

AURCANA CORPORATION

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Shareholders of **AURCANA CORPORATION** (the "Company") will be held in the Stanley Room at the Hyatt Regency Hotel, 655 Burrard Street, Vancouver, British Columbia on Wednesday, June 29, 2011 at the hour of 10:00 a.m. (local time), for the following purposes:

1. To receive and consider the Financial Statements of the Company, together with the auditor's report thereon, for the year ended December 31, 2010;
2. To determine the number of Directors at five (5) and to elect the Directors for the ensuing year;
3. To authorize the Directors to fix the remuneration to be paid to the auditor;
4. To appoint the auditor for the ensuing year;
5. To consider and, if thought fit, to pass an ordinary resolution to re-adopt and re-approve the Company's 10% Rolling Stock Option Plan;
6. To ratify, confirm and approve all acts, deeds and things done by the proceedings of directors and officers of the Company on its behalf since the last annual general meeting of the Company;
7. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Meeting is an Information Circular, Instrument of Proxy and Financial Statements of the fiscal year ended December 31, 2010 and Management's Discussion and Analysis thereon. The information circular provides additional information relating to the matters to be dealt with at the meeting and is deemed to form part of this Notice.

Members are entitled to vote at the meeting either in person or by proxy. Those who are unable to attend the meeting are requested to read, complete, sign and return the enclosed form of Proxy in accordance with the instructions set out in the proxy and the Information Circular accompanying this Notice.

DATED at Vancouver, British Columbia, this 5th day of May, 2011.

**BY ORDER OF THE BOARD OF
AURCANA CORPORATION**

"Lenic Rodriguez"

Lenic Rodriguez
President and Chief Executive Officer

AURCANA CORPORATION

INFORMATION CIRCULAR

(as at and dated May 5, 2011, unless indicated otherwise)

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by management of Aurcana Corporation ("Aurcana" or the "Company") for use at the Annual General Meeting (the "Meeting") of shareholders of the Company to be held on June 29, 2011, at the time and place and for the purposes set forth in the Notice of Meeting. All solicitation costs will be borne by Aurcana. Aurcana has retained Allen Nelson & Co. to advise management on the solicitation of proxies and related matters for a fee of approximately \$25,000 and customary expenses. Proxies will be solicited initially by mail, and proxies may also be solicited personally, by telephone or through electronic means (including via the internet, e-mail or facsimile) by directors, officers and employees of Aurcana. Aurcana has arranged for brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Aurcana Shares held of record by such persons, and Aurcana may reimburse such persons for reasonable fees and disbursements incurred by them in so doing.

Appointment and Revocation Of Proxies

The persons named in the accompanying form of proxy are directors of the Company. **A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him or her at the meeting may do so, either by striking out the printed names and inserting the desired person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and in either case delivering the completed proxy to the office of Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting.**

A shareholder who has given a proxy may revoke it by an instrument in writing delivered to the said office of **Equity Transfer & Trust Company** at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or to the chair of the Meeting, or in any manner provided by law.

Voting and Discretion Of Proxies

The securities represented by the proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for, and if the shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly. The form of proxy confers authority upon the named proxyholder with respect to matters identified in the accompanying notice of Meeting. If a choice with respect to such matters is not specified, it is intended that the person designated by management in the form of proxy will vote the securities represented by the proxy **in favour of** each matter identified in the proxy and **for** the nominees of management for directors and auditor.

The proxy confers discretionary authority upon the named proxyholder with respect to amendments to or variations in matters identified in the accompanying notice of Meeting and other matters which may properly come before the Meeting. As at the date of this information circular, management is not aware of any amendments, variations, or other matters. If such should occur, the persons designated by management will vote thereon in accordance with their best judgment, exercising discretionary authority.

Registered Shareholders

Only registered shareholders or duly appointed proxy holders are permitted to vote at the Meeting. If you are a registered shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. If you submit a Proxy, you must complete, date and sign the Proxy, and then return it to: **Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1** not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or the Chairman of the Meeting prior to the commencement of the Meeting, or any adjournment thereof at which the Proxy is to be used.

Non-Registered Holders

Only registered shareholders or duly pointed proxyholders are permitted to vote at the Meeting of shareholders. Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESSPs and similar plans); or (b) in the name of a clearing agency such as The Canadian Depository for Securities Limited, of which the Intermediary is a participant.

These securityholders materials are being sent to both registered shareholders and Non-Registered Holders. If you are a Non- Registered Holder, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “OBOs”.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has elected to send the Notice, this Information Circular and the Proxy (collectively, the “Meeting Materials”) directly to the NOBOs and the OBOs unless the OBO has waived the right to receive them.

By choosing to send these materials to the NOBOs and OBO’s directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to the NOBOs, and OBO’s and (ii) executing their proper voting instructions.

The Meeting Materials sent to Non-Registered Holders who have not waived the right to receive meeting materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Holder is able to instruct the registered shareholder how to vote on behalf of the Non-Registered Holder. VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his or her nominee the right to attend and vote at the Meeting. **Please return your voting instructions as specified in the VIF. Non-Registered Holders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.**

Interest of Certain Persons or Companies in Matters to be Acted Upon

None of the directors or officers of the Company, no management nominee for election as a director of the Company, none of the persons who have been directors or officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Voting Securities and Principal Holders of Voting Securities

The Company has an authorized capital of an unlimited number of common shares without par value. As at the date of this Information Circular, 342,639,868 common shares without par value were issued and outstanding, each such share carrying the right to one (1) vote at the Meeting. The Company has no other classes of voting securities. The record date has been fixed in advance by the directors of the Company at May 2, 2011 for the purpose of determining those shareholders entitled to receive notice of, and to vote at the Meeting.

