of this Information Circular to the Company's non-registered (beneficial) shareholders. Registered shareholders will be mailed a paper copy of this Information Circular along with a form of proxy, in the usual manner.

The Notice and Access Provisions allow the Company to post electronic versions of proxy-related materials (such as this Information Circular) online, via SEDAR and on one other website, rather than mailing paper copies of such materials to shareholders. Non-registered shareholders will receive a Notice of Meeting and a voting instruction form and may choose to receive a printed paper copy of the Information Circular.

The Company is not using procedures known as "stratification" in relation to the Notice and Access Provisions. Stratification occurs when a reporting issuer using the Notice and Access Provisions provides a paper copy of the Information Circular to some, but not all, shareholders with the Notice of Meeting.

The Company anticipates that using the Notice and Access Provisions for non-registered shareholders will directly benefit the Company through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with questions about the Notice and Access Provisions or who wish to obtain paper copies of this Information Circular free of charge should follow the directions contained in the Notice of Meeting sent to shareholders and filed on SEDAR.

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are

printed in the enclosed form of proxy are officers or Directors of the Company (the "**Management Proxyholders**").

A shareholder has the right to appoint a person other than a Management Proxyholder to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.

VOTING BY PROXY

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered holder.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

The Company does not intend to pay for an intermediary to deliver to "objecting beneficial owners" (or "**OBOs**"), as defined in NI 54-101, the proxy-related materials and Form 54-101F7 Request for Voting Instructions Made by Intermediary. As a result, an OBO will not receive the materials unless the OBO's Nominee assumes the cost of delivery.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting.

A non-registered shareholder who wishes to revoke a proxy or voting instructions should contact their Nominee well in advance of the Meeting. A non-registered shareholder who wishes to change voting instructions given by telephone or internet may be able to revoke such voting instructions by voting a second time via the same method.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value ("**shares**"), of which 674,785,995 shares are issued and outstanding as of May 8, 2018 (including 9,245,000 shares held by the Agent under the Share Loan Plan). Persons who are registered shareholders at the close of business on May 3, 2018 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held, subject to the provisions of the Share Loan Plan in respect of loan shares. For information on the Share Loan Plan, see below under the heading "Securities Authorized for Issuance Under Equity Compensation Plans – Information Concerning the Company's Share Loan Plan." The Company has only one class of shares.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, directly or indirectly, or controls or directs shares carrying 10% or more of the voting rights attached to all shares of the Company except as listed below:

<i>Name</i>	<i>No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</i>	<i>Percentage of Outstanding Shares⁽¹⁾</i>
Mohammed Al Barwani ⁽²⁾	205,039,991	29.98%
Metalloinvest Holding (Cyprus) Limited	129,792,256	18.97%

(1) *On a diluted basis, including 9,245,000 shares held by the Agent under the Share Loan Plan. On a non-diluted basis, the applicable percentages are 30.39% (in respect of Dr. Al Barwani) and 19.23% (in respect of Metalloinvest Holding (Cyprus) Limited).*

(2) *Shares are held via MB Holding Co. LLC and Mawarid Offshore Mining Ltd, companies indirectly controlled by Dr. Al Barwani.*

In this Information Circular, references to the number of outstanding shares on a "diluted" basis mean the number of outstanding shares including shares held by the Agent under the Share Loan Plan, and references to the number of outstanding shares on a "non-diluted" basis mean the number of outstanding shares excluding shares held by the Agent under the Share Loan Plan. See "Securities Authorized for Issuance under Equity Compensation Plans – Information Concerning the Company's Share Loan Plan" for details of the Share Loan Plan.

ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. The Company's board of directors has two committees, the Audit Committee and the Governance, Nomination and Remuneration Committee (the "**GN&R Committee**"). Membership of each committee is as set out in the table below.

In accordance with the Company's Articles, the directors have fixed the number of directors of the Company at five. Management of the Company proposes to nominate each of the following persons for election as a director. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed. Information concerning such persons, as furnished by the individual nominees, is as follows:

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</i>	<i>Previous Service as a Director (Date first elected or appointed)</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽³⁾</i>
Tariq Al Barwani ⁽¹⁾⁽²⁾ Muscat, Oman Director and Chairman	Chief Executive Officer of Mawarid Mining LLC, a wholly-owned subsidiary of MB Holding Co. LLC, established to explore and develop mining opportunities in Oman and internationally.	April 28, 2015 and appointed as Chairman on January 16, 2018	Nil
Dr. Mohammed Al Barwani ⁽¹⁾ Muscat, Oman Director	Chairman of MB Holding Co. LLC, a company with interests in oilfield services, exploration and production of hydrocarbon, mining & minerals, engineering & manufacturing and investments since 1982.	September 11, 2012	205,039,991 ⁽⁴⁾
John McCoach ⁽¹⁾ Vancouver, Canada Director	Financial industry executive. Former president of the TSX Venture Exchange and currently on the board of the Capital Markets Authority Implementation Organisation.	October 18, 2017	Nil
Jay Layman Wyoming, USA Director	Mining industry executive. President, Director and Chief Operating Officer of Seabridge Gold, a TSX listed pre-development gold company. Formerly Vice President Solutions and Innovation for Newmont Mining Company.	March 23, 2018	Nil
Jonathan Whitworth Vancouver, Canada Director	Marine transport executive. Former Chief Executive Officer of Seaspan and Maritrans, Inc. Holds an unlimited chief mate's licence and a 1600-ton captain's licence.	March 23, 2018	Nil

(1) Current member of the Audit Committee.

(2) Current member of the GN&R Committee.

(3) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised (which, for clarity, does not include shares held by the Agent pursuant to the Company's Share Loan Plan) as at May 8, 2018, based upon information furnished to the Company by individual directors. Unless otherwise indicated, such shares are held directly.

(4) Shares are held by MB Holding Co. LLC and Mawarid Offshore Mining Ltd, companies indirectly controlled by Dr. Al Barwani.

Dr. Al Barwani and Mr. Al Barwani were nominated by MB Holding Co. LLC, which, through its subsidiary Mawarid Offshore Mining Ltd., holds approximately 30.0% of the Company's outstanding common shares on a non-diluted basis, and of which Dr. Al Barwani is the Chairman and controlling shareholder and Mr. Al Barwani is the Chief Executive Officer of Mawarid Mining LLC.

Other than Dr. Al Barwani and Mr. Al Barwani, no proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

Majority Voting Policy

As required by the policies of the Toronto Stock Exchange (the "TSX"), the Board of Directors of the Company adopted a majority voting policy effective from March 30, 2015 (the "**Majority Voting Policy**"). In accordance with the requirements of the TSX, the Majority Voting Policy provides as follows:

- In an election of directors, other than at a Contested Meeting, any director who receives a greater number of shares withheld, than shares voted in favour of his or her election, must immediately tender his or her resignation ("**Resignation**") to the Board of Directors.
- The Board shall determine whether or not to accept the Resignation within 90 days after the date of the relevant meeting.
- The Board shall accept the Resignation absent exceptional circumstances.
- The Resignation will be effective when accepted by the Board.
- The director tendering the Resignation will not participate in any Board or committee meeting at which the Resignation is considered.
- The Company shall promptly issue a news release with the Board's decision and send a copy to TSX.
- If the Resignation is not accepted, the news release shall fully state the reasons for that decision.
- A "Contested Meeting" is a meeting at which the number of directors nominated for election is greater than the number of seats available on the Board.

Regulatory Orders, Bankruptcies and Directorships in Other Reporting Issuers

To the knowledge of the Company, none of the management nominees for election as a director:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:
 - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company)

that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

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

The directors hold directorships in other reporting issuers as set out below:

<i>Name of Director</i>	<i>Name of Other Reporting Issuer</i>
Mohammed Al Barwani	Al Madina Financial Services Al Madina Insurance Oman Air Abu Dhabi National Takaful Insurance Company
Tariq Al Barwani	N/A
John McCoach	Seaway Energy Services Inc Foremost Ventures Corporation
Jay Layman	Seabridge Gold Inc.
Jonathan Whitworth	N/A

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Composition of the Governance, Nomination & Remuneration Committee

The Company's GN&R Committee, on behalf of the Board of Directors, monitors compensation of executive officers of the Company. During the most recently completed financial year, the members of the GN&R Committee comprised Tariq Al Barwani and former director Mr. Russell Debney (until December 27, 2017). Mr. Al Barwani also serves as the Company's Chairman (appointed Chairman on January 16, 2018) following the resignation of Mr. Debney.

The GN&R Committee possesses the following skills and experience that enable it to make decisions on the suitability of the Company's compensation policies and practices: experience in the management of companies, human resources management including hiring, dismissals, as well as establishing, communicating and evaluating overall corporate objectives and personal performance objectives.

Tariq Al Barwani is a director and shareholder of MB Holding Company LLC, Chief Executive Officer of Mawarid Mining LLC and the Managing Director of MB Petroleum Services both of which are wholly-

owned subsidiaries of MB Holding Company LLC. Mr. Barwani has a Bachelor of Science in Geology from Imperial College, United Kingdom and a Masters in Business Administration specializing in strategy and leadership from McGill University in Canada.

Following the resignation of Mr. Debney, the other position on the GN&R Committee is presently vacant. The Board plans to formalize the appointment of a new member to the GN&R Committee soon. Since the resignation of Mr. Debney, John McCoach has been assisting Tariq Al Barwani in carrying out the functions of the GN&R Committee.

The Board considers the sole current member of the GN&R Committee to be independent based on the test for independence set forth in Section 1.4 of National Instrument 52-110 *Audit Committees* ("**NI 52-110**").

Additional information regarding the GN&R Committee is provided below under the heading "Corporate Governance Disclosure – Compensation of Directors and the CEO".

Risk Considerations

The Board considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its officers and directors. The Board has undertaken a review of the risks, if any, associated with the Company's compensation policies and practices and intends to do so at least once annually.

Executive compensation is comprised of both short-term compensation in the form of a base salary/fee and an incentive plan through the grant of stock options and loan shares as described in detail below. This structure ensures that a significant portion of executive compensation (stock options/loan shares) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long term shareholder value.

The Board also has the ability to set out vesting periods in each stock option agreement and share loan plan offer. As the benefits of such compensation, if any, are not realized by officers and directors until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the shareholders is extremely limited. Furthermore, all elements of executive compensation are discretionary. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the relatively small size of the Company and its current management group, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company is reviewed.

No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Hedging of Economic Risks in the Company's Securities

Directors and officers may not take any derivative or speculative positions in the Company's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Company's securities.

Report on Executive Compensation

The Board of Directors collectively has the responsibility to administer the compensation policies related to the executive management of the Company, including those named in the Summary Compensation Table below. The Company's GN&R Committee, on behalf of the Board of Directors, monitors compensation of executive officers of the Company. Additional information regarding the GN&R Committee and its role and responsibilities is provided below under the heading "Corporate Governance Disclosure – Compensation of Directors and the CEO".

