



AVARONE METALS INC.

**ANNUAL GENERAL MEETING
OF
SHAREHOLDERS**

THURSDAY, NOVEMBER 30, 2017



AVARONE METALS INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of **AVARONE METALS INC.** (the “**Company**”) will be held at the office of Avarone Metals Inc., Suite 610, 700 West Pender Street, Vancouver, British Columbia, Canada V6C 1G8, on **Thursday, November 30, 2017**, at the hour of 10:00 a.m. (Pacific Time) (the “**Meeting**”) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the fiscal year ended July 31, 2017, together with the report of the auditor thereon;
2. to fix the number of directors of the Company to be elected at three (3);
3. to elect directors for the ensuing year;
4. to appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the auditor of the Company for the ensuing year and to authorize the board of directors to fix the auditor’s remuneration;
5. to approve the Stock Option Plan of the Company for the ensuing year, as set forth in the Management Information Circular accompanying this Notice; and
6. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice is a Management Information Circular (the “**Information Circular**”) dated October 26, 2017, a form of proxy or voting instruction form, as the case may be, and a financial statements request form. The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

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

Non-registered shareholders who receive this Notice and Information Circular from their broker or other intermediaries should complete and return the proxy or voting instruction form in accordance with the instructions provided with it. Failure to do so may result in the shares of non-registered shareholders not being eligible to be voted at the Meeting.

DATED at Vancouver, British Columbia, this 26th day of October, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

“*Marc Levy*”

Marc Levy, Director
President, Chief Executive Officer
and Chief Financial Officer

AVARONE METALS INC.

MANAGEMENT INFORMATION CIRCULAR

(Containing information as at October 26, 2017, unless indicated otherwise)

SOLICITATION OF PROXIES

This Management Information Circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of **Avarone Metals Inc.** (the “**Company**”) for use at the Annual General Meeting of Shareholders of the Company (and any adjournment thereof) to be held at 10:00 a.m. (Pacific Time) on Thursday, November 30, 2017 (the “**Meeting**”) at the place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company. Advance notice of the Meeting was filed on SEDAR on September 29, 2017.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are directors or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAME OF THE PERSON NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A proxy will not be valid unless the completed form of proxy is received by Computershare Trust Company of Canada (“**Computershare**”), 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time for holding the meeting or, with respect to any matters occurring after the reconvening of any adjournment of the Meeting, not less than forty-eight (48) hours prior to the time of recommencement of such adjourned meeting.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the Company, at Suite 610, 700 West Pender Street, Vancouver, British Columbia, V6C 1G8, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the Chair of the Meeting on the day of the Meeting or any adjournment of it. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the proxy on their behalf.**

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

The shares represented by a properly executed proxy in favour of persons designated as proxyholders in the enclosed form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be called for; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL, SUCH SHARES WILL BE VOTED **IN FAVOUR** OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, management of the Company knows of no such amendment, variation or other matter that may be presented to the Meeting.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered shareholders or proxyholders duly appointed by registered shareholders 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 are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered shareholders are entitled to vote at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder’s name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers’ clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions

respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.**

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* (“**NI 54-101**”) issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Beneficial Shareholders who are OBOs will not receive the materials unless their intermediary assumes the costs of delivery.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy or voting instruction form provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

RECORD DATE AND QUORUM

The Company has set the close of business on October 26, 2017, as the record date (the “**Record Date**”) for the Meeting. Only the common shareholders of record as at the Record Date are entitled to receive notice of and to vote at the Meeting, unless after that date a shareholder of record transfers his or her common shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he or she owns such shares, requests at least ten (10) days prior to the Meeting that the transferee’s name be included in the list of shareholders entitled to vote, in which case such transferee is entitled to vote such shares at the Meeting.

Under the Articles of the Company, subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of

directors or the appointment of auditor, of any 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, of any proposed nominee for election as a director of the Company, or of any associate or affiliate of such persons, except as hereinafter disclosed. As directors and executive officers of the Company may participate in the Company's stock option plan, they, accordingly, have an interest in its approval and ratification, which will be sought at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value of which 84,377,495 common shares were issued and outstanding as of the Record Date. The holders of the Company's common shares of record at the Record Date are entitled to vote such shares at the Meeting on the basis of one vote for each common share held.