To the knowledge of the directors and executive officers of Aurcana, as at the Record Date, other than CDS and Co. no person beneficially owns, directly or indirectly, or controls or directs shares carrying 10% or more of the voting rights attached to all of the Aurcana shares.

Election of Directors

Management of the Company is seeking shareholder approval to fix the number of directors on the Company's board of directors (the "Board") to five (5).

The persons named in the following table are management's nominees to the Board. Each director elected will hold office until the next annual general meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the articles of the Company or unless he or she becomes disqualified to act as a director.

Name and Address of Nominee and Present Position with Company	Principal Occupation During the Last Five years	Director Since	Number of Approximate Voting Securities ¹
Lenic Rodriguez President, CEO, Director Canada	President, CEO, and director of the Company, Consultant.	2006	1,000,000
Adrian Aguirre ^{2 3} Director Mexico	Vice Chairman of Maxcom Telecomunicaciones	2008	2,609,724
Robert J. Tweedy ^{2 3} Director Canada	Chairman of Useppa Holdings Limited, a diversified management company	2010	350,000
Paul Matysek ^{2 3} Director Canada	Former President and CEO of Potash One Inc. from November 2007 to January 2011; CEO and Director, Lithium One Inc. Founder), Nevada Copper Corp., Forsys Metals Corp., Wolverine Minerals Inc., Dundarave Resources Inc., Harvest One Capital Inc., and Wealth Minerals Ltd.; Former CEO and President of Energy Metals Corporation	2011	Nil
Ken Collison Canada	P.Eng., B.Sc., M. Eng (Mining); Senior Vice President of Project Development at Avanti Mining Inc	N/A	Nil

1 Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised.

2 Denotes member of the Audit Committee.

3 Denotes member of the Corporate Governance and Compensation Committee.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions or Individual Bankruptcies

Except as noted below, to the knowledge of Aurcana, no proposed director:

- a) is 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 Aurcana) that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO or;
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including Aurcana) 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 securityholder in deciding whether to vote for a proposed director.

Mr. Paul Matysek was a director of Mandalay Resources Corporation ("Mandalay") when a cease trade order was issued against it on February 9, 2004 for failure to file material change reports, a technical report and quarterly and year end reports in the form required under the Securities Act and the Securities Rules (British Columbia). On January 4, 2005, the British Columbia Securities Commission revoked the cease trade order, as Mandalay had filed the required documentation. A cease trade order was issued against Mandalay on June 30, 2004 by the Alberta Stock Exchange for failure to file certain required financial information. On February 1, 2005, the cease trade order was revoked as Mandalay had filed the required records. Mr. Matysek resigned as a director of Mandalay on November 17, 2005.

Mr. Robert J. Tweedy, was within 10 years before the date of this Information Circular, a director of CPI Plastics Group Limited, which within a year of his ceasing to act in this capacity, had a receiver appointed to hold its assets. In addition, Mr. Tweedy was, within 10 years before the date of the Information Circular, a director and executive officer of Sklar Peppler Furniture Corporation, which within a year of his ceasing to act in those capacities filed for and obtained protection under the *Companies' Creditors Arrangement Act* (Canada)

Statement of Corporate Governance Practices

National Instrument 58-201 ("NI 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. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Board of Directors

The Board is currently composed of five (5) directors and it is proposed that five (5) directors will be nominated at the meeting.

Form 58-101F1 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under National Instrument 52-110 ("NI 52-110"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Of the proposed nominees, one (1) nominee, Lenic Rodriguez, is considered "not independent" as Lenic Rodriguez, the current President and CEO is considered an "inside" or management director. Each of the remaining four (4) proposed directors are considered by the Board to be "independent", within the meaning of NI 52-110. In assessing Form 58-101F1 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

Mandate of the Board of Directors

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

Directorships

The participation of the current directors in other reporting issuers is as follows:

Name of Director	Name of Other Reporting Issuer
Paul Matysek	Forsys Metals Corp., Dundarave Resources Inc., Harvest One Capital Inc., Lithium One Inc., Nevada Copper Corp., Ocean Park Ventures Corp., Sonora Gold and Silver Corp., Wealth Minerals Ltd., West African Iron Ore Corp., Wolverine Minerals Corp.
Robert J. Tweedy	Dundee Real Estate investment Trust

Orientation and Continuing Education

The Board does not have a formal orientation and education program for new directors. Upon joining the Board, each director is provided with an orientation program regarding the role of the Board, its committees and its directors, and the nature and operation of the Company's current and past business. They are also provided with a copy of the Audit Committee charter, Corporate Governance and Compensation Committee charter and Code of Business Conduct. The Board encourages directors to participate in continuing education opportunities in order to ensure that the directors may maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company's business.

Ethical Business Conduct

Corporate governance is the structure and process used to direct and manage the business and affairs of a corporation with the objective of enhancing shareholder value. The Board of Directors believes that the Company has in place corporate governance practices that are both effective and appropriate to the Company's size and business operations.

To facilitate meeting this responsibility, the Board of directors seeks to foster maintaining a culture of ethical business conduct and social responsibility as critically important. Management consistently strives to instill the Company's principles into the practices and actions of the Company's management and employees.

In that regard, the Board, recently adopted a written **Code of Business Conduct** (the "Code") for its directors, officers, employees and consultants. A copy of the Code can be found on the Company website at www.aurcana.com and has been posted on SEDAR at www.sedar.com;

Nomination of Directors

The Board considers its size from time to time and annually each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience. The Board does not have a nominating committee; however, these functions are currently performed by the Corporate Governance and Compensation Committee. Additionally, each member of the Board, together with the assistance of executive management, assists with identifying new candidates through various means, including representatives of the mineral exploration industry.

New nominees should have a track record in general business management, special expertise in areas of strategic interest to the Company and the ability to devote the time required.