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation for the current and prior fiscal years has historically been based upon negotiated contracts, with stock options and, since the initial approval of the Share Loan Plan at the Annual General Meeting held July 26, 2011 (the "**2011 AGM**"), loan shares, being issued as a long term incentive for performance. A compensation consultant was not engaged by the Company to determine executive compensation at any time since the Company's most recently completed financial year; however, an annual review of executive compensation was completed using AON Hewitt's report entitled, "The McDonald Gold and General Mining Industry Remuneration Report" and dated April 2016 ("**Remuneration Report**"). The Remuneration Report is an external salary survey based on approximately 80 Australasian based resource companies, and is used by the Company to ensure it remains competitive and is able to retain its executives. The survey group is broad, representing gold and other metalliferous/non-metalliferous mining companies, mining contractors and exploration companies. The mining companies are benchmarked based on gross revenue, operating budget and employee numbers.

The Company has a performance based remuneration process established across the Company including the Company's executives. At the end of each year, key performance indicators ("**KPIs**"), which have been recommended by the GN&R Committee and approved by the Board based on the Company's goals, are assessed by the CEO. Where possible, the KPIs are specific and measurable. A short term cash incentive may be awarded to the Company's executives on attaining the annual KPIs.

As the Company's 2017 KPIs were not achieved, none of the Named Executive Officers ("**NEOs**", as defined under "Summary Compensation Table" below) received any cash incentive payment for the 2017 financial year.

As the Company's 2015 and 2016 KPIs were not achieved, none of the NEOs received any cash incentive payment for the 2015 or 2016 financial years.

A short term cash incentive was awarded to the NEOs (as defined under "Summary Compensation Table" below) for the 2014 financial year and paid in January 2015.

The Company relies on the exemption in Subsection 2.1(4) of Form 51-102F6 to disclosure of performance goals or similar conditions in respect of specific quantitative or qualitative performance-related factors on the basis that such disclosure would seriously prejudice the interests of the Company. The Company is a seafloor resource exploration company and the first publically listed company to commercially explore the ocean floor for copper, gold, silver and zinc seafloor massive sulphide deposits. The Company holds tenement licences and exploration applications in various locations in the western and central Pacific Ocean and is establishing a pipeline of prospects for development. The Company's main focus is on developing a seafloor production system that can be used to extract resources from its seafloor prospects. The system is intended to be applied to its initial development project, the Solwara 1 Project, located in the Bismarck Sea in the territorial waters of Papua New Guinea ("**PNG**"). Nautilus' seafloor production system has the potential to open a new frontier of resource development as land-based mineral deposits continue to be depleted. With the Solwara 1 Project, Nautilus plans to become the

world's first seafloor producer of copper and gold. If the Company were to disclose its specific performance goals, it could provide the Company's potential competitors in this newly developed market with insight into its confidential business plans and strategies and identify the factors and underlying assumptions that are reflected in the Company's confidential business plans. Given the pioneering nature of the Company's business, the Company cannot state with accuracy how difficult it could be for the NEOs, or how likely it will be for the Company, to achieve the undisclosed performance goals.

The maximum annual cash bonus as a percentage of base salary for which each Named Executive Officer was eligible in 2017 is set forth in the following table:

Position	2017 Maximum Annual Cash Bonus (% of 2017 Base Salary⁽¹⁾)
Michael Johnston President and Chief Executive Officer	30
Glenn Withers Acting Chief Financial Officer	30
Adam Wright VP – PNG Operations (until February 26, 2018)	30

(1) Details of 2017 base salaries and actual bonuses paid to the Named Executive Officers are listed in the "Summary Compensation Table" below.

The Company's stock option and share loan plans are used to provide the equivalent of share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options or loan shares to be granted to the executive officers, the Board of Directors takes into account the number of options or loan shares, if any, previously granted to each executive officer, and the exercise price of any outstanding options or loan shares to ensure that such grants are in accordance with the policies of the TSX, and closely align the interests of the executive officers with the interests of shareholders.

See "Securities Authorized for Issuance Under Equity Compensation Plans – Information Concerning the Company's Stock Option Plan and Information Concerning the Company's Share Loan Plan".

Base Salary and Bonus

The Chairman of the GN&R Committee, currently Mr. Tariq Al Barwani, prepares recommendations for the GN&R Committee with respect to the base salary and, if appropriate, bonuses to be paid to the Chief Executive Officer and to other executive officers. The GN&R Committee approves the base salaries and bonuses for the executive officers including the Chief Executive Officer.

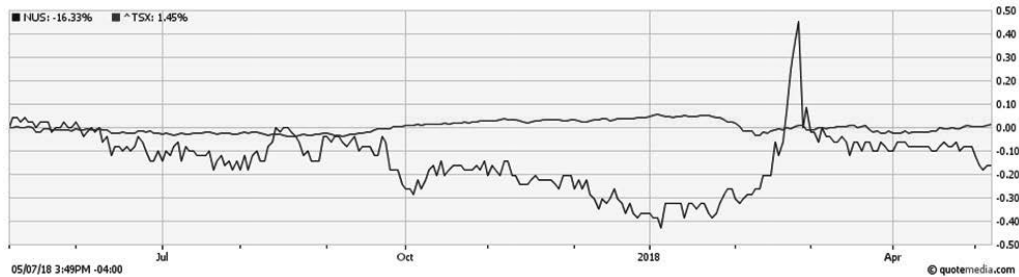
The GN&R's recommendation for the Chief Executive Officer and the executive officers is then submitted for approval by the Board of Directors of the Company. The compensation recommended is determined based on an assessment by the GN&R Committee of the executive's performance, a consideration of compensation levels in companies similar to the Company and a review of the performance of the Company as a whole.

Chief Executive Officer Compensation

The compensation of the Chief Executive Officer consists of an annual base salary, and, if warranted, bonus and stock options/loan shares determined in the manner described in the above discussion of compensation for all executive officers.

Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return on the common shares of the Company for the past five years, with the cumulative total return of the S&P TSX Composite Index, assuming reinvestment of dividends. The common share trading data is as reported by the TSX.



As discussed above, executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. However, there is no direct correlation between the performance graph and executive compensation.

Option/Loan Share-based awards

The Company's stock option and share loan plans are used to provide the equivalent of share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options or loan shares to be granted to the executive officers, the Board of Directors takes into account the number of options or loan shares, if any, previously granted to each executive officer, and the exercise price of any outstanding options or loan shares to ensure that such grants are in accordance with the policies of the TSX, and closely align the interests of the executive officers with the interests of shareholders.

The GN&R Committee has the responsibility to administer the compensation policies related to the executive management of the Company, including option/loan share-based awards.

Summary Compensation Table

The following table (presented in accordance with Form 51-102F6 of National Instrument 51-102 *Continuous Disclosure Obligations*) sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years in respect of each of the individuals comprised of the Chief Executive Officer and the Chief Financial Officer as at December 31, 2017, and the only other executive officer of the Company as at December 31, 2017 whose individual total compensation for the most recently completed financial year exceeded C\$150,000 and any individual who would have satisfied these criteria but for the fact that such individual was not serving as such an officer at the end of the most recently completed financial year (collectively the "**Named Executive Officers**" or "**NEOs**").

NEO Name and Principal Position ⁽¹⁾	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽⁴⁾	Long-term Incentive Plans			
Michael Johnston ⁽³⁾ President & Chief Executive Officer	2017	526,959	N/A	Nil	Nil	Nil	N/A	50,061	577,020
	2016	502,193	N/A	Nil	Nil	Nil	N/A	47,708	549,901
	2015	508,072	N/A	Nil	Nil	N/A	N/A	48,267	556,339
Glenn Withers ⁽⁶⁾ Chief Financial Officer	2017	203,190	N/A	Nil	Nil	Nil	Nil	19,303	222,493
	2016	31,798	N/A	Nil	Nil	Nil	Nil	3,021	34,819
Adam Wright ⁽⁷⁾ VP – PNG Operations	2017	292,594	N/A	Nil	Nil	N/A	N/A	27,796	320,390
	2016	278,843	N/A	Nil	Nil	N/A	N/A	26,181	305,024
	2015	282,108	N/A	Nil	Nil	N/A	N/A	26,801	308,909

- (1) The compensation awarded to, earned by, paid to, or payable to each of the NEOs was in Australian dollars and for the most recently completed financial year has been translated herein at the rate of A\$1.00 for every US\$0.7807. The rate at which compensation for the 2016 financial year has been translated is A\$1.00 for every US\$0.7440. The rate at which compensation for the 2015 financial year has been translated is A\$1.00 for every US\$0.7527. The Company uses the average annual rate to translate the compensation into the reporting currency.
- (2) The numbers in this column reflect the issuance of loan shares under the Company's Share Loan Plan, which are more akin to option-based awards than share-based awards. See the discussion of the Share Loan Plan and the Option Plan below under the heading "Securities Authorized for Issuance Under Equity Compensation Plans". The Company used the Black-Scholes-Merton model as the methodology to calculate the issue date fair value, and relied on the assumptions and estimates set forth in the Company's audited financial statements for its most recently completed financial year. The Company chose this methodology because it is expected to be the most accurate measure of the fair value of the Company's options and loan shares and is consistent with the methodology used for accounting purposes.
- (3) Mr. Johnston was appointed President and CEO in October 2012. He had formerly acted as VP Strategic Development and Exploration.
- (4) The payment of Annual Incentives for the NEOs relevant to the 2014 financial year were paid in 2015, with no Annual Incentive paid for the 2015 or 2016 financial years.
- (5) Other compensation relates to superannuation contributions made – refer to "Pension Plan Benefits" below, and includes the retention bonus paid in January 2014, as described in note (4).
- (6) Mr. Withers commenced employment with the Company on October 10, 2016 and was appointed acting Chief Financial Officer with effect from October 14, 2016.
- (7) Mr. Wright commenced employment with the Company on 1 August 2014 and ceased employment with the Company on February 26, 2018.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the NEOs.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (a)	Option Exercise Price (b)	Option Expiration Date (c)	Value of Unexercised In-The-Money Options ⁽¹⁾ (d)	Number of Shares Or Units Of Shares That Have Not Vested (e)	Market or Payout Value Of Share-Based Awards That Have Not Vested (f)	Market or Payout Value Of vested share based awards not paid out or distributed (g)
Michael Johnston	Nil ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾	Nil	N/A	N/A	N/A
Glenn Withers	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adam Wright	Nil ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾	Nil	N/A	N/A	N/A

- (1) This amount is calculated based on the positive difference between the market value of the shares underlying the options at December 31, 2017, which was C\$0.155, and the exercise or base price of the option.
- (2) Reflects the issuance of loan shares under the Company's Share Loan Plan. See the discussion of the Share Loan Plan and the Option Plan below under the heading "Securities Authorized for Issuance Under Equity Compensation Plans". Column (a) reflects the number of loan shares issued; column (b) reflects the issue price of the loan shares; column (c) reflects the loan expiration date; column (d) reflects the positive difference between the market value of the shares on December 31, 2017, which was C\$0.155, and the issue price reflected in column (b).

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets out the value of all non-equity incentive plan compensation earned and stock options that vested during the financial year ended December 31, 2017 for each of the Named Executive Officers:

NEO Name	Option-Based Awards - Value Vested During The Year ⁽¹⁾ (\$)	Share-Based Awards - Value Vested During The Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Michael Johnston	\$Nil	N/A	\$Nil
Glenn Withers	\$Nil	N/A	\$Nil
Adam Wright	\$Nil	N/A	\$Nil

- (1) This amount is the dollar value that would have been realized by obtaining the difference between the market price of the shares underlying options and the exercise price of the options under the option-based award on the vesting date.