To the knowledge of the directors and senior officers of the Company, and based upon the Company's review of the records maintained by Computershare and insider reports filed with the System for Electronic Disclosure by Insiders at www.sedi.ca, as at the Record Date, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers*. The objective of this disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the most recently completed financial year, and the decision-making process relating to compensation.

Named Executive Officer

In this section, Named Executive Officer (“NEO”) means each of the following individuals:

- (a) each individual who during any part of the most recently completed financial year served as a Chief Executive Officer (“CEO”);
- (b) each individual who during any part of the most recently completed financial year served as a Chief Financial Officer (“CFO”);
- (c) the most highly compensated executive officer, other than the CEO or CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

Disclosure in this section sets forth compensation for each of Marc Levy, who served as the Company's President, CEO and as a director, Anita Algie, who served as the Company's Chief Financial Officer and as a director (together, the “NEOs”) and Peter Born, who served as a director, during the most recently completed financial year.

Director and NEO Compensation

Director and NEO Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO, in any capacity, for the financial years ended July 31, 2016, and 2017:

| Table of Compensation Excluding Compensation Securities | | | | | | | |
|--|-------------------------|---|-------------------|---------------------------------------|----------------------------------|---|--------------------------------|
| Name and position | Year¹ | Salary, consulting fee, retainer, or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
| Marc Levy ² | 2017 | 90,000 ³ | Nil | Nil | Nil | 9,258 | 99,258 |
| President, CEO, Director | 2016 | 77,400 ³ | Nil | Nil | Nil | Nil | 77,400 |
| Anita Algie ⁴ | 2017 | Nil | Nil | Nil | Nil | Nil | Nil |
| CFO, Director | 2016 | 23,500 ⁵ | Nil | Nil | Nil | Nil | 23,500 |
| Nilda Rivera ⁶ | 2017 | N/A | N/A | N/A | N/A | N/A | N/A |
| Former CFO | 2016 | Nil | Nil | Nil | Nil | Nil | Nil |
| Peter Born | 2017 | Nil | Nil | Nil | Nil | Nil | Nil |
| Director | 2016 | Nil | Nil | Nil | Nil | Nil | Nil |

1 Financial year ended July 31st.

2 Subsequent to FY2017, Marc Levy was appointed as CFO of the Company on October 19, 2017.

3 Paid to a company owned and controlled by Marc Levy

4 Subsequent to FY2017, Anita Algie ceased to be CFO and director of the Company on October 19, 2017.

5 Paid to a company owned and controlled by Anita Algie

6 Nilda Rivera served as CFO of the Company from June 23, 2010, until August 19, 2015.

Stock Options and Other Compensation Securities

All compensation securities granted or issued to each director and NEO by the Company or one of its subsidiaries during the financial year ended July 31, 2017, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

| Compensation Securities | | | | | | | |
|--|-------------------------------|---|------------------------|--|--|---|---------------------|
| Name and Position | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry date |
| Marc Levy President, CEO, Director | Stock Options | 300,000 common shares | December 7, 2016 | 0.05 | 0.04 | 0.025 | December 7, 2026 |
| Anita Algie CFO, Director | Stock Options | 200,000 common shares | December 7, 2016 | 0.05 | 0.04 | 0.025 | December 7, 2026 |
| Peter Born Director | Stock Options | 130,000 common shares | December 7, 2016 | 0.05 | 0.04 | 0.025 | December 7, 2026 |

No NEO or director of the Company exercised compensation securities in the financial year ended July 31, 2017.

Stock Option Plans and Other Incentive Plans

On August 11, 2016, the board of directors of the Company (the “**Board**”) approved an incentive stock option plan (the “**Stock Option Plan**”). The Stock Option Plan was established to attract and retain directors, officers, employees and consultants and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under the Stock Option Plan to purchase common shares of the Company. As such, re-approval of the Stock Option Plan by the shareholders of the Company (the “**Shareholders**”, and each a “**Shareholder**”) will be sought at the Meeting.