Compensation of Directors and the CEO

The Board has established a Corporate Governance and Compensation Committee ("CGCC"), presently comprised of Robert J. Tweedy, Chairman, Adrian Aguirre and Paul Matysek which recommends to the board of directors of the Company the compensation of the Company's directors and officers, including stock options, among other things, and has adopted a CGCC charter.

The CGCC is responsible for the review and setting of all compensation (including stock options) paid by the Company to the CEO, all other executive officers of the Company and the members of the Board. The CGCC is also responsible for the governance roles, responsibilities, authorities and powers including the general responsibility for developing and reviewing the approach of the Company to governance issues.

In establishing salaries for the Company's CEO, other executive officers and directors, consideration is given to salary ranges for comparable positions in similar size companies. Data for such comparisons is obtained from the evaluation of compensation against industry peers including those with a similar market capitalization, in the business of exploring similar minerals in similar jurisdictions, and from reviewing similar other companies' compensation information included in their information circulars. In setting salaries within competitive ranges, the CGCC considers performance related factors including the Company's overall results during the past year and its performance relative to a budgeted plan or stated objectives. Consideration also is given to an individual's contribution to the Company and the accomplishments of departments for which that officer has management responsibility, and the potential for future contributions to the Company.

The CGCC is also responsible for reviewing and assessing the effectiveness of the Board; making recommendations regarding the composition and the appropriate size of the Board; reviewing the corporate governance policies and practices of the Company generally and making recommendations thereon to the Board, including overseeing and making recommendations to the Board on developing the approach of the Company to corporate governance issues and practices and formulating the response of the Company to the corporate governance guidelines and disclosure requirements.

Incentive stock options to certain of the Company's directors may be granted during the fiscal year.

Assessments

The CGCC is responsible for reviewing and assessing the effectiveness of the Board.

Other Board Committees

The Board has two Committees of the Board, namely: the Audit Committee and the Corporate Governance and Compensation Committee as described herein.

Audit Committee

National Instrument 52-110 *Audit Committees* ("NI 52-110") requires the Company's Audit Committee to meet certain requirements. It also requires the Company to disclose in this Information Circular certain information regarding the Audit Committee as described herein.

Overview

The overall purpose of the Audit Committee of the Company is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on integrity of the consolidated financial statements of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts.

Audit Committee Charter

The Board has adopted a Charter for the Audit Committee which sets out the Committee's mandate, organization, powers and responsibilities. The complete charter is attached as Schedule "A" to this Information Circular.

Composition of the Audit Committee

The Company's Audit Committee for the ensuing year will be comprised of three (3) directors, Adrian Aguirre, Chairman, Robert J. Tweedy and Paul Matysek. Each member of the Audit Committee is financially literate, as such term is defined in NI 52-110, and all three of the members are independent, as such term is defined in NI 52-110.

Relevant Education and Experience

Robert J. Tweedy, Chairman, is currently the Chairman of Useppa Holdings Limited, a diversified management company. Mr. Tweedy earned his Honours Bachelor of Arts degree from the University of Toronto and his Masters of Business Administration degree from Stanford University. Mr. Tweedy is also a Director of Dundee Real Estate Investment Trust, Barrie Rent-All Ltd. Daymark Inc (Advisory Board), Deacon & Company (Advisory Board), TransAmerica Life Insurance Company of Canada, and a past director of CARE Canada, where he also held the position of Chairman from 2002 to 2006. In 2003, he was awarded the H.M. the Queen's Jubilee Medal for his work with CARE Canada.

Adrian Aguirre, is a Certified Professional Accountant and has many business interests including being Vice Chairman of Maxcom Telecomunicaciones, a NYSE listed provider of telecommunications in Mexico. Previous to his involvement with Maxcom, Mr. Aguirre was the Chief Executive Officer of Grupo Radio Centro, a NYSE company, and Mexico's leading radio broadcaster.

Paul Matysek, was the President and CEO of Potash One Inc. until its sale in 2011 and was previously President, CEO and cofounder of Energy Metals Corporation which was purchased in 2007 by Uranium One Inc. in a deal valued at over \$1 billion. He is a professional geoscientist with a Master's of Science degree in Geology. With over 25 years of domestic and international experience, he is a recognized entrepreneur and has held senior management and/or director positions with several Canadian firms as well as other natural resource exploration and development companies in addition to Energy Metals Corporation. He is also a member of the Association of Professional Engineers and Geoscientists of British Columbia.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year did the Board decline to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

As at the date of this Information Circular, the Audit Committee has not adopted any specific policies or procedures for the engagement for non-audit services.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors from the financial year ended December 31, 2010 are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2010	\$142,201	\$Nil	\$75,410	\$2,500

Exemption for Venture Issuers

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Company from the requirements of Part 5 (Reporting Obligations) of NI 52-110.

Statement of Executive Compensation

During the financial year ended December 31, 2010, the Company had five (5) Named Executive Officers ("NEO") being:

- a) Lenic Rodriguez, the Chief Executive Officer
- b) Ron Nichols, the Senior Vice President;
- c) Salvador Huerta, Controller;
- d) Chuck Jenkins, the former Chief Financial Officer ("CFO"); and
- e) Tim Thiessen, the CFO of the Company

On January 18, 2011, Salvador Huerta replaced Tim Thiessen as the Company's CFO.

"Named Executive Officer" means: (a) each Chief Executive Officer, (b) each Chief Financial Officer, (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion and Analysis

With the exception of a consulting agreement entered into with Lenic Rodriguez/First Access Financial Group, Inc. on January 1, 2010 (the "Rodriguez Contract") the Company does not have a formal compensation program and does not enter into any management or consulting contracts or agreements that cannot be terminated on 90 days advance notice.