Narrative Discussion

No short term incentives for KPIs were paid to the NEOs for the 2015, 2016 or 2017 financial years. A short term cash incentive for achievement of KPIs was paid to NEOs for the 2014 financial year in January 2015. Any amounts paid upon attaining annual KPIs would be considered "Non-Equity Incentive Plan Compensation" for the purposes of this Executive Compensation disclosure.

The issue of stock options or loan shares to NEOs is approved by the Board in accordance with the Company's stock option and share loan plans, taking into consideration their position within the Company and the number of stock options and loan shares available for issue.

With respect to any options or loan shares that vested during 2017:

<i>NEO</i>	<i>Aggregate number of options vested</i>	<i>Date vested</i>	<i>Exercise price per share</i>	<i>Expiry Date</i>
Michael Johnston	N/A	N/A	N/A	N/A
Glenn Withers	N/A	N/A	N/A	N/A
Adam Wright	N/A	N/A	N/A	N/A

Pension Plan Benefits

The Company does not have any form of pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan. The Company contributes the equivalent of 9.5% of the base salary of each NEO into the NEO's preferred superannuation fund.

Termination and Change of Control Benefits

The terms of the employment contracts between the Company or its subsidiaries and the NEOs that were in existence at the end of the most recently completed financial year are as follows.

As used below in items 1 - 3, a "change of control" shall be deemed to have occurred if the Company is the subject of a takeover bid at a time when the market capitalization of the Company exceeds US\$150 million, pursuant to which any person (or group of persons acting jointly or in concert) acquires more than 50.1% of the then issued and outstanding common shares of the Company. As noted below under the heading "Information Concerning the Company's Stock Option Plan" and "Information Concerning the Company's Share Loan Plan", all unvested stock options and loan shares shall vest upon a change of control. If an eligible NEO terminates his or her service agreement within 90 days of the date of a change of control, s/he shall be entitled to a severance payment equal to his or her annual base salary. If an eligible NEO's employment is terminated within 9 months of a change of control, such NEO shall be entitled to a severance payment equal to three times his or her annual salary.

1. The Company entered into an employment agreement dated January 1, 2014 with Michael Johnston (the "**Johnston Agreement**") pursuant to which it engaged Mr. Johnston as its President & CEO. The Johnston Agreement provides for a base salary of \$526,959 per annum. In the event of termination without cause other than following a change of control, Mr. Johnston would be entitled to six months notice. If Mr. Johnston had been terminated without cause as at December 31, 2017, he would have been entitled to a payment of \$263,479. If a change of control had occurred on December 31, 2017, he would have been entitled to receive a payment of \$526,959 and other benefits having a value of \$Nil if he terminated the Johnston Agreement within 90 days from the date of the change of control or a payment of \$1,580,877 and other benefits having a value of \$Nil if terminated by the Company within 9 months of the change of control, and option-based awards of \$Nil⁽¹⁾⁽²⁾
2. The Company entered into an employment agreement dated June 17, 2014 with Adam Wright (the "**Wright Agreement**") pursuant to which it has engaged Mr. Wright as Vice President of PNG Operations. The Wright Agreement provides for a base salary of \$292,594 per annum. In the event of termination without cause other than following a change of control, Mr. Wright would be entitled to twelve weeks' notice. If Mr. Wright had been terminated without cause as at December 31, 2017, he would have been entitled to a payment of \$67,521. If a change of control had occurred on December 31, 2017, he would have been entitled to receive a payment of

\$292,594 and other benefits having a value of \$Nil if he terminated the Wright Agreement within 90 days from the date of the change of control or a payment of \$877,782 and other benefits having a value of \$Nil if terminated by the Company within 9 months of the change of control.⁽²⁾⁽³⁾

3. The Company entered into an employment agreement dated April 1, 2017 with Glenn Withers (the "**Withers Agreement**") pursuant to which it has engaged Mr. Withers Acting Chief Financial Officer. The Withers Agreement provides for a base salary of \$203,190 per annum. In the event of termination without cause other than following a change of control, Mr. Withers would be entitled to twelve weeks' notice. If Mr. Withers had been terminated without cause as at December 31, 2017, he would have been entitled to a payment of \$46,890.⁽²⁾ If a change of control had occurred on December 31, 2017, he would have been entitled to receive a payment of \$101,595 and other benefits having a value of \$Nil if he or the Company terminated the Withers Agreement.

- (1) Calculated by multiplying the difference between the market price of the shares on such date and the exercise price of the option (or issue price of the loan share) by the number of option (or loan shares) subject to early vesting.
- (2) The compensation awarded to, earned by, paid to, or payable to each of the NEOs was in Australian dollars and for the most recently completed financial year has been translated herein at the rate of A\$1.00 for every US\$0.7807.
- (3) Mr Wright ceased employment with the Company on February 26, 2018.

Director Compensation

Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors who are not Named Executive Officers, for the Company's most recently completed financial year:

Director Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Russell Debney ⁽²⁾	59,000	Nil	35,271	Nil	Nil	Nil	94,271
Mohammed Al Barwani	27,500	Nil	27,152	Nil	Nil	Nil	54,652
Tariq Al Barwani	27,500	Nil	27,152	Nil	Nil	Nil	54,652
Mark Horn ⁽³⁾	22,678	Nil	Nil	Nil	Nil	Nil	22,678
John McCoach ⁽⁴⁾	5,555	Nil	Nil	Nil	Nil	Nil	5,555
Jay Layman ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jonathan Whitworth ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) The Company used the Black-Scholes-Merton model as the methodology to calculate the grant date fair value, and relied on the assumptions and estimates set forth in the Company's audited financial statements for the 2017 financial year. The Company chose this methodology because it is expected to be the most accurate measure of the fair value of the Company's options and is consistent with the methodology used for accounting purposes.

(2) Mr. Debney resigned from the Board effective December 27, 2017.

(3) Mr. Horn resigned from the Board effective October 4, 2017.

(4) Mr. McCoach was appointed to the Board effective October 18, 2017.

(5) Mr. Layman was appointed to the Board effective March 23, 2018, after the end of the 2017 financial year.

(6) Mr. Whitworth was appointed to the Board effective March 23, 2018, after the end of the 2017 financial year.

Historically, the Company had no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation or involvement in special assignments.

On June 26, 2013, the Board approved the following fee structure for the performance of non-executive directors of the Company. The first payment pursuant to the above fee structure commenced in 2014.

Annual Base Fee	Additional Annual Chairman Fee	Additional Annual Audit Committee Chairman Fee	Fee per Board Meeting and/or Committee Meeting attendance
\$20,000	\$20,000	\$10,000	\$1,500

The Company has a formalized stock option plan and a share loan plan for the granting of incentive stock options and loan shares to the officers, employees and directors. The purpose of granting such options and loan shares is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the interests of such persons to that of the shareholders.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the directors who are not Named Executive Officers:

Director Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (a)	Option Exercise Price (b)	Option Expiration Date (c)	Value of Unexercised In-The-Money Options ⁽¹⁾ (d)	Number of Shares Or Units Of Shares That Have Not Vested (e)	Market or Payout Value Of Share-Based Awards That Have Not Vested (f)	Market or Payout Value of vested share-based awards not paid out or distributed (g)
Russell Debney ⁽²⁾	600,000 ⁽³⁾ 400,000 ⁽³⁾	C\$0.17 ⁽³⁾ C\$0.45 ⁽³⁾	Jul 01 2019 ⁽³⁾ Jul 01 2018 ⁽³⁾	Nil ⁽³⁾ Nil ⁽³⁾	N/A	N/A	N/A
Mohammed Al Barwani	400,000 400,000	C\$0.17 C\$0.45	Jul 01 2019 Jul 01 2018	Nil Nil	N/A	N/A	N/A
Tariq Al Barwani	400,000 400,000	C\$0.17 C\$0.45	Jul 01 2019 Jul 01 2018	Nil Nil	N/A	N/A	N/A
Mark Horn ⁽⁴⁾	Nil	N/A	N/A	N/A	N/A	N/A	N/A
John McCoach ⁽⁵⁾	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Jay Layman ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jonathan Whitworth ⁽⁷⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) This amount is calculated based on the positive difference between the market value of the shares underlying the options at December 31, 2017, which was C\$0.155, and the exercise price of the option.

(2) Mr. Debney resigned from the Board effective December 27, 2017.

(3) Reflects the issuance of loan shares under the Company's Share Loan Plan. See the discussion of the Share Loan Plan and the Option Plan below under the heading "Securities Authorized for Issuance Under Equity Compensation Plans". Column (a) reflects the number of loan shares issued; column (b) reflects the issue price of the loan shares; column (c)

reflects the loan expiration date; column (d) reflects the positive difference between the market value of the shares on December 31, 2017, which was C\$0.155, and the issue price reflected in column (b).

(4) Mr. Horn resigned from the Board effective October 4, 2017.

(5) Mr. McCoach was appointed to the Board effective October 18, 2017.

(6) Mr. Layman was appointed to the Board effective March 23, 2018, after the end of the 2017 financial year.

(7) Mr. Whitworth was appointed to the Board effective March 23, 2018, after the end of the 2017 financial year.

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets out the value of all stock options and loan shares that vested during the financial year ended December 31, 2017 for each of the Directors:

<i>Director Name</i>	<i>Option-Based Awards - Value Vested During The Year ⁽¹⁾ (\$)</i>	<i>Share-Based Awards - Value Vested During The Year (\$)</i>	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)</i>
Russell Debney ⁽²⁾	Nil	N/A	N/A
Mohammed Al Barwani	Nil	N/A	N/A
Tariq Al Barwani	Nil	N/A	N/A
Mark Horn ⁽³⁾	Nil	N/A	N/A
John McCoach ⁽⁴⁾	Nil	N/A	N/A
Jay Layman ⁽⁵⁾	N/A	N/A	N/A
Jonathan Whitworth ⁽⁶⁾	N/A	N/A	N/A

(1) This amount is the dollar value that would have been realized by obtaining the difference between the market price of the shares underlying options and the exercise price of the options on the vesting date.

(2) Mr. Debney resigned from the Board effective December 27, 2017.

(3) Mr. Horn resigned from the Board effective October 4, 2017.

(4) Mr. McCoach was appointed to the Board effective October 18, 2017.

(5) Mr. Layman was appointed to the Board effective March 23, 2018, after the end of the 2017 financial year.

(6) Mr. Whitworth was appointed to the Board effective March 23, 2018, after the end of the 2017 financial year.

The issue of stock options and loan shares to directors is recommended by the GN&R Committee and approved by the Board in accordance with the Company's stock option and share loan plans, taking into consideration their position within the Company and the number of stock options and loan shares available for issue.