The following information is intended to be a brief description of the Plan and is qualified in its entirety by the full text of the Plan:

- the term of an option cannot exceed ten (10) years from the date of grant;
- no more than 5% of the issued and outstanding shares of the Company may be granted to any one individual in any 12-month period;
- no more than 4% of the issued and outstanding shares of the Company may be granted to any one consultant in any 12-month period;
- no more than 1% of the issued and outstanding shares of the Company may be granted to any one person conducting investor relations activities in any 12-month period;
- options will vest at the discretion of the Company’s directors;

- options are non-assignable and non-transferable, except as provided for in the event of a death of an optionee;
- the period in which an optionee's heirs or administrators can exercise any portion of outstanding options must not exceed 12 months from the optionee's death;
- option grants are limited to bona fide directors, officers, employees or consultants, or corporations wholly owned by such directors, officers, employees or consultants, as the case may be; and
- vested options terminate 90 days subsequent to any director, officer, employee or consultant ceasing to be engaged by the Company for any reason other than death; and
- vested options terminate 30 days subsequent to any optionee engaged in investor relations activities ceasing to be engaged by the Company.

A copy of the Plan will be available for inspection at the Meeting. A Shareholder may also obtain a copy of the Stock Option Plan by contacting the Company at Suite 610, 700 West Pender Street, Vancouver, BC V6C 1G8.

As at October 26, 2017, there were 5,174,166 stock options outstanding.

Securities Authorized for Issuance Under Equity Compensation Plans-

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of July 31, 2017:

| Equity Compensation Plan Information | | | |
|---|--|--|--|
| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
| Equity compensation plans approved by Securityholders | 5,174,166 | \$0.085 | 3,263,583 ¹ |
| Equity compensation plans not approved by securityholders | N/A | N/A | N/A |
| Total | 5,174,166 | \$0.085 | 3,263,583¹ |

1 Represents the number of common shares available for issuance under the Stock Option Plan, which reserves a number of common shares for issuance, pursuant to the exercise of stock options, that is equal to 10% of the issued and outstanding common shares from time to time.

Employment, Consulting and Management Agreements

Management functions of the Company are not, to any substantial degree, performed other than by directors or NEOs of the Company. There are no agreements or arrangements that provide for compensation to NEOs or directors of the Company, or that provide for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the NEO or director's responsibilities.

Oversight and Description of Director and NEO Compensation

Compensation of Directors

Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

The Company had no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the financial year ended July 31, 2017, or subsequently, up to and including the date of this Information Circular with the exception of stock-based compensation as detailed in this Information Circular.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers option grants to directors under the Stock Option Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of stock options. Other than the Stock Option Plan, as discussed above, the Company does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

Elements of NEO Compensation

As discussed above, the Company provides a Stock Option Plan to motivate NEOs by providing them with the opportunity, through stock options, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of stock options to NEOs. Other than the Stock Option Plan, the Company does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) provides guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2 and requires full and complete annual disclosure of a listed company’s systems of corporate governance with reference to each of such guidelines (the “**Guidelines**”). Where a company’s corporate governance system differs from the Guidelines, each difference and the reason for the difference is required to be disclosed. The Company’s approach to corporate governance is provided below.

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices that are both in the interest of its Shareholders and contribute to effective and efficient decision making. National Policy 58-201 - *Corporate Governance Guidelines* establishes corporate governance guidelines that apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. NI 58-101 mandates disclosure of corporate governance practices for Venture Issuers in Form 58-101F2, which disclosure is set out below.

Board of Directors

Structure and Compensation

All of the proposed nominees for election as a director at the 2017 Annual General Meeting are current directors of the Company. 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 that 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, Marc Levy, who also serves the Company as President, CEO and CFO, is an “inside” or management directors and, as such, is considered not to be “independent”. The two other proposed nominees, Peter Born and Janet Francis, are considered by the Board to be “independent”, within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. It is the objective of the Company to continue to have a majority of independent Board members and enhance the quality of the Company’s corporate governance.