The Company officers in most cases are compensated based on a daily or fixed monthly amounts and are paid indirectly through professional management and consulting companies in which they are owners, contractors or employees or engaged as employees of the Company. During the year the Company implemented a health plan benefits for its employees, but does not have pension plan benefits, retirement benefits, recreational or vehicle benefits, personal loans, nor does it provide performance awards, gifts or rewards for personal benefit. The amounts paid to officers include time billed for professional geological and engineering, management, corporate compliance and accounting services, which are billed to the Company at competitive industry rates for work of a similar nature by reputable arm's length service providers. In order to attract and retain qualified and experienced executives on a long-term basis, the Company periodically grants its officers stock options based on their level of responsibility.

Rodriguez Contract

Pursuant the Rodriguez Contract Lenic Rodriguez was engaged as the Company's President and CEO the main terms which include:

1. an annual service fee (the "Service Fee") consisting of \$300,000 payable in equal monthly instalments in advance, commencing January 1, 2010 and continuing on the first day of each month thereafter, and an additional payment of \$25,000 by December 15th of each year;
2. reimbursement for all reasonable costs and expenses, including car lease and maintenance expenses and a mileage stipend, which shall not exceed \$2,500 per month without the express written consent of the Board;
3. reimbursement for all travel and out-of-pocket expenses;
4. participation in the Company's Stock Option Plan at the discretion of the board; and

5. At the discretion of the Board, a performance bonus, in addition to the Service Fee, based upon the Contractor's performance and industry standard comparisons for presidents and chief executive officers of similar stage mining companies.

See Termination and Change of Control Benefits for further information.

Summary Compensation Table

The following table sets forth details of all compensation paid in respect of the individuals who were, at December 31, 2010, the NEO's of the Company. There were no other executive officers of the Company whose total compensation was, individually, more than \$150,000 for the financial year ended December 31, 2010:

Name and Principal Position	Year Dec 31	Salary (\$)	Share Based Awards (\$)	Option Based Awards (\$) ¹	Non-equity incentive plan compensation (#)		Pension Value (\$)	All other Compensation (\$)	Total Compensation (\$) ⁸
					Annual Incentive plans	Long-term incentive plans			
Lenic Rodriguez President and CEO	2010	Nil	Nil	Nil	Nil	Nil	Nil	390,000 ²	390,000
Ron Nichols Senior VP	2010	Nil	Nil	Nil	Nil	Nil	Nil	160,650 ³	160,650
Salvador Huerta Controller	2010	75,000 ⁴	Nil	14,070	Nil	Nil	Nil	75,000 ⁵	164,070
Tim Thiessen Former CFO	2010	81,000 ⁶	Nil	63,175	Nil	Nil	Nil	Nil	144,175
Charles Jenkins Former CFO	2010	Nil	Nil	Nil	Nil	Nil	Nil	37,500 ⁷	37,500

- 1 The fair value of option-based awards vested during 2010 was determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and expected life of the options. The options granted to the NEO's are fully vested at the date of grant.
- 2 Paid to First Access Financial Group, a company controlled by Lenic Rodriguez, President and CEO, which provided management services to the Company for a monthly fee of \$25,000.
- 3 Paid to Nichols Management Ltd., a company owned by Ron Nichols, SR VP, which provided geological and consulting services to the Company for an hourly rate of \$100.
- 4 Paid to Salvador Huerta, CFO was an employee at a salary of \$12,500 per month from July 1, 2010 to December 31, 2010.
- 5 Paid to S&G Business Consultants Inc., a company owned by Salvador Huerta, for a monthly fee of \$12,500 from January 1, 2010 - June 30, 2010 which provided consulting services.
- 6 Paid to Tim Thiessen at a salary of \$7500 per month from May 17, 2010 to August 15, 2010 and thereafter \$13,000 per month. Subsequent to year ended, Mr. Tim Thiessen was terminated as CFO of the Company on January 18, 2011 and Salvador Huerta was appointed in his stead.
- 7 Paid to 0834406 a company owned by Mr. Charles Jenkins as a rate of \$7500 per month for consulting fees. Mr. Jenkins resigned as CFO of the Company in 2010 and Mr. Tim Thiessen was appointed on May 17, 2010 in his stead.
- 8 During the NEO's employment, the Company reimburses the NEO for all travel and other expenses actually, properly and necessarily incurred by the NEO in connection with the NEO's duties in accordance with the policies set from time to time by the Company, in its sole discretion. The NEO is required to furnish such receipts, vouchers or other evidence as are required by the Company to substantiate such expenses. Such reimbursements are excluded from the "Total Compensation".

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses the particulars of all awards for each NEO outstanding at the financial year ended December 31, 2010, including awards granted to the NEO's in prior years:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ¹	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Lenic Rodriguez	500,000	0.59	Aug. 24, 2011	95,000	Nil	Nil
	100,000	1.50	Mar. 22, 2012	Nil	Nil	Nil
	150,000	0.31	Sep. 9, 2013	70,500	Nil	Nil
	1,500,000	0.10	Aug. 13, 2014	1,020,000	Nil	Nil
	300,000	0.285	Dec. 18, 2014	148,500	Nil	Nil
Ron Nichols	300,000	0.59	Aug. 18, 2011	57,000	Nil	Nil
	250,000	1.50	Mar. 22, 2012	Nil	Nil	Nil
	300,000	0.31	Sep. 9, 2013	141,000	Nil	Nil
	300,000	0.10	Aug. 13, 2014	204,000	Nil	Nil
	225,000	0.285	Dec. 18, 2014	111,375	Nil	Nil
Salvador Huerta	150,000	1.65	Mar. 30, 2012	Nil	Nil	Nil
	150,000	0.31	Sep. 9, 2013	70,500	Nil	Nil
	150,000	0.10	Aug. 13, 2014	102,000	Nil	Nil
	125,000	0.285	Dec. 18, 2014	61,875	Nil	Nil
	75,000	0.275	Feb. 12, 2015	37,875	Nil	Nil
Tim Thiessen	250,000	0.37	May 17, 2015	102,500	Nil	Nil
Charles Jenkins	Nil	Nil	Nil	Nil	Nil	Nil