With respect to options or loan shares that vested during the year:

<i>Director Name</i>	<i>Aggregate number of common shares vested ⁽¹⁾</i>	<i>Date vested</i>	<i>Exercise price per share</i>	<i>Expiry Date</i>
Russell Debney ⁽²⁾	80,000	Jan 01 2016	C\$0.45	Jul 01 2018
	80,000	Jul 01 2016	C\$0.45	Jul 01 2018
Mohammed Al Barwani	80,000	Jan 01 2016	C\$0.45	Jul 01 2018
	80,000	Jul 01 2016	C\$0.45	Jul 01 2018
Tariq Al Barwani	80,000	Jan 01 2016	C\$0.45	Jul 01 2018
	80,000	Jul 01 2016	C\$0.45	Jul 01 2018
Mark Horn ⁽³⁾	Nil	N/A	N/A	N/A
John McCoach ⁽⁴⁾	N/A	N/A	N/A	N/A
Jay Layman ⁽⁵⁾	N/A	N/A	N/A	N/A
Jonathan Whitworth ⁽⁶⁾	N/A	N/A	N/A	N/A

- (1) Options and loan shares vest at 20% every six months commencing six months after the date of issue of the options or loan shares.
- (2) Mr. Debney resigned from the Board effective December 27, 2017.
- (3) Mr. Horn resigned from the Board effective October 4, 2017.
- (4) Mr. McCoach was appointed to the Board effective October 18, 2017.
- (5) Mr. Layman was appointed to the Board effective March 23, 2018, after the end of the 2017 financial year.
- (6) Mr. Whitworth was appointed to the Board effective March 23, 2018, after the end of the 2017 financial year.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

<i>Plan Category</i>	<i>Number of common shares to be issued upon exercise of outstanding options, warrants and rights</i> <i>(a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> <i>(b)</i>	<i>Number of common shares remaining available for future issuance under equity compensation plans (excluding common shares reflected in column (a))</i> <i>(c)</i>
Equity compensation plans approved by securityholders	1,600,000	C\$0.31	698,170,858 ⁽¹⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,600,000	C\$0.31	698,170,858

- (1) As described below, the Company's stock option plan is a 10% "rolling" stock option plan. The number of shares available for future issuance takes into account the 1,000,000 shares held by the Agent as at December 31, 2017 under the Company's Share Loan Plan, as described below. The weighted average issue price of such loan shares outstanding as at December 31, 2017 was C\$0.28.

Information Concerning the Company's Stock Option Plan

At the Company's Annual General Meeting held June 20, 2017 (the "2017 AGM"), the shareholders re-approved the Company's current form of stock option plan (the "Option Plan"). The Option Plan was first approved by shareholders at the 2011 AGM and replaced the Company's previous stock option plan which had been in place since June 4, 2008.

Information relating to the Option Plan is as follows:

- The Option Plan is administered by the Board of Directors or, if the directors so determine, by a committee of the directors authorized to administer the Option Plan (the "Committee").
- Options may be granted to directors, officers and employees of the Company as well as persons or corporations engaged to provide services to the Company (or any entity controlled by the Company) and any individuals employed by such persons or corporations.
- The number of shares issuable to insiders of the Company at any time, under all security based compensation arrangements of the Company, cannot exceed 10% of the Company's issued and outstanding shares.
- The number of shares issued to insiders of the Company as a group, within any one year period, under all security based compensation arrangements of the Company, cannot exceed 10% of the Company's issued and outstanding shares as at the end of such one year period.

- The number of shares issuable upon exercise of outstanding options at any time will, when combined with the number of shares held by the Agent under the Share Loan Plan (as described below), be limited to 10% of the Company's issued and outstanding shares, on a non-diluted basis. As at December 31, 2017, 10% of the Company's issued and outstanding shares on a non-diluted basis (i.e. excluding 1,000,000 loan shares held by the Agent under the Share Loan Plan) equates to 70,077,085.
- As at December 31, 2017, an aggregate of 2,600,000 options and loan shares were issued and outstanding, representing 0.37% of the Company's issued and outstanding common shares as at such date on a non-diluted basis. Of these, 1,600,000 are outstanding options, representing 0.23% of the issued and outstanding shares on a non-diluted basis.
- Subject to the limitation applicable to insiders of the Company and the limit on the maximum number of options available for issuance under the Option Plan, there is no restriction on the number of options that can be granted to any one person.
- The Board or, if applicable, the Committee has the authority to determine the exercise price of the options granted under the Option Plan provided that the exercise price must be not less than the closing price on the TSX on the last trading day immediately preceding the date of grant of the options.
- The Option Plan does not contain provisions allowing for the transformation of a stock option into a stock appreciation right.
- Vesting of options will be at the discretion of the Board or, if applicable, the Committee, other than in the event of a change of control of the Company, upon which all previously unvested options shall vest immediately and shall be exercisable in whole or in part.
- The maximum term of options granted under the Option Plan is 10 years from the date of grant. The Option Plan provides that the expiry date of options shall be the later of the date set by the Board or the Committee as the last date on which an option may be exercised and, if such date falls during or within five trading days after the end of a "Black-Out Period" (as defined below), the date that is ten trading days following the date on which such Black-Out Period ends (the "**Extension Period**"); provided that if an additional Black-Out Period is subsequently imposed during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Black-Out Period to enable the exercise of such Option within ten trading days following the end of the last imposed Black-Out Period. For these purposes, a "**Black-Out Period**" means a period of time during which, pursuant to the policies of the Company, trading in common shares or options of the Company is prohibited or restricted.
- If an optionee ceases to be eligible to receive options under the Option Plan as a result of termination for cause, any outstanding options held by such optionee on the date of such termination shall be cancelled as of that date.
- If an optionee ceases to be eligible to receive options under the Option Plan as a result of his or her death, any outstanding options held by such optionee on such date shall be exercisable by his or her estate until the earlier of the expiry time of such options or 12 months after the date of death.
- If an optionee ceases to be eligible to receive options under the Option Plan for reasons other than termination for cause or death, any outstanding options held by such optionee at such time shall remain exercisable for a period ending on the earlier of the expiry time of such option or six months after the optionee ceases to be eligible to receive options. Notwithstanding the foregoing,

the Board of Directors may, on a case by case basis, allow such options to remain in full force and effect until any time up to the original expiry time of such options, irrespective of whether such expiry time is more than six months after the optionee ceases to be eligible to receive options.

- Options granted under the Option Plan are not assignable or transferable other than pursuant to a will or by the laws of descent and distribution.
- The Board of Directors may from time to time, without shareholder approval and subject to applicable law and to the prior approval, if required, of TSX or any other regulatory body having authority over the Company or the Option Plan, suspend, terminate or discontinue the Option Plan at any time, or amend or revise the terms of the Option Plan or of any option granted under, or otherwise governed by, the Option Plan to:
 - (a) make amendments of a clerical or typographical nature and to include clarifying provisions in the Option Plan;
 - (b) implement features or requirements that are necessary or desirable under applicable tax and securities laws;
 - (c) change vesting provisions;
 - (d) change termination provisions for an insider provided that the expiry time does not extend beyond the original expiry time under the Option Plan;
 - (e) change termination provisions for an optionee who is not an insider beyond the original expiry time;
 - (f) reduce the exercise price of an option for an optionee who is not an insider; and
 - (g) implement a cashless exercise feature, payable in cash or securities;

provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to an optionee under the Option Plan without the consent of that optionee. Any other amendments to the Option Plan or options granted thereunder (or options otherwise governed thereby) will be subject to the approval of the shareholders.

- The Option Plan does not contain any provisions relating to the provision of financial assistance by the Company to optionees to facilitate the purchase of common shares upon the exercise of options.

In accordance with the policies of the TSX, the following table sets out the annual burn rate, calculated in accordance with section 613(p) of the TSX Company Manual, of the options granted under the Option Plan for the three most recently completed financial years:

Option Plan	
Year End	Burn Rate⁽¹⁾
2015	0.18%
2016	0.14%
2017	0.00%

(1) Annual burn rate is expressed as a percentage and is calculated by dividing the number of options granted under the Option Plan during the applicable fiscal year by the weighted average number of outstanding shares for the applicable fiscal year.

Information Concerning the Company's Share Loan Plan

The Company's share loan plan (referred to in this Information Circular as the "**Share Loan Plan**" or the "**Loan Plan**") was re-approved by the shareholders at the 2017 AGM. The Loan Plan provides for security-based compensation in a manner similar to a stock option plan by enabling participants to acquire an equity interest in the Company using a limited recourse loan provided by a subsidiary of the Company.

The Loan Plan provides for loans to be made to eligible participants ("**SLP Participants**") who apply the proceeds toward a subscription for shares. The loans are made by a subsidiary of the Company (the "**Lender**") and the shares issued by Nautilus are registered in the name of Computershare Trust Company of Canada as administrative agent (the "**Agent**") for the benefit of the applicable SLP Participant.

The loan does not bear interest, and the Lender's recourse is limited to the value of the shares. If the SLP Participant elects to sell the shares (which will be effected by the Agent), the proceeds will be used to repay the loan and any brokerage and other fees, and the SLP Participant will be entitled to any remaining balance.

SLP Participants can only elect to sell the shares if the then-current market price is greater than the subscription price paid for those shares, such that the net proceeds of the sale will equal or exceed the outstanding loan balance in respect of the shares being sold. An SLP Participant may, during the term of the loan, elect to repay the loan and become the registered holder of the shares. If an SLP Participant ceases to be eligible to participate in the Loan Plan or if the term of the loan expires before the loan is repaid, the Agent will return the shares to the Company, and both the loan and the shares will be cancelled.

Shares issued pursuant to the Loan Plan are referred to as "**Restricted Shares**" as long as they are outstanding and registered in the name of the Agent (i.e. before the date that the shares are sold in the market to pay the loan or the SLP Participant otherwise repays the loan).

The purpose of the Loan Plan is to provide a tax-efficient security-based compensation program for the Company's Australian employees and directors.

The following describes certain terms of the Loan Plan, which are analogous to the terms of the Option Plan, to the extent applicable:

- The SLP Participants will be full-time or part-time employees and directors of Nautilus or any subsidiary, provided any such SLP Participant has their primary residence in Australia.
- The number of Restricted Shares outstanding at any time will, when combined with the number of shares issuable upon exercise of outstanding options under the Option Plan, be limited to 10% of the Company's issued and outstanding shares, on a non-diluted basis (excluding outstanding Restricted Shares in the calculation of issued and outstanding shares), at that time. In the same manner as the Option Plan is "reloaded" when options are exercised, when Restricted Shares cease to be restricted on the repayment of the loan, the number of shares issuable under the Loan Plan will be increased. Any Restricted Shares that are cancelled will be eligible to be reissued, subject always to the 10% limit. The corresponding 10% limitation in the Option Plan will be applied in a manner consistent with the above 10% limitation in the Loan Plan, in that the calculation will exclude outstanding Restricted Shares in the denominator. In addition, as required by applicable Australian securities laws, the number of shares offered to Australian residents under the Loan Plan, when aggregated with the number of shares that would be issued, and the number of shares that have been issued over the previous 5 years, to Australian residents under any security based compensation arrangements, must not exceed 5% of the total number of issued shares at the time each offer is made under the Loan Plan.