The Company does not currently have a Chair of the Board and, given the current size of the Board, does not consider that a Chair is necessary. The independent directors exercises their responsibilities for independent oversight of management, and are provided with leadership through their positions on the Board. The Board will give consideration to appointing an “independent” member as Chair at such time as it believes that such a position is required.

The Company does not currently pay its directors any remuneration for acting as directors and the only compensation for acting as directors received by non-management directors is through the grant of incentive stock options. The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current Board compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted to any director or officer is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions. Stock options to be granted to “management” directors are required, as a matter of board practice, to be reviewed and approved by the “non-management” directors. Given the current size and limited scope of operations of the Company, the Board does not believe that a formal compensation committee is required. At such time as, in the opinion of the Board, the size and activities of the Company and the number of management employees warrants it, the Board will consider it necessary to appoint a formal compensation committee.

The following directors of the Company are directors of other reporting issuers:

| Name of Director | Other Reporting Issuers | Exchange |
|------------------|--|--|
| Janet Francis | Metropolitan Energy Corp. | TSX Venture Exchange (NEX Board) |
| Peter Born | Aldever Resources Inc. Unity Energy Corp. | TSX Venture Exchange TSX Venture Exchange |

Mandate of the Board

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through the Audit Committee. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources. The Board also takes responsibility for identifying the principal risks of the Company’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company’s development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate legislation and regulatory policies. However, as the Company grows, the Board will likely move to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company’s internal control and management information systems and for the Company’s policies respecting corporate disclosure and communications.

Each member of the Board understands that he is entitled, at the cost of the Company, to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

The positions of President, CEO and CFO are combined. The Board believes the Company is well serviced and the independence of the Board from management is not compromised by the combined role. The Board does not, and does not consider it necessary to, have any formal structures or procedures in place to ensure that the Board can function independently of management. The Board believes that its current composition, in which two of three members are independent, is sufficient to ensure that the Board can function independently of management.

Nomination and Assessment

The Board as a whole determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the individual Board members, including both formal and informal discussions among Board members and the President and CEO. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an *ad hoc* basis.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current level of operations. However, if the growth of the Company's operations warrants it, it is likely that a formal orientation process will be implemented.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies in the natural resource sector. 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. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Company's Board.

Expectations of Management and Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company's operations and the small number of officers and employees allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. Should the Company operations grow in size and scope, the Board anticipates that it would then formulate and implement a formal Code of Business Conduct and Ethics.

Committee Responsibilities and Activities

Committees of the Board are an integral part of the Company's governance structure. At the present time, the only standing committee is the Audit Committee. Disclosure with respect to the Audit Committee, as required by NI 52-110 – *Audit Committee*, is shown in the next section of this Information Circular. As the Company grows, and its operations and management structure became more complex, the Board will likely find it appropriate to constitute formal standing committees, such as a Corporate Governance Committee, Compensation Committee and Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of "independent" directors.

AUDIT COMMITTEE

Under National Instrument 52-110 – *Audit Committees ("NI 52-110")*, companies are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee's charge, which is attached hereto as Schedule "A", the composition of the audit committee and the fees paid to the external auditor.

Composition of the Audit Committee

Following the election of the directors pursuant to this Information Circular, it is intended that the following will be the members of the Audit Committee:

| Member | Independent/ Not Independent¹ | Financially Literate/ Not Financially Literate² | Relevant Education and Experience |
|---------------|---|---|---|
| Marc Levy | Not Independent | Financially literate | Mr. Levy is the President and CEO of Mosam Ventures Inc., a venture capital firm. He has also served as a director, officer and audit committee member for several publicly traded companies. |
| Peter Born | Independent | Financially Literate | Mr. Born serves as a director, officer and audit committee member of several publicly traded companies. |
| Janet Francis | Independent | Financially literate | Ms. Francis serves as an officer of several publicly traded companies, and as a director and audit committee of another publicly traded company |

1 A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company that could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

2 An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

In their positions with the Company and other public companies, members of the audit committee have been responsible for receiving information relating to other companies and obtaining an understanding of the

balance sheet, income statements and statements of cash flows and how these statements are integral in assessing the financial condition of companies and their operating results.