1 The market price for the Company's common shares on December 31, 2010 was \$0.78. No value has been given to unexercised options that were out-of-the-money on December 31, 2010.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended December 31, 2010:

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 (\$)
Lenic Rodriguez	Nil	Nil	Nil
Ron Nichols	Nil	Nil	Nil
Salvador Huerta	14,070	Nil	Nil
Tim Thiessen	63,175	Nil	Nil
Charles Jenkins	Nil	Nil	Nil

1 The amount is based on the grant date fair value of the award using the Black-Scholes pricing model which is the valuation methodology used by the Company in accordance with Section 3870 of the CICA Handbook.

Pension Plan Benefits

The Company has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement. The Company also does not have any deferred compensation plans relating to any NEO.

Termination and Change of Control Benefits

With the exception of the Rodriguez Contract, Aurcana does not have any compensatory plan, contract or arrangement where any of the executive officers are entitled to receive more than \$100,000 to compensate such executive officers in the event of resignation, retirement or other termination, a change of control of Aurcana or a change in responsibilities following a change of control.

Under the terms of the Rodriguez Contract, if the Company terminates Mr. Rodriguez's engagement without cause, Mr. Rodriguez is entitled to receive an amount equal to six (6) months service fees. If within one year of a "change of control" of the Company, if the Rodriguez Contract is terminated by the Company the Mr. Rodriguez will receive an amount equal to three times the annual fees as a lump sum payment to be made by the Company on the date of Mr. Rodriguez's termination.

Mr. Rodriguez may resign within 90 days following a Change in Control, for any reason or no reason. If Mr. Rodriguez resigns, he will receive an amount equal to three times the annual fees as a lump sum payment to be made by the Company within 30 days of Mr. Rodriguez resignation.

Subject to the approval of the Exchange to the extent required, if Mr. Rodriguez is terminated or resigns in accordance with the above, the Company will engage Mr. Rodriguez as a consultant for a period of one year to provide advisory services to the Company on an if, as and when required basis at daily compensation rates to be determined based on Mr. Rodriguez annual service fee prior to termination or resignation with the intended result that Mr. Rodriguez's expertise will remain available to the Company and any stock options held by Mr. Rodriguez will, unless otherwise exercised or terminated, continue for such one year period.

Director Compensation

Effective February 2011, the Company implemented directors' fees for non-executive directors of:

- 1) each independent director receives an annual fee of \$15,000 based on a quarterly payment of \$3,750 per quarter;
- 2) each independent director receives \$1,000 per meeting;
- 3) the Chair of the Audit Committee receives an additional annual fee of \$5,000 paid quarterly; and
- 4) the Chair of the Corporate Governance and Compensation Committee receives an additional annual fee of \$5,000 paid quarterly.

The following table sets forth the details of compensation provided to the directors, other than the NEOs at the end of the Company's financial year ended **December 31, 2010**:

Directors Compensation Table

Name	Fees Earned (\$)	Option-based Awards (\$) ¹	All Other Compensation (\$)	Total (\$)
Ronald Netolitzky	Nil	Nil	Nil	Nil
Adrian Aguirre	Nil	Nil	Nil	Nil
Robert J. Tweedy	Nil	58,765	Nil	58,765

¹ The fair value of option-based awards vested during 2010 was determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and expected life of the options. The options granted to the Director's are fully vested at the date of grant.

Outstanding Share-Based and Option-Based Awards

The following table sets forth the outstanding share-based awards and option-based awards held by the directors, other than the NEO's for the financial year ended December 31, 2010:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ¹ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Ronald Netolitzky	100,000	0.59	Aug. 18, 2011	19,000	Nil	Nil
	200,000	1.50	Mar. 22, 2012	Nil	Nil	Nil
	350,000	0.31	Sep. 9, 2013	164,500	Nil	Nil
	150,000	0.10	Aug. 13, 2014	102,000	Nil	Nil
	200,000	0.285	Dec. 18, 2014	99,000	Nil	Nil
Adrian Aguirre	350,000	0.13	Jan. 16, 2014	227,500	Nil	Nil
	150,000	0.10	Aug. 13, 2014	102,000	Nil	Nil
	200,000	0.285	Dec. 18, 2014	99,000	Nil	Nil
Robert J. Tweedy	350,000	0.25	Jul. 6, 2015	185,500	Nil	Nil

- 1 The market price for the Company's common shares on December 31, 2010 was \$0.78. No value has been given to unexercised options that were out-of-the-money on December 31, 2010.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of each incentive plan award vested or earned by the directors, other than the NEO's for the financial year ended December 31, 2010:

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 (\$)
Ronald Netolitzky	Nil	Nil	Nil
Adrian Aguirre	Nil	Nil	Nil
Robert J. Tweedy	58,765	Nil	Nil

- 1 The amount is based on the grant date fair value of the award using the Black-Scholes pricing model which is the valuation methodology used by the Company in accordance with Section 3870 of the CICA Handbook.

Securities Authorized For Issuance Under Equity Compensation Plans

The following table sets forth as at the year ended December 31, 2010, the number of securities authorized for issuance under the Company's Stock Plan which was approved by the shareholders of the Company's at the Company's last Annual General Meeting held on June 18, 2010:

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	11,037,500	CDN\$0.38	21,247,995
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	11,037,500	CDN\$0.38	21,247,995

The Company's Stock Option Plan provides that the maximum number of options eligible for issuance under the Plan is equal to 10% of the number of common shares of the Company outstanding from time to time. As required by the policies of the TSX Venture Exchange ("Exchange"), this plan requires approval by the shareholders of the Company on an annual basis, which will be sought at the Meeting. Refer to "Particulars of Other Matters to be Acted Upon – Ratification of Stock Option Plan" for further details.