- The number of shares issued to insiders of the Company as a group within a one year period under all security based compensation arrangements will not exceed 10% of the total number of issued and outstanding shares, on a non-diluted basis (excluding outstanding Restricted Shares in the calculation of issued and outstanding shares), as at the end of such one year period. Subject to the limitations on the number of shares issuable under the Loan Plan and the Option Plan as noted above, there is no maximum number of shares that any one person is entitled to receive pursuant to the Loan Plan.
- The price at which shares will be issued under the Loan Plan will be determined by the Board of Directors or, if applicable, any committee of the Board of Directors to which administration of the Loan Plan is delegated (the "**SLP Committee**"), and will be not less than the closing price of the shares on the TSX on the last trading day prior to the date of issuance.
- The maximum term of loans made under the Loan Plan is 10 years. The Loan Plan contains provisions for the extension of a loan that would otherwise terminate during or within five trading days after the end of a Black-Out Period until the date that is 10 trading days after the end of an SLP Black-Out Period. A "**SLP Black-Out Period**" means a period of time during which, pursuant to the policies of the Company, trading in shares is prohibited or restricted.
- Vesting of Restricted Shares will be at the discretion of the Board of Directors or the SLP Committee. At the time of vesting, an SLP Participant will be entitled to deal with Restricted Shares by directing that they be sold into the market or by repaying the applicable loan. In the event of a change of control of the Company, all previously unvested Restricted Shares will vest immediately. SLP Participants will agree to vote Restricted Shares beneficially owned by them in accordance with the recommendations of management.
- If an SLP Participant ceases to be eligible to receive a loan under the Loan Plan for reasons other than termination for cause (or death or legal incapacity), any existing loan made to such person (and the corresponding vested Restricted Shares) will remain outstanding for a period ending on the earlier of the expiry date of the loan or six months after the SLP Participant ceases to be eligible to receive a loan under the Loan Plan. Notwithstanding the foregoing, the Board of Directors may, on a case by case basis, allow such Restricted Shares to remain outstanding until any time up to the original expiry date of the applicable loan, irrespective of whether such expiry date is more than six months after the SLP Participant ceases to be eligible to receive a loan under the Loan Plan. If an SLP Participant ceases to be eligible to receive a loan under the Loan Plan as a result of termination for cause, any existing loan made to such person (and the corresponding Restricted Shares) will be cancelled as of that date.
- If an SLP Participant ceases to be eligible to receive a loan under the Loan Plan as a result of death or legal incapacity, any existing loan made to such person (and the corresponding vested Restricted Shares) will remain outstanding for a period ending on the earlier of the expiry date of the loan or one year after the death or incapacity of the SLP Participant.
- Loans made under the Loan Plan and corresponding Restricted Shares are not assignable or transferable other than pursuant to a will or by the laws of descent and distribution.
- Holders of Restricted Shares will waive their rights to receive: (i) any cash dividends declared and (ii) any assets of the Company on dissolution, and shall direct that such cash or other assets be paid or directed to the Company.
- The Board of Directors may from time to time, without shareholder approval and subject to applicable law and to the prior approval, if required, of TSX or any other regulatory body having authority over the Company or the Loan Plan, suspend, terminate or discontinue the Loan Plan at

any time, or amend or revise the terms of the Loan Plan or of any loan made pursuant to the Loan Plan to:

- (a) make amendments of a clerical or typographical nature and to include clarifying provisions in the Loan Plan;
- (b) implement features or requirements that are necessary or desirable under applicable tax and securities laws;
- (c) change vesting provisions;
- (d) change termination provisions for an insider provided that the expiry date does not extend beyond the original expiry date under the Loan Plan; and
- (e) change termination provisions for an SLP Participant who is not an insider beyond the original expiry date;

provided that no such amendment, revision, suspension, termination or discontinuance will in any manner adversely affect any loan previously granted to an SLP Participant under the Loan Plan without the consent of that SLP Participant. Any other amendments to the Loan Plan or loans granted thereunder will be subject to the approval of the shareholders.

As at December 31, 2017, an aggregate of 1,000,000 loan shares were issued and outstanding under the Loan Plan, representing 0.14% of the Company's issued and outstanding common shares as at such date on a non-diluted basis.

In accordance with the policies of the TSX, the following table sets out the annual burn rate, calculated in accordance with section 613(p) of the TSX Company Manual, of the loan shares issued under the Share Loan Plan for the three most recently completed financial years:

Share Loan Plan	
Year End	Burn Rate⁽¹⁾
2015	0.09%
2016	0.10%
2017	0.00%

(1) Annual burn rate is expressed as a percentage and is calculated by dividing the number of loan shares issued under the Share Loan Plan during the applicable fiscal year by the weighted average number of outstanding shares (excluding loan shares) for the applicable fiscal year.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as disclosed below, as at May 8, 2018, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or any of its subsidiaries which is owing to the Company or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

AGGREGATE INDEBTEDNESS		
Purpose	To the Company or its Subsidiaries	To Another Entity
Share Purchases	C\$205,000 ⁽¹⁾	Nil
Other	Nil	Nil

- (1) Pursuant to the Company's Share Loan Plan, the terms of which are described above under "Information Concerning the Company's Share Loan Plan".

Other than as disclosed below, no individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries,

in relation to a securities purchase program or other program.

Name	Share Loan issue date ⁽¹⁾	Number of Loan shares issued ⁽¹⁾	Issue price of Loan shares ⁽¹⁾	Amount outstanding as at May 8, 2018
Russell Debney ⁽²⁾ Director	Jun 19 2015 Nov 25 2016	400,000 600,000	C\$0.45 C\$0.17	C\$205,200

- (1) The transactions described in this table occurred pursuant to the Company's Share Loan Plan, the terms of which are described above. The amount outstanding as at May 8, 2018 is equal to the largest amount outstanding during the year ended December 31, 2017. No amounts have been forgiven in respect of the issuance of loan shares to the persons named above.

- (2) Mr. Debney resigned from the Board effective December 27, 2017.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, no informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company.

Equipment Support and Storage Services Agreements

On January 18, 2016, the Company announced that it had signed agreements with United Engineering Services LLC ("UES") to provide support services associated with wet testing the Company's seafloor production equipment and storing the equipment as it is delivered from various suppliers prior to integration onto the Company's production support vessel. UES is a wholly-owned subsidiary of MB Holding Company LLC ("MB Holding"), which holds, directly or indirectly, approximately 30.4% of the Company's outstanding shares (on a non-diluted basis) and has two nominee directors sitting on the Company's board (Dr. Mohammed Al Barwani and Tariq Al Barwani). Please refer to the Company's news release dated January 18, 2016 for further details.

Bridge Financing

In August 2016 the Company entered into a subscription agreement, as amended (the "**Subscription Agreement**") with Mawarid and Metalloinvest Holding (Cyprus) Limited (together, the "**Purchasers**") under which the Purchasers agreed to purchase such number of common shares of the Company that will raise gross proceeds of up to US\$20 million (the "**Bridge Financing**"). Pursuant to the Subscription Agreement, the shares were to be purchased on a private placement basis and would close in tranches, on a monthly basis, during the period from December 1, 2016 through to November 30, 2017 (the "**Financing Period**"), at the election of the Company. The Company would determine the amount of funds to be raised under each tranche during each month of the Financing Period, subject to the limitations of receiving maximum subscription proceeds of US\$2 million per month and an aggregate maximum total amount of US\$20 million during the entire Financing Period.

Shares would be issued under each tranche at a price that is equal to the volume weighted average trading price of the Company's common shares on the TSX for the 5-day period immediately prior to the date the Company issued the Purchasers a notice that the tranche will proceed.

As the Purchasers are related parties to the Company, applicable securities laws and the rules of the TSX required that shareholder approval be obtained in order for the issuance of shares in the Private Placement Financing to exceed 25% of the Company's market capitalization or 10% of the Company's current number of outstanding shares. At the Company's extraordinary general meeting held on October 26, 2016, the Company obtained the necessary shareholder approvals of the Bridge Financing.

Pursuant to the Subscription Agreement:

- on December 13, 2016, the Company issued an aggregate of 15,539,080 shares to the Purchasers (allocated equally between them) at an issue price of C\$0.174 per share for aggregate proceeds to the Company of US\$2,000,000;
- on March 9, 2017, the Company issued an aggregate of 16,221,118 shares to the Purchasers (allocated equally between them) at an issue price of C\$0.161 per share for aggregate proceeds to the Company of US\$2,000,000;
- on April 10, 2017, the Company issued an aggregate of 12,507,042 shares to the Purchasers (allocated equally between them) at an issue price of C\$0.213 per share for aggregate proceeds to the Company of US\$2,000,000;
- on May 11, 2017, the Company issued an aggregate of 11,197,488 shares to the Purchasers (allocated equally between them) at an issue price of C\$0.239 per share for aggregate proceeds to the Company of US\$2,000,000; and
- on August 4, 2017, the Company issued an aggregate of 11,761,682 shares to the Purchasers (allocated equally between them) at an issue price of C\$0.214 per share for aggregate proceeds to the Company of US\$2,000,000.

In October 2017 the Company and the Purchasers agreed to terminate the Subscription Agreement in connection with a new funding mandate (the "**DSMF Funding Mandate**") entered into between the Company and Deep Sea Mining Finance Ltd. ("**DSMF**"), a private company controlled by the Company's two largest shareholders. For further details see "General Development of the Business of the Company – Three Year History – 2017 – DSMF Funding Mandate" in the Company's annual information form dated March 29, 2018 (available under the Company's profile on the SEDAR website at www.sedar.com) (the "**2018 AIF**").

The Company issued a total of 78,247,462 shares for gross proceeds of US\$12,000,000 under the Subscription Agreement.

Bridge Loans with DSMF

In early January 2018, the Company commenced receiving secured bridge loans from, and in partial consideration therefor the Company commenced issuing share purchase warrants to, DSMF. See "Particulars of Matters to be Acted Upon – Approval of Private Placement of Warrants to Insider" below for further details.

In connection with the bridge loan arrangements and the entering into of a new funding mandate agreement between the Company and M. Horn & Co. Ltd., the Company and DSMF agreed to terminate the DSMF Funding Mandate. For details of the funding mandate with M. Horn & Co. Ltd., refer to "General Development of the Business of the Company – Three Year History – Recent Developments in 2018 – Bridge Loans and new funding mandate" in the 2018 AIF.

APPOINTMENT OF AUDITOR

PricewaterhouseCoopers LLP, Chartered Accountants, of Vancouver, British Columbia is the auditor of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of PricewaterhouseCoopers LLP as the auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the Directors or executive officers of the Company.

CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines and, as prescribed by National Instrument 58-101, discloses its corporate governance practices.

Independence of Members of Board

The Company's Board currently consists of four directors all of whom are nominated for election as a director at the Meeting and all of whom are considered by the Board to be independent based on the test for independence set forth in Section 1.4 of NI 52-110.

Management Supervision by Board

The size of the Company is such that all the Company's operations are conducted by a small management team, overseen by the Board, all of which currently consists of independent directors including the Chair (Tariq Al Barwani). The directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. Further supervision is performed through the audit committee which is comprised of independent directors who are able to meet with the Company's auditors without management being present.

The directors are able to communicate with each other and meet at any time without any members of management being present, which facilitates open and candid discussion among the directors. The independent directors hold formal meetings as and when they consider it is required depending on the circumstances of the Company at the time.

Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the table provided under the heading "Election of Directors" in this Information Circular.