Each member has an understanding of the mineral exploration and mining business in which the Company is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Company's financial disclosures and internal control systems.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

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 of 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.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Chair of the Audit Committee is authorized to approve any non-audit services or additional work which the Chair deems as necessary and is required to notify the other members of the Audit Committee of such non-audit or additional work.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

| Financial Year Ending | Audit Fees¹ | Audit Related Fees² | Tax Fees³ | All Other Fees⁴ |
|----------------------------------|-------------------------------|---------------------------------------|-----------------------------|-----------------------------------|
| 2017 | \$12,500 ⁵ | Nil | Nil | Nil |
| 2016 | \$14,980 | Nil | \$1,284 | Nil |

1 The aggregate audit fees billed.

2 The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements that are not included under the heading "Audit Fees".

3 The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

4 The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

5 Accrued

Exemption

The Company is relying upon the exemption in section 6.1 of the National Instrument 52-110 – *Audit*

Committees.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's financial year ended July 31, 2016, nor in its most recently completed financial year ended July 31, 2017, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries, indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness is or 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, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Applicable securities legislation defines "*informed person*" to mean any of the following: (a) a director or executive officer of a reporting issuer; (b) a director or officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

None of the informed persons of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, in any transactions since the commencement of the Company's financial year ended July 31, 2017, or in any proposed transaction which, in either case, has or will materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

The management functions of the Company are substantially performed by the directors and officers of the Company, and not to any substantial degree by any other person with whom the Company has contracted.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors. Directors and executive officers may, however, be interested in the approval of the Company's Stock Option Plan as detailed below.

PARTICULARS OF MATTERS TO BE ACTED UPON

1 PRESENTATION OF FINANCIAL STATEMENTS

At the Meeting, the Board will be tabling the audited financial statements of the Company for the fiscal year ended July 31, 2017, together with the auditors' report thereon, and the corresponding Management's Discussion and Analysis. Copies of these financial statements will be sent to those shareholders requesting receipt of same, and will also be available on SEDAR. **No approval or other action needs to be taken at the Meeting in respect of these documents.**

2 FIXING THE NUMBER OF DIRECTORS

The Company is required to have at least three (3) directors and there are currently three (3) directors on the its board of directors. At the Meeting, it is proposed that the number of directors to be elected to hold office until the next annual meeting of shareholders or until their successors are elected or appointed be set at three (3).

Unless otherwise directed, it is the intention of management to vote proxies IN FAVOUR of setting the number of directors to be elected at three (3).

3 ELECTION OF DIRECTORS

All current directors of the Company cease to hold office immediately before the election or appointment of directors at the Meeting but are eligible for re-election or re-appointment. Unless the director's office is earlier vacated in accordance with the provisions of *Business Corporations Act* (British Columbia) or the Articles of the Company, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

It is proposed that the below stated nominees be elected at the Meeting as directors of the Company for the ensuing year. The director nominees include Marc Levy, Peter Born, and Janet Francis, all of whom are current directors of the Company.

The persons designated in the enclosed Form of Proxy, unless otherwise directed, intend to vote FOR the election to the Board of the nominees listed below. Management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

Pursuant to the Advance Notice Policy, as adopted by the directors of the Company on March 3, 2013, and subsequently approved by Shareholders, along with the addition of Advance Notice Provisions (the "Provisions") to the Articles of the Company, on June 26, 2013, any additional director nominations for the Meeting must be received by the Company in accordance with the Provisions. As no such nominations were received by the Company, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The following table sets out the names of management's nominees for election as directors; all offices in the Company each nominee now holds; each nominee's principal occupation, business or employment; the period of time during which each nominee has been a director of the Company; and

the number of common shares of the Company beneficially owned by each nominee, directly or indirectly, or over which each nominee exercised control or direction, as at the Record Date.