Indebtedness of Directors and Executive Officers

None of the directors, executive officers, employees, proposed nominees for election as directors or their associates have been indebted to the Company for the financial year ended December 31, 2010.

Interest of Informed Persons In Material Transactions

Other than as disclosed in this Information Circular, 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 financial year ended December 31, 2010 or in any proposed transaction which in either such case has materially affected or would materially affect the Company.

During the period ended December 31, 2010, the Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$360,000 to First Access Financial Group, a company controlled by Lenic Rodriguez, President and CEO and director of the Company;
- b) Paid or accrued administrative management fees of \$130,943 to MinCo Corporate Management Inc., a company controlled by Terese Gieselman, Secretary and Treasurer of the Company;
- c) Paid or accrued technical and consulting services fees of \$81,900 to Man Mining Inc., a company controlled by Andy Nichols, Vice President of Operations of the Company;
- d) Paid or accrued technical and consulting services fees of \$160,650 to Nichols Management Ltd., a company controlled by Ronald Nichols, Senior VP and director of the Company;
- e) Paid or accrued technical and consulting services fees of \$145,250 to Nomad Exploration Services Inc., a company controlled by Nils von Fersen, VP of Explorations of the Company; and
- f) Paid or accrued consulting fees of \$37,500 to 0834406 B.C. Ltd., a company controlled by Chuck Jenkins, former CFO of the Company.

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amounts, which are the amounts agreed upon by the transacting parties.

Re-Appointment of Auditor

The management of the Company recommends to the meeting the re-appointment of PricewaterhouseCoopers, LLP, Chartered Accountants as the Company's auditor until the next annual general meeting of shareholders at remuneration to be fixed by the Board.

Management Contracts

No management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or subsidiaries, except as disclosed herein.

Particulars of Other Matters to be Acted Upon

Ratification of Stock Option Plan

The Company has a rolling stock option plan (the "Plan"), which makes a total of 10% of the issued and outstanding shares of the Company available for issuance thereunder. The Company's Plan was most recently approved by the shareholders at the last annual general meeting held on June 18, 2010. In accordance with policy 4.4 of the Exchange (the "Exchange"), all rolling stock option plans, such as the Company's requires the approval of the shareholders of the Company on an annual basis.

The purpose of the Plan is to allow Aurcana to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of Aurcana. The granting of such options is intended to align the interests of such persons with that of the shareholders.

The text of the Plan is attached hereto as Schedule "B". Accordingly, at the Meeting, the Aurcana shareholders will be asked to pass an ordinary resolution ratifying the Plan. All Aurcana shareholders present at the Meeting, whether in person or by proxy, will be entitled to vote on such resolution.

Shareholder Approval of Stock Option Plan

"RESOLVED, as an ordinary resolution that:

1. the Company's Plan substantially in the form as attached in Schedule "B" in the Company's Information Circular dated May 5, 2011, and as available for review at the Company's Meeting to be held on June 29, 2011, be and is hereby ratified and approved;
2. the Company be authorized to grant stock options pursuant and subject to the terms and conditions of the Plan at any time to a maximum of 10% of the issued and outstanding shares of the Company on the applicable grant date;
3. any one or more directors and officers of the Company be authorized and directed to perform all such acts and deeds and things and execute, under seal of the Company or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions."

Unless otherwise instructed, the person named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the Plan. The directors of the Company recommend that shareholders vote in favour of the approval of the Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast on the resolution.

Additional Information

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at Suite 1750 – 1188 West Georgia Street, Vancouver, BC, V6E 4A2, 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.

Board Approval

The content and sending of this Information Circular has been approved by the Board. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

SCHEDULE "A"

Aurcana Corporation

May 2011

Audit Committee's Charter

Mandate

The primary function of the audit committee (the "Committee") is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at nil levels. The Committee's primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- (b) review and appraise the performance of the Company's external auditors; and
- (c) provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements. The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Executive Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard I.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

SCHEDULE "B"

AURCANA CORPORATION

SHARE OPTION PLAN

ARTICLE 1

PURPOSE AND INTERPRETATION

2 Purpose

- 1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares. It is the intention of the Company that this Plan will at all times be in compliance with the rules and policies of the TSX Venture Exchange (the "Exchange") (the "Exchange Policies") and any inconsistencies between this Plan and the Exchange Policies whether due to inadvertence or changes in Exchange Policies will be resolved in favour of the latter.

3 Definitions

- 1.2 In this Plan

Affiliate means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;

Associate has the meaning assigned by the Securities Act;

Board means the board of directors of the Company or any committee thereof duly empowered or authorized to grant options under this Plan;

Change of Control includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

- (a) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or;
- (b) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially control of the Company or its successor. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or its successor is deemed to materially affect the control of the Company or its successor;

Common Shares means Common shares without par value in the capital of the Company providing such class is listed on the TSX Venture Exchange (the "Exchange");

Company means AURCANA CORPORATION and includes, unless the context otherwise requires, all of its subsidiaries or affiliates and successors according to law;

Consultant means a Person or Consultant Company, other than an Employee, Officer or Director that:

- (a) provides ongoing bona fide consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
- (b) provides the services under a written contract between the Company or an Affiliate and the Person or the Consultant Company;
- (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
- (d) has a relationship with the Company or an Affiliate that enables the Person or Consultant Company to be knowledgeable about the business and affairs of the Company;