Participation of Directors in Board Meetings

During the year ended December 31, 2017, 5 board meetings were held. The attendance record of each of the current directors for the board meetings held is as follows:

<i>Board Members</i>	<i>Board Meetings</i>		<i>Audit Committee Meetings</i>		<i>GN&R Committee Meetings</i>	
	<i>Number of meetings attended</i>	<i>Number of meetings held during the year for the time the director held office during the year</i>	<i>Number of meetings attended</i>	<i>Number of meetings held during the year for the time the director held office during the year</i>	<i>Number of meetings attended</i>	<i>Number of meetings held during the year for the time the director held office during the year</i>
Russell Debney ⁽¹⁾	5	5	1	1	0	0
Mohammed Al Barwani	5	5	N/A	N/A	N/A	N/A
Tariq Al Barwani	5	5	N/A	N/A	N/A	N/A
Mark Horn ⁽²⁾	4	4	1	1	N/A	N/A
John McCoach ⁽³⁾	1	1	N/A	N/A	N/A	N/A
Jay Layman ⁽⁴⁾	N/A	N/A	N/A	N/A	N/A	N/A
Jonathan Whitworth ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	N/A

(1) Mr. Debney resigned from the Board effective December 27, 2017.

(2) Mr. Horn resigned from the Board effective October 4, 2017.

(3) Mr. McCoach was appointed to the Board effective October 18, 2017.

(4) Mr. Layman was appointed to the Board effective March 23, 2018, after the end of the 2017 financial year.

(5) Mr. Whitworth was appointed to the Board effective March 23, 2018, after the end of the 2017 financial year

Board Mandate

The Board has adopted a Board Mandate, the text of which is attached as Schedule A to this Information Circular.

Position Descriptions

The Board has not developed or adopted written position descriptions for the Chair of the Board and for the chair of each of its committees. The Board considers the mandates and charters for the Board and its committees, as applicable, sufficiently set forth the responsibilities of the Board and the relevant committees and correspondingly make evident the role and responsibilities of the Chair of the Board and the chair of each of its committees.

The Chair of the Board is responsible for the management, development and effective performance of the Board, and for providing leadership to the directors in carrying out their collective responsibilities to supervise the management of the business and affairs of the company. The Chair is also charged with the responsibility of leading the Board and organizing it to function in partnership with, but independently of,

management of the Company in order to facilitate the achievement of the goals of the Company, including sustainable growth and maximizing shareholder value. In particular, the Chair:

- sets all Board meeting agendas with the CEO, and leads all board discussions;
- facilitates and chairs discussions among the Company's independent directors (if any), facilitates communication between the independent directors (if any) and the Company's management, and is responsible for discussing any performance issues of any director; and
- if and when necessary, acts as a spokesperson on behalf of the Board in dealing with the press and members of the public.

The Chair of each Committee of the Board is responsible for guiding the Committee in the fulfillment of its duties and responsibilities and managing the process through which the Committee carries out such duties and responsibilities. In fulfilling such role, each Chair of a Committee is charged with:

- providing effective leadership and overseeing all aspects of the Committee's direction and administration;
- overseeing the mandate, structure, composition, membership and activities delegated to the Committee;
- reporting the results of each Committee meeting at the next Board meeting and ensuring that Committee minutes are available to each Director;
- setting the agenda for Committee meetings in consultation with the Board, other Committee members, the CEO and the appropriate members of management;
- communicating with appropriate members of management in fulfilling the mandate of the Committee;
- ensuring that Committee members are receiving written information and are exposed to presentations from management consistent with fulfilling the mandate of the Committee;
- allotting sufficient time during Committee meetings to fully discuss agenda items of relevance and importance to directors; and
- retaining expert consultants on behalf of the Committee, as needed.

The Board considers the employment agreement with the CEO sufficiently sets forth the role and responsibilities of the CEO. The CEO is responsible for the overall leadership and management of the Company in accordance with the strategies, policies and mandates established by the Board from time to time, and reports to the Board regarding the management and operations of the Company, including any progress and deviations from any strategic plans set by the Board. In addition, the Board regularly discusses corporate and individual objectives for the CEO to achieve, including the CEO's role in keeping with industry practices and corporate governance standards.

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
2. access to management and technical experts and consultants;
3. access to the Company's policies and procedures including the Charter (as described below); and

4. an update by management and other directors on the strategic direction and progress of the Company.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Management provide information and education sessions to the Board and its committees on a continuing basis as necessary to keep the Directors up-to-date with the Company, its business and the environment in which it operates as well as with developments in the responsibilities of Directors, corporate governance, ethics and compliance.

Presentations are made to the Board from time to time to educate and keep them informed of changes within the Company and of regulatory and industry requirements and standards.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders.

The Board has adopted a Charter (the "**Charter**"), which sets forth the Company's mission, objectives and values. The Board has instructed its management and employees to abide by the Charter and to bring any breaches of the Charter to the attention of the Board or management. The Company administers regular training to its employees in relation to the Charter. No material change reports have been filed by the Company since the beginning of the Company's most recently completed financial year pertaining to any conduct of a director or executive officer that constitutes a departure from the Charter.

The Board requires that directors and executive officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material or if required to do so by corporate or securities law.

A copy of the Charter was filed and is available on SEDAR (www.sedar.com) as of May 30, 2013.

Nomination of Directors

The Board and the GN&R Committee have the responsibility for identifying potential Board candidates. Both members of the GN&R Committee are considered independent of the Company (see "Executive Compensation – Compensation Discussion and Analysis – Composition of the Governance, Nomination & Remuneration Committee").

An objective nomination process is encouraged as a result of the Board and the GN&R Committee being comprised of independent directors and the Chair of the Board and the GN&R Committee being an independent director.

The Board and the GN&R Committee assess potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the resources industry are consulted for possible candidates. The Board has adopted terms of reference that set forth the responsibilities, powers and operations of the GN&R Committee.

The terms of reference do not specify a formal process for the identification of new candidates, as changes to the Board are made infrequently. It does however, provide that it is the GN&R Committee's duty to, among other things:

- (a) lead the process for Board appointments and make recommendations to the Board;
- (b) evaluate the structure, size and composition (including the balance of skills, knowledge and experience) of the Board;
- (c) before an appointment is made, evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- (d) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise; and
- (e) review annually the time required from a non-executive director.

Compensation of Directors and the CEO

The GN&R Committee has the primary responsibility for determining the compensation for the Company's directors and officers.

An objective process for determining such compensation is ensured as a result of the Board and the GN&R Committee being comprised of independent directors and the Chair of the Board and the GN&R Committee being an independent director.

On June 26, 2013, the Board approved the following fee structure for the performance of non-executive directors of the Company.

Annual Base Fee	Additional Annual Chairman Fee	Additional Annual Audit Committee Chairman Fee	Fee per Board Meeting and/or Committee Meeting attendance
\$20,000	\$20,000	\$10,000	\$1,500

The first payment to non-executive directors of the Company pursuant to the new fee structure was in 2014.

Non-executive directors are also able to participate in the Company's Option Plan and Share Loan Plan. All of the Company's current directors are considered non-executive directors for this purpose.

All remuneration for senior executives is recommended by the GN&R Committee and approved by the full Board. To determine compensation payable, the GN&R Committee reviews compensation paid for senior management of companies of similar size and stage of development in the mineral exploration and mining industries and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by senior management while taking into account the financial and other resources of the Company.

In setting the compensation, the GN&R Committee annually reviews the performance of the CEO and other members of senior management in light of the Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives.

The Board has adopted a written charter that sets forth the responsibilities, powers and operations of the GN&R Committee.

Other Board Committees

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that committees other

than the Audit Committee and the GN&R Committee are not necessary at this stage of the Company's development.

Assessments

On December 6, 2013, the Board approved the implementation of an annual survey/questionnaire method of evaluating and assessing the performance of the Board, its committees and each individual director as to its, his or her effectiveness and contribution in accordance with NI 58-201 Corporate Governance Guidelines.

A survey/questionnaire was completed by each of the Directors in respect of the 2015 financial year asking for quantitative ratings in the areas of Board responsibility, operations and effectiveness and for the Directors to make comments or suggestions about the Board responsibilities, the way the Board operates or things that the Board could do to enhance its effectiveness.

The survey/questionnaire also asked for quantitative ratings with respect to the performance of the Company's Audit Committee and GN&R Committee and for comments or suggestions about the Committees' responsibilities, the way the Committees operate or things that the Committees could do to enhance their effectiveness.

Finally, the survey/questionnaire contained a self-evaluation survey intended to provide a self-assessment of each of the current Board members and their comments with respect to their individual circumstances, and ability to contribute to the Company.

The results of the survey are being reviewed by the GN&R Committee who shall prepare a report containing any recommendations necessary in light of the survey results, for consideration by the Board.

Director Term Limits and Other Mechanisms of Board Renewal

The Company has not adopted term limits for its directors or other mechanisms for Board renewal. The GN&R Committee, on an annual basis, reviews the size, composition, mandate and performance of the Board and the various committees of the Board, and makes recommendations for appointment, removal of directors or other adjustments as appropriate.

The GN&R Committee has considered whether to propose that the Board adopt term limits for directors and has determined not to do so after consideration of a number of factors, including the significant advantages associated with the continued involvement of long-serving directors who have gained a deep understanding of the Company's projects, operations and objectives during their tenure; the experience, corporate memory and perspective of such directors; the annual review processes performed by the Board and its committees; the professional experience, areas of expertise and personal character of members of the Board; and the current needs and objectives of the Company. The Company believes that director term limits are an arbitrary mechanism for removing directors, and can result in highly qualified and experienced directors forced out solely based on the length of their service.

The Company has adopted a Majority Voting Policy in accordance with TSX requirements (see "Election of Directors – Majority Voting Policy").

Policies Regarding the Representation of Women on the Board

The Company has not adopted a written policy relating to the identification and nomination of women directors, as it believes that the interests of the Company would be better served by ensuring that new directors are identified and selected from the widest possible group of potential candidates. A formalized written diversity policy governing the identification and selection of potential candidates may unduly restrict the Board's ability to select the best candidate.

Consideration of the Representation of Women in the Director Identification and Selection Process

The GN&R Committee, under the supervision of the Board, is responsible for establishing qualifications and skills necessary for an effective Board and for various committees of the Board, including but not limited to factors such as professional experience, particular areas of expertise, personal character, potential conflicts of interest, diversity and other commitments.

Although diversity (which includes diversity in gender, age, ethnicity and cultural background) is one of the factors considered in the Company's director identification and selection process, other factors, being professional experience, particular areas of expertise and personal character, are given greater consideration in the director identification and selection process. In light of the Company's view that candidates should be selected from the widest possible group of qualified individuals, the level of representation of women may be considered but is not a major factor in identifying and nominating candidates for election or re-election to the Board.

Consideration Given to the Representation of Women in Executive Officer Appointments

The Company's views with respect to the representation of women in executive officer positions when making executive officer appointments is the same as its views on the representation of women in the director identification and selection process. In making decisions as to executive officer appointments, the Company believes that decisions to hire or promote an individual should be based on that person's professional experience, particular areas of expertise, character and merit. Accordingly, the level of representation of women in executive officer positions may be considered but is not a major factor when making executive officer appointments.

Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

The Company has not adopted a target regarding women on the Board or in executive officer positions for the reasons set out above and the Company believes that adopting such a target may unduly restrict its ability to select, hire or promote the best candidate for the position in question.