| Name, Municipality of Residence and Position Held ¹ | Principal Occupation for the Past Five Years ¹ | Director of the Company Since | Common Shares Beneficially Owned or Controlled, Directly or Indirectly ² |
|---|--|-------------------------------|---|
| Marc Levy ³ British Columbia, Canada President, CEO, CFO, Director | President & CEO of Mosam Ventures Inc., October 2004 to present; Director of Aurora Cannabis Inc., December 2006 to August 2015 | August 1, 2006 | 4,806,651 |
| Peter Born ³ Ontario, Canada Director | Geologist; Currently a Senior Geological Consultant for an Ottawa based consulting firm | February 6, 2014 | Nil |
| Janet Francis ³ British Columbia, Canada Director | Director of Avarone Metals Inc., October 2017 to present; 2016 – 2017: Department Lead, Corporate Governance & Regulatory Compliance, Four Bridges Partners Inc.; 2014 – present: Director/Principal Keystone Corporate Services Inc.; 2004 – 2015: VP Corporate Affairs, Petaquilla Minerals Ltd. | October 19, 2017 | Nil |

- 1 The information as to the residency and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually
- 2 The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually and from the records obtained from the System for Electronic Disclosure by Insiders (SEDI) available at www.sedi.ca
- 3 Denotes member of Audit Committee
- 4 Of this total, 56,950 common shares are held in trust for Samson Levy

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, other than as disclosed below, no proposed director:

- a. is, at the date of this Information Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- b. is, as at the date of this 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;
- c. has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- 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 other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

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.

4 APPOINTMENT AND REMUNERATION OF AUDITOR

Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants (“DMCL”), is the independent registered certified auditor of the Company.

Meyers Norris Penny LLP, Chartered Accountants (“MNP LLP”), the former auditor of the Company, was asked to resign as the auditor of the Company and did so effective October 19, 2017. DMCL was appointed by the directors of the Company as auditor of the Company on the same day. The resignation of MNP LLP and the appointment of DMCL were approved by the Board of Directors of the Company.

Attached to this Information Circular as Schedule “B” is the reporting package consisting of a change of auditor notice, a letter from MNP LLP, and a letter from DMCL, all as filed with the requisite securities regulatory authorities with respect to the Company’s change of auditor.

Shareholders will be asked to approve the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the auditor of the Company to hold office until the next Annual General Meeting of the Shareholders, or until a successor is appointed, at a remuneration to be fixed by the Board of Directors.

Management recommends the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as auditor of the Company, and the persons named in the enclosed form of Proxy

intend to vote IN FAVOUR of such appointment at a remuneration to fixed by the Board of Directors of the Company.

5 STOCK OPTION PLAN

The Company is seeking annual re-approval of its Stock Option Plan, whereby 10% of the number of issued and outstanding shares of the Company at any given time may be reserved for issuance pursuant to the exercise of stock options. The Board approved the Stock Option Plan effective August 11, 2016, and it was last approved by Shareholders on September 15, 2016.

The purpose of the Plan is to attract and motivate directors, senior officers, employees, consultants and others providing services to the Company and its subsidiaries, and thereby advance the Company's interests, by affording such persons with an opportunity to acquire an equity interest in the Company through the issuance of stock options.

The following information is intended to be a brief description of the Plan and is qualified in its entirety by the full text of the Plan, a copy of which will be available for inspection at the Meeting:

- the term of an option cannot exceed ten (10) years from the date of grant;
- no more than 5% of the issued and outstanding shares of the Company may be granted to any one individual in any 12 month period;
- no more than 4% of the issued and outstanding shares of the Company may be granted to any one consultant in any 12 month period;
- no more than 1% of the issued and outstanding shares of the Company may be granted to any one person conducting investor relations activities in any 12 month period;
- options will vest at the discretion of the Company's directors;
- options are non-assignable and non-transferable, except as provided for in the event of a death of an optionee;
- the period in which an optionee's heirs or administrators can exercise any portion of outstanding options must not exceed 12 months from the optionee's death;
- option grants are limited to bona fide directors, officers, employees or consultants, or corporations wholly owned by such directors, officers, employees or consultants, as the case may be; and
- vested options terminate 90 days subsequent to any director, officer, employee or consultant ceasing to be engaged by the Company for any reason other than death; and
- vested options terminate 30 days subsequent to any optionee engaged in investor relations activities ceasing to be engaged by the Company.