Consultant Company means for a Person who is a Consultant, a company or partnership of which the Person is an employee, shareholder or partner;

Directors means the directors of the Company;

Discounted Market Price has the meaning assigned by Policy 1.1 of the Exchange Policies;

Disinterested Shareholder Approval means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to shares beneficially owned by Service Providers or their Associates;

Distribution has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

Effective Date for an Option means the date of the approval of the grant thereof by the Board;

Employee means:

- (a) Person who is considered an employee under the Income Tax Act (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
- (b) Person who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
- (c) a Person who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;

Exercise Price means the amount payable per Common Share on the exercise of an Option, as noted on the Option Commitment;

Expiry Date means the day on which an Option lapses as specified in the associated Option Commitment or in accordance with the terms of this Plan;

Insider means:

- (a) an insider as defined in the Exchange Policies or as defined in securities legislation applicable to the Company;
- (b) an Associate of any person who is an Insider by virtue of §(i) above;

Investor Relations Activities has the meaning assigned by Policy 1.1 of the Exchange Policies, and means generally any activities or communications that can reasonably be seen to be intended to or be primarily intended to promote the merits or awareness of or the purchase or sale of securities of the Company;

Listed Shares means the number of issued and outstanding shares of the Company that have been accepted for listing on the Exchange at the date of grant, but excluding dilutive securities not yet converted into Listed Shares;

Management Company Employee means a Person employed by another Person or a corporation providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a corporation or Person engaged primarily in Investor Relations Activities;

Officer means a duly appointed senior office of the Company;

Option means the right to purchase Common Shares granted hereunder by the Company to a Service Provider;

Option Commitment means the notice of grant of an Option delivered by the Company hereunder to a Service Provider, substantially in the form of Schedule "A" hereto;

Optioned Shares means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;

Optionee means the recipient of an Option hereunder;

Outstanding Shares means at the relevant time, the number of outstanding Common Shares of the Company from time to time;

Participant means a Service Provider that becomes an Optionee;

Person means a company or an individual;

Plan means this Option plan as amended;

Plan Shares means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;

Regulatory Approval means the approval of the Exchange and any other securities regulatory authority that may have lawful jurisdiction over the Plan and any Options issued hereunder;

Securities Act means the *Securities Act*, R.S.B.C. 1996, c. 418, as amended from time to time;

Service Provider means a Person who is a bona fide Director, Officer, Employee, Management Company Employee or Consultant, and also includes a company, of which 100% of the share capital is beneficially owned by one or more Service Providers;

Share Compensation Arrangement means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism contemplating the issuance of Common Shares to a Service Provider;

Shareholder Approval means approval by a majority of the votes cast by eligible shareholders at a duly constituted shareholders' meeting;

Tier 1 and **Tier 2** have the meaning assigned to those terms by the Exchange Policies;

Exchange means the TSX Venture Exchange and any successor thereto; and

Exchange Policies means the rules and policies of the TSX Venture Exchange as amended from time to time.

ARTICLE 2 SHARE OPTION PLAN

4 Establishment of Share Option Plan

4.1 There is hereby established an Option plan to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates. Unless otherwise agreed by the holders thereof, any share options granted by the Company before the date of this Plan, are not included hereunder or affected hereby.

5 Maximum Plan Shares

5.1 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan is 10% of the Issued Common Shares of the Company at the time that any Option is granted, unless this Plan is amended pursuant to the requirements of the Exchange Policies.

6 Eligibility

6.1 Options to purchase Common Shares may be granted hereunder to Service Providers from time to time by the Board. Service Providers that are corporate entities will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its shares, nor issue more shares (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the Exchange and the Company is obtained.

7 Options Granted

7.1 All options granted under the Plan will be evidenced by an Option Agreement in the form attached as Schedule "A", showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

7.2 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment provided hereunder.

8 Limitations On Issue

8.1 Subject to §2.9, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Listed Shares (unless the Company is classified as a Tier 1 Issuer by the Exchange and has obtained Disinterested Shareholder Approval under §2.9 (a)(iii) to do so);
- (b) the aggregate number of Options granted to Service Providers conducting Investor Relations Activities in any 12 month period must not exceed 2% of the Listed Shares, calculated at the time of grant, without the prior consent of Exchange; and

- (c) the aggregate number of options granted to any one Consultant in any 12-month period must not exceed 2% of the Listed Shares, calculated at the time of grant, without the prior consent of Exchange.

9 Options Not Exercised

- 9.1 In the event that an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to the exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issue.

10 Powers of the Board

- 10.1 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising thereunder. Without limiting the generality of the foregoing, the Board has the power to:
 - (a) allot Common Shares for issuance in connection with the exercise of Options;
 - (b) grant Options hereunder;
 - (c) subject to Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without written consent of all Optionees, alter or impair any Option previously granted under the Plan unless as a result of a change in Exchange Policies or the Company's tier classification thereunder;
 - (d) may in its sole discretion amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms hereof.

11 Terms or Amendments Requiring Disinterested Shareholder Approval

- 11.1 The Company will be required to obtain prior Disinterested Shareholder Approval if:
 - (a) the Plan, together with all of the Company's previously established and outstanding stock option plans or grants, could result at any time in:
 - (i) the aggregate number of shares reserved for issuance under stock options granted to Insiders exceeding 10% of the Listed Shares;
 - (ii) the number of Optioned Shares Issued to Insiders within a one-year period exceeding 10% of the Listed Shares; or
 - (iii) the issuance to any one Optionee, within a 12 month period, of a number of shares exceeding 5% of Listed Shares; or
 - (b) it is proposed by the Board to reduce the Exercise Price of an Option previously granted to an Insider.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

12 Exercise Price

- 3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

13 Term of Option

- 3.2 An Option can be exercisable for a maximum of ten years from the Effective Date for a Tier 1 and a Tier 2 company.