Number of Women on the Board and in Executive Officer Positions

The Company currently does not have any female Board members nor does it have any female executive officers.

AUDIT COMMITTEE INFORMATION

Information regarding the Company's Audit Committee, as required by Form 52-110F1 of NI 52-110, is contained in the 2018 AIF (including a copy of the Audit Committee's terms of reference which is contained in Schedule A thereto). A copy of the 2018 AIF is available under the Company's profile on SEDAR at www.sedar.com. Upon request, the Company will promptly provide a copy of the 2018 AIF free of charge to a shareholder.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of Private Placement of Warrants to Insider

Summary of the Transaction

As previously disclosed, during the period January 2018 to the date hereof, the Company has received an aggregate of US\$11,250,000 in bridge loans from Deep Sea Mining Finance Ltd. (the "**Lender**"). In conjunction with and as partial consideration for the bridge loans, the Company has issued, on a private

placement basis, an aggregate of 48,324,740 share purchase warrants (the "**Existing Warrants**") to the Lender on the basis of one warrant for each US\$0.2328 of principal amount of loan advanced. The bridge loans were provided to assist the Company's immediate working capital requirements and facilitate payments required to continue the development of the Company's seafloor production system to be first utilized at the Company's Solwara 1 Project.

Details of the Existing Warrants are set forth in the following table:

Date of Issuance	No. of Existing Warrants	Exercise Price	Expiry Date	Bridge Loan Amount
Jan. 8, 2018	3,221,649	C\$0.17	Jan 8., 2023	US\$750,000
Jan. 10, 2018	8,591,065	C\$0.17	Jan. 10, 2023	US\$2,000,000
Feb. 8, 2018	8,591,065	C\$0.17	Feb. 8, 2023	US\$2,000,000
Mar. 2, 2018	8,161,512	C\$0.17	Mar. 2, 2023	US\$1,900,000
Apr. 2, 2018	12,886,597	C\$0.205*	Apr. 2, 2023	US\$3,000,000
Apr. 30, 2018	6,872,852	C\$0.23*	Apr. 30, 2023	US\$1,600,000
TOTAL:	<u>48,324,740</u>			<u>US\$11,250,000</u>

* Proposed to be re-priced to C\$0.17.

As previously disclosed, the bridge loans are intended to form part of a larger secured structured credit facility in the amount of up to US\$34 million to be provided by the Lender to the Company (the "**Facility**"). The Company and the Lender are currently in the process of negotiating the definitive agreements for the Facility. Upon the execution of such Facility agreements, all of the existing bridge loans provided by the Lender to the Company will become loans under the Facility (collectively, the "**Loans**"). The Loans will continue to bear interest at 8% per annum, payable semi-annually in arrears, and will mature on January 8, 2019 (being one year after the first bridge loan was made).

The Loans will be secured against the assets of the Company through a general security agreement granted by the Company along with a pledge of the shares held by the Company in Nautilus Minerals Niugini Limited ("**NMN**"), which is the Company's wholly-owned subsidiary that holds the 85% interest in the Solwara 1 Project. It is anticipated that NMN will also provide a guarantee of the Loans and will grant security to the Lender in support thereof, including security over NMN's interest in the Solwara 1 Project, subject to receipt of applicable Papua New Guinea governmental and other third party approvals. Advances of new Loans made under the Facility will be subject to, among other things, the Lender's ongoing review and approval of the Company's monthly operational budget.

A total of up to 146,048,110 share purchase warrants of the Company (the "**Maximum Warrants**") will be issuable to the Lender under the Facility (inclusive of the Existing Warrants) on the basis of one warrant for each US\$0.2328 of principal amount of loan under the Facility, representing approximately 21.6% of the Company's current number of outstanding common shares.

The Lender does not currently own any securities of the Company, other than the Existing Warrants. Assuming the Maximum Warrants are issued to the Lender, the Lender will own approximately 17.8% of the outstanding common shares of the Company on a partially-diluted basis assuming that all of the Maximum Warrants are exercised by the Lender.

An aggregate of up to 97,723,370 share purchase warrants (the "**Additional Warrants**") remain issuable to the Lender in conjunction with remaining loans of up to US\$22,750,000 under the Facility. As with the Existing Warrants, each Additional Warrant is non-transferable and will entitle the holder to purchase one common share of the Company for a period of five years from the date of issuance of the Additional Warrant.

As indicated in the table above, 12,886,597 of the Existing Warrants issued on April 2, 2018 have an exercise price of C\$0.205 per share (the "**April 2 Warrants**") and 6,872,852 of the Existing Warrants issued on April 30, 2018 have an exercise price of C\$0.23 per share (the "**April 30 Warrants**"). The Company and the Lender agreed that all share purchase warrants issued under the Facility, including the April 2 Warrants and the April 30 Warrants (together the "**Subject Warrants**"), will have an exercise price of C\$0.17 per share, subject to receipt of all necessary TSX and shareholder approvals. The C\$0.17 exercise price represents the trading price of the Company's shares at the time the Company and the Lender initially agreed to a non-binding term sheet in relation to the Facility in early January 2018.

The Subject Warrants were required by TSX to have an exercise price greater than C\$0.17 since, at the time of issuance of the Subject Warrants, the Company's initial filing with TSX to reserve the C\$0.17 exercise price had expired and the then current trading price of the Company's shares had increased to approximately C\$0.205 and C\$0.23, as the case may be.

As previously disclosed, the Lender is a private company owned 50% by each of: (i) USM Finance Ltd., a wholly owned subsidiary of USM Holdings Ltd., which is an affiliate of Metalloinvest Holding (Cyprus) Limited ("**Metallo**"); and (ii) Mawarid Offshore Mining Ltd., a wholly-owned subsidiary of MB Holding Company LLC ("**MB**").

Metallo currently owns a total of 129,792,256 common shares of the Company, representing approximately 19.2% of the Company's outstanding shares. Assuming that all of the Maximum Warrants are issued to and then exercised by the Lender, and assuming 50% of the shares issued on exercise of the Maximum Warrants are attributed to each of Metallo and MB, then Metallo would own a total of 202,816,311 common shares of the Company (based on Metallo's current holdings) representing approximately 24.7% of the Company's outstanding shares.

MB, together with its affiliates, currently owns a total of 205,039,991 common shares of the Company, representing approximately 30.4% of the Company's outstanding shares. MB is represented by two nominee directors on the board of directors of the Company, namely Dr. Mohammed Al Barwani and Mr. Tariq Al Barwani. Dr. Mohammed Al Barwani is the Chairman, founder and the controlling beneficial shareholder of MB. His son, Mr. Tariq Al Barwani, is a director and beneficial shareholder of various companies in the MB group of companies. Assuming that all of the Maximum Warrants are issued to and then exercised by the Lender, and assuming 50% of the shares issued on exercise of the Maximum Warrants are attributed to each of Metallo and MB, then MB would, together with its affiliates, own a total of 278,064,046 common shares of the Company (based on MB's current holdings) representing approximately 38.9% of the Company's outstanding shares.

As the Lender is indirectly controlled by two insiders of the Company, the Lender is considered a "related party" of the Company and the transactions involving the Facility constitute a "related party transaction" of the Company under MI 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and a transaction with an insider for purposes of applicable TSX rules.

The independent directors of the Company (consisting of John McCoach, Jay Layman and Jonathan Whitworth) approved, among other things, the issuance of the Maximum Warrants to the Lender in connection with the Loans, and the directors also determined, acting in good faith, that the issuance of the Maximum Warrants will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 in reliance on the exemptions set forth in sections 5.5(a) and 5.7(1)(a) of MI 61-101, on the basis that, at the time the transaction is agreed to, neither the fair market value of, nor the

fair market value of the consideration for, the Maximum Warrants exceeds 25% of the Company's market capitalization.

Trading Price and Volume

The Company's common shares are listed and posted for trading on the TSX under the symbol "NUS". The following table sets forth information relating to the monthly trading of the shares on the TSX for the twelve months prior to the date hereof.

Period	High (C\$)	Low (C\$)	Total Volume
2017			
May	0.26	0.23	3,224,577
June	0.255	0.21	1,958,941
July	0.23	0.19	1,014,965
August	0.245	0.20	1,820,165
September	0.235	0.185	1,795,313
October	0.21	0.17	1,968,959
November	0.21	0.18	1,057,598
December	0.195	0.145	2,009,283
2018			
January	0.185	0.14	2,861,787
February	0.39	0.16	13,685,822
March	0.27	0.21	5,276,678
April	0.24	0.215	2,378,304

TSX Requirements

Section 607(g)(ii) of the TSX Company Manual requires issuers listed on TSX to obtain disinterested shareholder approval of private placements that during any six month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the first private placement to an insider during the six month period.

As the Maximum Warrants represent approximately 21.6% of the Company's current outstanding common shares (being 674,785,995), the Company is seeking disinterested shareholder approval to the issuance of the Maximum Warrants to the Lender.

Section 604(a)(ii) of the TSX Company Manual requires issuers to obtain disinterested shareholder approval of private placements and related transactions that provide consideration to insiders in aggregate of 10% or greater of the market capitalization of the listed issuer during any six month period. The Company's market capitalization is approximately C\$138 million based on the closing price of the shares on TSX of C\$0.205 on May 7, 2018 and the 674,785,995 shares outstanding on the date hereof. The Company has, using the Black-Scholes model, valued the Maximum Warrants at C\$15,951,913. The consideration to be received by the Lender under the Facility (assuming the maximum US\$34 million is drawn), namely interest payments of approximately C\$3,499,008 (based on the US/CAD daily exchange rate of 1.2864 reported by the Bank of Canada on May 7, 2018) and the value of the Maximum Warrants

noted above, equals C\$19,450,921, which represents approximately 14.1% of the Company's current market capitalization. Accordingly, shareholder approval of the issuance of the Maximum Warrants is also required under section 604(a)(ii) of the Manual.

Section 607(i) of the TSX Company Manual provides that, unless otherwise approved by the issuer's shareholders, warrants to purchase shares listed on TSX may only be issued to placees if the warrant exercise price is not less than the market price of the listed shares as determined at the relevant time by TSX (market price being defined as the 5-day volume weighted average trading price of the issuer's shares on TSX immediately prior to the relevant time). As the proposed C\$0.17 exercise price of the Subject Warrants and the Additional Warrants is lower than the market price of the Company's shares in connection with the issuance of such securities (see "Trading Price and Volume" above for details of the Company's trading price over the previous 12 month period), the Company is required to obtain disinterested shareholder approval to the Subject Warrants and the Additional Warrants having an exercise price of C\$0.17.

A C\$0.17 exercise price represents a discount of approximately: (i) 17% to the existing C\$0.205 exercise price of the April 2 Warrants; and (ii) 26% to the existing C\$0.23 exercise price of the April 30 Warrants.

Between the date hereof and the date of the Meeting, the Company may issue up to 19,153,859 Additional Warrants without the requirement for shareholder approval pursuant to TSX requirements. During such time, any Additional Warrants issued in excess of 19,153,859 will contain a provision restricting the exercise of such Additional Warrants by the Lender until the Company has received the necessary shareholder approvals at the Meeting. For the purposes of this Information Circular, and in particular the approvals set forth in the First Resolution and the Second Resolution (each as defined below), all references to the Additional Warrants will be deemed to include such additional share purchase warrants issued between the date hereof and the date of the Meeting whether issued pursuant to additional bridge loans or under the Facility.

Excluded Votes

To the knowledge of the directors and management of the Company, the following shareholders are required to be excluded from voting on the First Resolution and the Second Resolution pursuant to TSX requirements, since such companies (or their affiliates) collectively control the Lender:

<u>Shareholder</u>	<u>No. of shares held</u>	<u>% outstanding Shares</u>
MB Holding Company LLC	195,400	0.03%
Mawarid Offshore Mining Ltd.	204,844,591	30.4%
Metalloinvest Holding (Cyprus) Limited	129,792,256	19.2%
Total:	<u>334,832,247</u>	<u>49.6%</u>

Resolution Approving the Additional Warrants

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution approving the issuance of the Maximum Warrants to the Lender, in substantially the form of the resolution set forth below (the "**First Resolution**"). All shareholders, other than the shareholders set forth under "Excluded Votes" above, will be entitled to vote on the First Resolution. In order to pass, the First Resolution must be approved by greater than one-half (1/2) or 50% of the votes cast by those shareholders who, being entitled to do so, vote in person or by proxy at the Meeting.

"RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (a) the issuance by the Company to Deep Sea Mining Finance Ltd. of an aggregate of up to 146,048,110 share purchase warrants of the Company in connection with loans provided by the Company to the Lender, having the terms described in the Company's information circular dated May 8, 2018, be and the same is hereby ratified and approved;
- (b) notwithstanding the approval by the shareholders of the Company of this ordinary resolution, the board of directors of the Company is hereby authorized, by resolution at any time in its absolute discretion, to determine whether or not to proceed with the transaction referred to in the preceding resolution, without further approval, ratification or confirmation by the shareholders of the Company; and
- (c) any one director or officer of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments or the taking of such actions."

Unless otherwise directed, the persons named in the enclosed Proxy intend to vote FOR the First Resolution.

If the First Resolution is not approved at the Meeting, the Existing Warrants will remain outstanding and up to 19,153,859 Additional Warrants may be issued or remain outstanding, if previously issued. However, the Company would not be permitted to issue the balance of the Additional Warrants to the Lender and therefore the Company may not be able to receive additional bridge loans or make advances under the Facility, as the case may be.

Resolution Approving C\$0.17 Warrant Exercise Price

If the First Resolution is approved at the Meeting, shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution approving that the Subject Warrants and the Additional Warrants shall have an exercise price of C\$0.17 per share, in substantially the form of the resolution set forth below (the "**Second Resolution**"). All shareholders, other than the shareholders set forth under "Excluded Votes" above, will be entitled to vote on the Second Resolution. In order to pass, the Second Resolution must be approved by greater than one-half (1/2) or 50% of the votes cast by those shareholders who, being entitled to do so, vote in person or by proxy at the Meeting.

"RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (a) the amendment to the exercise price of 12,886,597 share purchase warrants of the Company issued to Deep Sea Mining Finance Ltd. (the "**Lender**") on April 2, 2018, from C\$0.205 per share to C\$0.17 per share, as described in the Company's information circular dated May 8, 2018 (the "**Circular**"), be and the same is hereby approved;
- (b) the amendment to the exercise price of 6,872,852 share purchase warrants of the Company issued to the Lender on April 30, 2018, from C\$0.23 per share to C\$0.17 per share, as described in the Circular, be and the same is hereby approved;
- (c) an exercise price of C\$0.17 per share, in respect of up to 97,723,370 additional share purchase warrants of the Company issued or issuable to the Lender in connection with loans provided by the Lender to the Company, as described in the Circular, be and the same is hereby ratified and approved;
- (d) notwithstanding the approval by the shareholders of the Company of this ordinary resolution, the board of directors of the Company is hereby authorized, by resolution at any time in its absolute discretion, to determine whether or not to proceed with the transaction referred to in the preceding resolution, without further approval, ratification or confirmation by the shareholders of the Company; and
- (e) any one director or officer of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments or the taking of such actions."

Unless otherwise directed, the persons named in the enclosed Proxy intend to vote FOR the Second Resolution.

If the First Resolution is approved at the Meeting but the Second Resolution is not approved at the Meeting, the respective exercise prices of the Subject Warrants and any Additional Warrants issued before the date of the Meeting, as applicable, will not be changed, and the Company and the Lender have agreed that the exercise price of the Additional Warrants remaining to be issued will be the greater of C\$0.17 and the minimum exercise price permitted by the TSX.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at investor@nautilusminerals.com to request copies of the Company's financial statements and MD&A.

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

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 8th day of May 2018.

APPROVED BY THE BOARD OF DIRECTORS

"Michael Johnston"

Michael Johnston, Chief Executive Officer

SCHEDULE A

BOARD MANDATE

LIST OF MATTERS IN RELATION TO ALL GROUP COMPANIES RESERVED FOR DECISION BY THE FULL BOARD OF DIRECTORS

1. **Strategy And Management**
- 1.1 Participation with management in developing the group's long term objectives and commercial strategy, and approval, monitoring and assessing of the same.
- 1.2 To the extent feasible, satisfying itself: (i) as to the integrity of the Chief Executive Officer and other executive officers, and (ii) that the CEO and other executive officers create a culture of integrity throughout the Company.
- 1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.4 Oversight of the group's operations ensuring:
 - (a) competent and prudent management
 - (b) sound planning
 - (c) an adequate system of internal control
 - (d) adequate accounting and other records
 - (e) compliance with statutory and regulatory obligations.
- 1.5 Any decision to cease to operate all or any material part of the group's business.
- 1.6 Reviewing and approving any proposed changes to the Company's Articles and Notice of Articles.
- 1.7 Identify business risks; determine, with input from management and committees, what risks are acceptable; and ensure that systems and actions are in place to monitor and manage risk.
- 1.8 Meet at least once annually to: plan for the future growth of the Company; identify the principal risks of the Company's business; review existing systems and, where applicable, ensure implementation of appropriate systems to manage such risks; monitor senior management; and ensure timely disclosure of material transactions through the issuance of news releases and financial statements.
- 1.9 Meet as necessary depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. When necessary and appropriate, issues may be approved and adopted by way of written resolutions.
- 1.10 Meetings may either be in person, by teleconference, or by videoconference, as determined by the Chairman.

2. **Structure and Capital**

- 2.1 Changes relating to the group's capital structure including reduction of capital, share issues (except under employee share plans) and share buy backs.
- 2.2 Major changes to the group's corporate structure.
- 2.3 Changes to the group's management and control structure.
- 2.4 Any changes to the Company's listing or its status as a reporting issuer.
- 2.5 Responsibility for any take-over bid, proposed merger, amalgamation, arrangement, significant acquisition, disposition of all or substantially all of the assets or any similar form of business combination, including the approval of any agreements, circulars or other documents in connection therewith.

3. **Financial Reporting and Controls**

- 3.1 Approval of interim and annual financial statements and management's discussion and analysis ("MD&A"), subject to any delegation to the audit committee of approval of interim financial statements and MD&A.
- 3.2 Approval of the dividend policy.
- 3.3 Declaration of dividends.
- 3.4 Approval of any significant changes in accounting policies or practices.
- 3.5 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.

4. **Internal Controls**

- 4.1 Ensuring maintenance of a sound system of internal control over financial reporting and risk management including:
 - (a) receiving reports on, and reviewing the effectiveness of, and, with management, giving effect to the group's internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements; and
 - (b) undertaking an annual assessment of these processes.

5. **Contracts**

- 5.1 Contracts which are material strategically or by reason of size, entered into by the Company or any subsidiary in the ordinary course of business, for example bank borrowings and acquisitions or disposals of fixed assets.
- 5.2 Contracts of the Company or any subsidiary not in the ordinary course of business, for example loans and repayments; foreign currency transactions; major acquisitions or disposals.

- 5.3 Material investments.
- 5.4 Material strategic alliances, joint ventures, partnership or profit sharing arrangements.
- 5.5 Contracts or arrangements with any shareholder, director, or any company or entity with which such shareholder or director is associated.
6. **Communication**
- 6.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.2 Approval of all circulars and prospectuses.
- 6.3 Approval of press releases concerning matters decided or approved by the board.
7. **Board Membership And Other Appointments**
- 7.1 Receive recommendations from the nomination committee and make determinations with respect to:
- (a) changes to the structure, size and composition of the board;
 - (b) ensuring adequate succession planning for the board and senior management;
 - (c) appointments to the Board;
 - (d) selection of the chairman of the board and the chief executive and appointment of other officers;
 - (e) if at any time the chairman of the board is not independent of the Company, appointment of the lead independent director;
 - (f) membership and chairmanship of board committees, which appointments shall be made at the meeting of directors immediately following the AGM each year;
 - (g) continuation in office of directors at the end of their term of office when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate;
 - (h) continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to applicable law and their service contract;
 - (i) appointments to boards of subsidiaries; and
 - (j) any change to a Director's terms of employment.
- 7.2 Receive recommendations from the audit committee and make determinations with respect to remuneration of auditors and appointment, reappointment or removal of the external auditor to be put to shareholders for approval.

8. **Remuneration**

- 8.1 Receiving recommendations from the remuneration committee and making determinations with respect to:
- (a) the remuneration policy for the directors, company secretary and other senior executives;
 - (b) the remuneration of the non-executive directors, subject to shareholder approval as applicable; and
 - (c) the introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

9. **Delegation Of Authority**

- 9.1 Determining the division of responsibilities between the chairman, the chief executive and other executive directors.
- 9.2 Approval of terms of reference of board committees.
- 9.3 Receiving reports from board committees on their activities.
- 9.4 Forming ad hoc committees of independent directors to consider and make recommendations to the full Board of Directors with respect to any matter identified in sections 2 or 5 where: (i) good corporate governance practices or industry norms dictate that it is appropriate to do so; or (ii) upon the recommendation of the Governance, Nomination and Remuneration Committee.

10. **Corporate Governance Matters**

- 10.1 Receiving recommendations from the Governance, Nomination and Remuneration Committee and making determinations with respect to:
- (a) Review and assessment of its own performance, that of its committees and individual directors.
 - (b) The independence of directors.
 - (c) The balance of interests between shareholders, employees, customers and the community.
 - (d) The group's overall corporate governance arrangements.

11. **Policies**

- 11.1 Approval of policies and certain procedures, including:
- (a) Charter;
 - (b) Health and safety policy;
 - (c) Environmental policy;
 - (d) Community policy;

- (e) Whistleblower Procedure;
- (f) Disclosure and Insider Trading procedure; and
- (g) Charitable donations procedure.

12. **Other**

- 12.1 The making of any cash political donations.
- 12.2 Approval of the appointment of the group's principal professional advisers.
- 12.3 Prosecution, defence or settlement of litigation.
- 12.4 Approval of the overall levels of insurance for the group including Directors' & Officers' liability insurance and indemnification of directors.
- 12.5 Major changes to the rules of the group's pension scheme, or changes of trustees or, when subject to the approval of the company, changes in the fund management arrangements.
- 12.6 Any changes to this Board Mandate.