A copy of the Plan will be available for inspection at the Meeting. A Shareholder may also obtain a copy of the Plan by contacting the Company at Suite 610, 700 West Pender Street, Vancouver, BC V6C 1G8.

As at October 26, 2017, there were 5,174,166 stock options outstanding.

Accordingly, Shareholders will be asked at the Meeting to pass the following ordinary resolution:

“BE IT RESOLVED THAT the Stock Option Plan is hereby confirmed, ratified and re-approved.”

In the absence of instructions to the contrary, the shares represented by proxy will be voted FOR the re-approval and confirmation of the Plan.

6 OTHER BUSINESS

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the common shares represented by the proxies solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting by proxy.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the SEDAR website located at www.sedar.com under “Company Profiles – Avarone Metals Inc.”. The Company’s financial information is provided in the Company’s comparative financial statements and related management discussion and analysis for its financial year ended July 31, 2017, and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company’s financial statements and related management discussion and analysis by contacting the CEO of the Company at Suite 610, 700 West Pender Street, Vancouver, British Columbia V6C 1G8

Schedule "A"

The following is the text of the current Charter of the Audit Committee (the "Charter") as adopted by the Board on November 29, 2005. The Board of Directors may amend the Charter in the future in light of evolving corporate governance standards.

Audit Committee Charter

Overall Purpose / Objectives

The Audit Committee will assist the board of directors (the "Board") in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

Authority

The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings as appropriate.

Organization

Membership

The Audit Committee will be comprised of at least three members, who are directors, a majority of which are not officers or employees of the Company.

The chairman of the Audit Committee will be nominated by the committee from time to time.

A quorum for any meeting will be two members.

The secretary of the Audit Committee will be the Company Secretary, or such person nominated by the Chairman.

Attendance at Meetings

The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.

Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting of the Audit Committee if they consider that it is necessary.

The proceedings of all meetings will be minuted.

Roles and Responsibilities

The Audit Committee will:

- Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside independent counsel whenever deemed appropriate.
- Review the annual and quarterly financial statements, including Management's Discussion and Analysis and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- Evaluate the fairness of the interim financial statements and disclosures and obtain explanations from management on whether:
 - (a) actual financial results for the interim period varied significantly from budgeted or projected results;
 - (b) generally accepted accounting principles have been consistently applied;
 - (c) there are any actual or proposed changes in accounting or financial reporting practices; and
 - (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.

- Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the company. The Board authorizes the Chairman of the Audit Committee to approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.
- Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.
- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- Review and approve the Company's hiring policies regarding partners, employers and former partners and employees of the present and former external auditors of the Company.
- Establish a procedure for:
 - (a) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
 - (b) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- Perform other functions as requested by the full Board.
- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
- Review and recommend updates to the charter; receive approval of changes from the Board.

SCHEDULE "B"

AVARONE METALS INC.

Suite 610, 700 West Pender Street
Vancouver, BC V6C 1G8

To: MNP LLP, Chartered Professional Accountants
Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants

Re: Avarone Metals Inc. (the "**Company**")
Notice of Change of Auditor (the "**Notice**")

In compliance with Section 4.11 of National Instrument 51-102 – Continuous Disclosure Obligations ("**NI 51-102**"), please be advised as follows:

1. The Company has decided to change its auditor from MNP LLP of Suite 2200, MNP Tower, 1021 West Hastings Street, Vancouver, BC V6E 0C3, to Dale Matheson Carr-Hilton LaBonte LLP of Suite 1500, 1140 West Pender Street, Vancouver, BC V6E 4G1.
2. The date of said change of auditor is October 19, 2017.
3. MNP LLP have resigned at the request of the Company.
4. The resignation of MNP LLP and the appointment of Dale Matheson Carr-Hilton LaBonte LLP have been approved by the Company's Board of Directors.
5. None of the reports of MNP LLP on any of the Company's financial statements relating to the "relevant period" (as such term is defined in section 4.11(1) of NI 51-102) expressed a modified opinion.
6. There has not been a "reportable event" (as such term is defined in section 4.11(1) of NI 51-102), which occurred in connection with the audit of the financial years ended July 31, 2015, and July 31, 2016, or for any period subsequent thereto.

Please review this Notice and prepare a letter identifying whether you agree, disagree and the reasons why, or have no basis to agree or disagree with each statement contained in this Notice, addressing your response to the relevant securities regulatory authorities (list of addresses attached hereto). Please deliver the response to the Company within seven (7) days from the date of this Notice.

This Notice and your reply will be part of the reporting package that will be filed with the applicable regulator or relevant securities administrators.

Dated this 19th day of October, 2017.

AVARONE METALS INC.

/s/ Anita Algie

Anita Algie
CFO & Director

List of Addresses

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8



October 26, 2017

VIA SEDAR

TO: Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8

Re: Avarone Metals Inc. (the “Company”)
Notice Pursuant to National Instrument 51-102 – Change of Auditor (“Notice”)

As required by National Instrument 51-102, we have reviewed the information contained in the Notice dated October 19th, 2017 given by the Company to ourselves and Dale Matheson Carr-Hilton LaBonte LLP.

In reference to the Notice of Change of Auditor, we wish to advise the relevant securities commissions that we have read the Notice and, based on our knowledge as at the time of receipt of the Notice that we agree with the comments in paragraphs 1, 2, 3, and 5. We have no basis to agree or disagree with paragraphs 4 or 6.

Yours very truly,

MNP LLP

MNP LLP
Chartered Professional Accounts



ACCOUNTING > CONSULTING > TAX
SUITE 2200, MNP TOWER, 1021 WEST HASTINGS STREET, VANCOUVER B.C., V6E 0C3
1.877.688.8408 T: 604.685.8408 F: 604.685.8594 MNP.ca



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

VANCOUVER
1500 – 1140 W, Pender Street
Vancouver, BC V6E 4G1
TEL 604,687,4747 | FAX 604,689,2778

TRI-CITIES
700 – 2755 Lougheed Hwy,
Port Coquitlam, BC V3B 5Y9
TEL 604,941,8266 | FAX 604,941,0971

WHITE ROCK
301 – 1656 Martin Drive
White Rock, BC V4A 6E7
TEL 604,531,1154 | FAX 604,538,2613

WWW.DMCL.CA

October 23, 2017

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
9TH Floor – 701 West Georgia Street
Vancouver, B.C. V7Y 1L2

TSX Venture Exchange

P.O. Box 11633
Suite 2700 – 650 West Georgia Street
Vancouver, B.C. V6B 4N9

Alberta Securities Commission

Suite 600, 250 – 5th Street S.W.
Calgary, Alberta T2P 0R4

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

Dear Sirs:

Re: Avarone Metals Inc. (the “Company”)
Notice Pursuant to National Instrument 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated October 19, 2017 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTSpar

PARTNERSHIP OF:

VANCOUVER Robert J. Burkart, Inc. Kenneth P. Chong Inc. Alvin F. Dale Ltd. Donald L. Furney, Ltd. David J. Goertz, Inc. Matthew G. Gosden, Inc. Berry S. Hartley, Inc. Reginald J. LaBonte Ltd. Robert J. Matheson, Inc. Rakesh I. Patel Inc. Lorraine W. Rinfret, Inc. Brad A. Robin Inc.
WHITE ROCK Michael K. Braun Inc. Peter J. Donaldson, Inc. Harjit S. Sandhu, Inc. **TRI-CITIES** Fraser G. Ross, Ltd. Brian A. Shaw Inc.