Option Amendment

- 3.3 Subject to §2.9(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Company's shares commenced trading on the Exchange, or the date of the last amendment of the Exercise Price.
- 3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.
- 3.5 Any proposed amendment to the terms of an Option must be approved by the Exchange prior to the exercise of such Option.

Vesting of Options

- 3.6 Subject to §3.7, vesting of Options is otherwise at the discretion of the Board, and will generally be subject to:
- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its subsidiaries and Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time during the vesting period or;
 - (b) remaining a Service Provider of the Company or any of its subsidiaries or Affiliates during any vesting period.
- 3.7 If the Company is a Tier 2 company and the Plan Shares exceed 10% of the Listed Shares, any Options granted under the Plan will vest in accordance with the vesting schedule attached as schedule B and may be exercised only after vesting.

Vesting of Options Granted for Investor Relations Activities

- 3.8 Subject to §3.7, Options granted to Consultants conducting Investor Relations Activities will vest:
- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
 - (b) such longer vesting period as the Board may determine.

Variation of Vesting Periods

- 3.9 At the time that an Option is granted which carries vesting provisions, the Board may vary such vesting provisions, subject to Regulatory Approval.

Optionee Ceasing to be Director, Employee or Service Provider

- 3.10 No Option may be exercised after the Service Provider has left the employ/office or has been advised his services are no longer required or his service contract has expired, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) in the case of a Tier 1 company, Options granted to any Service Provider must expire within 90 days after the date the Optionee ceases to be employed with or provide services to the Company, but only to the extent that any part of the Option has vested at the date the Optionee ceased to be so employed or to provide services to the Company;
- (c) in the case of a Tier 2 company, Options granted to a Service Provider conducting Investor Relations Activities must expire within 90 days of the date the Optionee ceases to conduct such activities, but only to the extent that any part of the Option has vested at the date the Optionee ceased to conduct such activities;
- (d) in the case of a Tier 2 company, Options granted to an Optionee other than one conducting Investor Relations Activities must expire within 90 days after the Optionee ceases to be employed with or provide services to the Company, but only to the extent at the date the Optionee ceased to be so employed or to provide services to the Company; and
- (e) in the case of an Optionee being dismissed from employment or service for cause such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without any right by the Optionee to exercise same.

Non Assignable

3.11 Subject to §3.10(a), Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.12 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefore;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in

respect of the number of Common Shares so purchased had the right to purchase being exercised before such change;

- (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.12(d);
- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this Section are cumulative;
- (f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.12(f), be deliverable upon the exercise of an Option be cancelled and not be deliverable by the Company; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.12, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

ARTICLE 4 AGREEMENT AND EXERCISE PROCEDURES

Option Agreement

- 4.1 Upon the granting of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Agreement detailing the terms of such Option and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

Manner of Exercise

- 4.2 An Optionee who wishes to exercise his Option may do so by delivering
- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
 - (b) cash or a certified cheque payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired.

Delivery of Certificate and Hold Periods

- 4.3 As soon as practicable after the receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws. Further, if the Exercise Price set out below the current market price of the Common Shares on the Exchange; the certificate will also bear a legend stipulating that the Optioned Shares are subject to a concurrent four-month Exchange hold period commencing the date of the Option Commitment.

ARTICLE 5 GENERAL

Employment and Services

- 5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

- 5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of such Participant and not the Company.

Interpretation

- 5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Interpretation

- 5.4 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any required Regulatory Approval unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

SCHEDULE "A"

SHARE OPTION PLAN

OPTION AGREEMENT

This Option Agreement is entered into between Aurcana Corporation (the "Company") and the Optionee named below pursuant to the Company Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on • (the "Grant Date");
 2. • (the "Optionee");
 3. was granted the option (the "Option") to purchase • Common Shares (the "Option Shares") of the Company;
 4. for the price (the "Option Price") of \$• per share;
 5. which shall be exercisable
- In accordance with the vesting provisions set out in Schedule B of the Plan;
- or
- The following vesting provisions:
- or
- No vesting restrictions applicable.
6. terminating on the • (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with cash or a certified cheque payable to the Company for the aggregate Exercise Price, to the Company. A certificate for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide [DIRECTOR/ OFFICER/ EMPLOYEE/ CONSULTANT] (mark applicable relationship) of the Company, entitled to receive Options under TSX Venture Exchange Polices.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

Acknowledgement – Personal Information

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the 3rd day of February, 2011.

AURCANA CORPORATION

Signature

Per: _____

Print Name

Address

AURCANA CORPORATION

STOCK OPTION PLAN – EXERCISE NOTICE

To: Aurcana Corporation (the "Company")

The undersigned hereby irrevocably gives notice, pursuant to the Company's stock option plan (the "Plan"), of the exercise of the option to acquire and hereby subscribes for:

- (a) all of the shares; or
- (b) _____ of the shares, which are the subject of the option certificate attached hereto.

Calculation of the total exercise price:

- (i) number of shares to be acquired on exercise: _____ shares
- (ii) multiplied by the exercise price per share: \$ _____
- TOTAL EXERCISE PRICE, enclosed herewith: \$ _____

The undersigned tenders herewith a certified cheque, bank draft or wire transfer in an amount equal to the total exercise price of the aforesaid shares, as calculated above, and directs the Company to issue the share certificate evidencing said shares in the name of the undersigned to be mailed to the undersigned at the following address:

DATED the _____ day of _____, 20____.

Signature of Option Holder

Name of Option Holder (please print)

SCHEDULE B
SHARE OPTION PLAN
VESTING SCHEDULE

Options granted pursuant to Section 3.8 of the Plan, for Investor Relations will vest as follows:

Options granted to Consultants conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting.