NAUTILUS MINERALS INC.

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

INFORMATION CIRCULAR

(As at September 19, 2016 except as indicated)

Nautilus Minerals Inc. (the "**Company**" or "**Nautilus**") is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the extraordinary general meeting (the "**Meeting**") of the Company to be held on Wednesday, October 26, 2016 and at any adjournments. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and/or employees of the Company may, without receiving special compensation, also telephone or make other personal contact with the shareholders of the Company. The Company will pay the cost of solicitation.

Unless otherwise indicated, all dollar amounts referenced in this Information Circular are expressed in Canadian dollars. References to "US$" are to US dollars.

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the "**Management Proxyholders**").

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

VOTING BY PROXY

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

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

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

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, P.O. Box 4572, Toronto, Ontario, M5J 2Y1 not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

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

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

The Company is forwarding meeting materials directly to "non-objecting beneficial owners" (or "**NOBOs**"). If you are a NOBO and the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Company is not using the "notice-and-access" delivery procedures established under Canadian securities legislation. The Company does not intend to pay for an intermediary to deliver to "objecting beneficial owners" (or "**OBOs**") the proxy-related materials and Form 54-101F7 Request for Voting Instructions Made by Intermediary. An OBO will not receive the materials unless the OBO's Nominee assumes the cost of delivery.

REVOCABILITY OF PROXY

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

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

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value ("**shares**"), of which 628,293,396 shares are issued and outstanding as of the date hereof (including 5,850,000 shares held by Computershare Trust Company of Canada, as administrative agent (the "**Agent**") under the Share Loan Plan). Persons who are registered shareholders at the close of business on September 19, 2016 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held, subject to the provisions of the Share Loan Plan in respect of loan shares. For information on the Share Loan Plan, see the heading "Securities Authorized for Issuance Under Equity Compensation Plans – Information Concerning the Company's Share Loan Plan" in the Company's information circular dated April 25, 2016 (available at www.sedar.com) (the "**AGM Circular**"). The Company has only one class of shares.

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

Name	No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Shares(1)
Mohammed Al Barwani(2)	165,916,260	27%
Metalloinvest Holding (Cyprus) Limited	90,668,525	15%

(1) These figures are calculated on a non-diluted basis, excluding the 5,850,000 shares held by the Agent under the Share Loan Plan.

(2) Shares are held via MB Holding Company LLC (as to 195,400) and Mawarid Offshore Mining Ltd. (as to 165,720,860), companies indirectly controlled by Dr. Mohammed Al Barwani.

In this Information Circular, unless otherwise stated, all references to the number of outstanding shares mean the number of outstanding shares calculated on a "non-diluted" basis, excluding shares held by the Agent under the Share Loan Plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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

Plan Category	Number of common shares 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 common shares remaining available for future issuance under equity compensation plans (excluding common shares reflected in column (a)) (c)
Equity compensation plans approved by securityholders	17,130,000	C$0.49	26,271,786[(1)]
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	17,130,000	C$0.49	26,271,786

(1) As described in the AGM Circular, the Company's stock option plan is a "rolling" stock option plan. The number of shares available for future issuance takes into account the 11,485,000 shares held by the Agent as at December 31, 2015 under the Company's Share Loan Plan, as described in the AGM Circular. The weighted average issue price of such loan shares outstanding as at December 31, 2015 was C$0.51.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting. See "Particulars of Matters to be Acted Upon – Approval of Private Placement with Insiders" below.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

On January 18, 2016, the Company announced that it had signed agreements with United Engineering Services LLC ("**UES**") to provide support services associated with wet testing the Company's seafloor production equipment and storing the equipment as it is delivered from various suppliers prior to integration onto the Company's production support vessel. UES is a wholly-owned subsidiary of MB Holding Company LLC ("**MB Holding**"), which holds, directly or indirectly, approximately 27% of the Company's outstanding shares and has two nominee directors sitting on the Company's board (Dr. Mohammed Al Barwani and Mr. Tariq Al Barwani). Please refer to the Company's news release dated January 18, 2016 for further details.

MB Holding, through its subsidiary Mawarid Offshore Mining Ltd., participated in the Company's rights offering that closed on April 8, 2016 by partially exercising its basic subscription privilege, such that on closing of the rights offering, which raised total proceeds of C$28.3 million, MB Holding, together with its affiliates, holds approximately 27% (previously 28%) of the Company's outstanding shares.

See also "Particulars of Matters to be Acted Upon – Approval of Private Placement with Insiders" below.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of Private Placement with Insiders

Summary of the Private Placement

Pursuant to a subscription agreement dated August 21, 2016 (the "**Subscription Agreement**"), as amended by an agreement dated September 19, 2016 (the "**Amendment**"), Mawarid Offshore Mining Ltd. ("**Mawarid**") and Metalloinvest Holding (Cyprus) Limited ("**Metallo**", and together with Mawarid, the "**Purchasers**") agreed to purchase, on a private placement basis (the "**Private Placement**"), such number of common shares of the Company (the "**Shares**"), at the Purchase Price (as defined below), to raise gross proceeds of up to US$20,000,000 (the "**Maximum Offering Amount**").

Unless otherwise indicated, references herein to the "**Subscription Agreement**" are to the Subscription Agreement read with the Amendment.

Pursuant to the Subscription Agreement, the Private Placement will close in tranches, on a monthly basis, during the period December 1, 2016 through to November 30, 2017 (the "**Financing Period**"), at the election of the Company.

As disclosed in the Company's news release dated August 22, 2016, the Company is implementing a restructuring plan in order to continue operating and to carry on the Solwara 1 Project during the Financing Period. Once complete, the Private Placement will provide the bridge financing necessary to enable the Company to operate while it continues to explore additional financing, joint ventures or other transactions that provide the funding required in order to complete the development of the Solwara 1 Project. There can be no assurances that the Company will be successful in securing any such transactions. Refer to the Company's news release dated August 22, 2016 for further details of the restructuring plan.

The Company will determine the amount of funds to be raised under the Private Placement during each month of the Financing Period, subject to the limitations of receiving maximum subscription proceeds of US$2,000,000 per month and the Maximum Offering Amount during the entire Financing Period.

Shares will be issued under the Private Placement at a price (the "**Purchase Price**") that is equal to the volume weighted average trading price of the Company's common shares on the Toronto Stock Exchange ("**TSX**") for the five day period immediately prior to the date of the Financing Notice (as defined below) delivered by the Company in respect of such Shares (the "**Purchase Price Formula**").

Pursuant to the Subscription Agreement, on or before the date that is seven business days prior to the first day of each calendar month during the Financing Period, the Company may give written notice (a "**Financing Notice**") to the Purchasers, setting forth the aggregate subscription proceeds, in US dollars, that the Purchasers will pay to the Company in that month, the number of Shares that the Purchasers will purchase in that month and the Purchase Price for such Shares based on the Purchase Price Formula.

The aggregate number of Shares set forth in a Financing Notice will be determined by converting (for the purposes of the calculation) the aggregate subscription proceeds into Canadian dollars using the US/CAD noon exchange rate reported by the Bank of Canada on the last business day prior to the date of the Financing Notice, and dividing such Canadian dollar amount by the Purchase Price. No fractional Shares will be issued and if the above calculation results in a fractional Share, the fraction will be rounded down to the nearest whole number.

The Subscription Agreement provides that, unless the Purchasers agree to a different allocation in an instrument signed by the Purchasers and delivered to the Company prior to the date of any Financing Notice, the aggregate subscription proceeds and corresponding number of Shares set forth by the Company in a Financing Notice shall be allocated 50/50 as between the two Purchasers.

Each Purchaser shall, within the first three business days of the calendar month next following receipt of a Financing Notice from the Company, transfer to the Company the subscription funds (in US dollars) in respect of the Shares to be purchased by the Purchaser pursuant to the Financing Notice, and the Company will then complete the issuance of such Shares within ten business days thereof, in accordance with the terms of the Subscription Agreement.

The Subscription Agreement provides that, notwithstanding any other provision thereof, in the event that the Company is required by applicable securities laws to issue a news release during the five trading day period preceding the date that the Company intends to deliver a Financing Notice, the Company shall deliver such Financing Notice on the date that is six trading days after the date of such news release, in which case the other timing requirements in the Subscription Agreement shall be adjusted accordingly such that the Purchasers will have ten business days following the date of the Financing Notice to transfer the aggregate subscription proceeds to the Company.

The obligation of the Purchasers to advance funds and purchase Shares under the Subscription Agreement are subject to there being an absence of any "Event of Default", which is defined in the Subscription Agreement to include:

- any representation or warranty of the Company contained in the Subscription Agreement being incorrect or misleading;
- the failure of the Company to comply with any of the covenants of the Company contained in the Subscription Agreement (the material covenants are summarized below);
- the Company or any material subsidiary becoming insolvent or being generally not able to pay its debts as they become due (other than as a result of any failure of the Purchasers to perform their obligations under the Subscription Agreement);
- the occurrence of a "Material Adverse Effect" on the Company's business, which definition in the Subscription Agreement specifically includes (i) any decision by applicable regulatory authorities to revoke or suspend any licenses or permits held by the Company relating to the Solwara 1 Project, and (ii) Marine Assets Corporation declining to proceed with construction of the production support vessel for the Solwara 1 Project other than as contemplated by the schedule for the construction of the production support vessel agreed from time to time between the Company and Marine Assets Corporation; and
- the Company ceasing to carry on business.

The Purchasers also have the right to terminate the Subscription Agreement if there shall have occurred and be continuing an Event of Default.

The Subscription Agreement contains various covenants of the Company, including that the Company will, from the date of the Subscription Agreement until one year following the earlier of the end of the Financing Period or such time as the Subscription Agreement is terminated in accordance with its terms, give the Purchasers and their representatives reasonable access to the Company and its subsidiaries' respective properties, contracts, books, records, senior management personnel and consultants. During such time the Purchasers will also have the right to audit the books and records of the Company, at the sole cost of the Purchasers.

The Subscription Agreement requires the Company to use the subscription funds received under the Private Placement solely to fund a budget agreed between the Company and the Purchasers.

A copy of the Subscription Agreement was filed by the Company on SEDAR (www.sedar.com) on August 22, 2016 and a copy of the Amendment will be filed by the Company on SEDAR following the date of this Information Circular and prior to the Meeting. The general description herein of the Subscription Agreement is qualified in its entirety by reference to the full text of the Subscription Agreement. In addition to obtaining a copy of the Subscription Agreement from the website www.sedar.com, shareholders may request a copy of the Subscription Agreement by request to investor@nautilusminerals.com.

Purchasers' Holdings as a result of the Private Placement

Mawarid and its affiliates (collectively, the "**MB Group**") currently hold a total of 165,916,260 common shares of the Company representing approximately 27% of the Company's outstanding shares.

Metallo currently holds a total of 90,668,525 common shares of the Company representing approximately 15% of the Company's outstanding shares.

The maximum number of Shares that may be issued to the Purchasers under the Private Placement will depend on the issue prices of the Shares, over the course of the Financing Period, based on the Purchase Price Formula and the allocation between the Purchasers. As indicated above, the initial allocation of 50/50 between the Purchasers may be changed by the Purchasers (if the procedure in the Subscription Agreement is followed) and there are no parameters respecting such allocation. As a result, either Purchaser could, if the other Purchaser agreed, fund up to 100% of the Maximum Offering Amount. In addition, the maximum number of Shares that may be issued to the Purchasers under the Private Placement will be impacted by the prevailing US/CAD exchange rate at the time of each Financing Notice, pursuant to the terms of the Subscription Agreement.

The last closing price of the Company's shares on TSX immediately prior to the date of this Information Circular was $0.145 and the last closing price immediately prior to the date of the Subscription Agreement and the Amendment was $0.145 (see also "Trading Price and Volume" below).

The US/CAD noon exchange rate reported by the Bank of Canada on the last business day prior to the date of this Information Circular was US$1 = CAD$1.3213, which is the US/CAD exchange rate used for the purposes of the calculations in Tables 1, 2, 3 and 4 below. The actual number of Shares that may be issued in the circumstances described in Tables 1, 2, 3 and 4 below may be greater or less than the numbers disclosed in such Tables, depending on the prevailing US/CAD exchange rate reported by the Bank of Canada at the time of each Financing Notice in accordance with the Subscription Agreement.

Table 1 below sets forth, for illustrative and sensitivity analysis purposes, the anticipated resultant holdings of the MB Group and Metallo (expressed in number of common shares and percentage of outstanding shares) assuming the Maximum Offering Amount allocated 50/50 between the Purchasers, at five different purchase price scenarios (namely $0.05; $0.07; $0.10; $0.15; and $0.20), based on the current holdings of the MB Group and Metallo in the Company.

Table 1
Anticipated holdings based on Maximum Offering Amount: 50/50 Allocation

	MB Group		Metallo	
Purchase Price	No. of Shares	% Outstanding Shares	No. of Shares	% Outstanding Shares
$0.05	430,176,260	37.4%	354,928,525	30.8%
$0.07	354,673,402	35.5%	279,425,667	27.9%
$0.10	298,046,260	33.6%	222,798,525	25.1%
$0.15	254,002,926	31.8%	178,755,191	22.4%
$0.20	231,981,260	30.7%	156,733,525	20.8%

Table 2 below sets forth, for illustrative and sensitivity analysis purposes, the anticipated resultant holdings of the MB Group and Metallo (expressed in number of common shares and percentage of outstanding shares) assuming the Maximum Offering Amount allocated 100% to Mawarid, at five different purchase price scenarios (namely $0.05; $0.07; $0.10; $0.15; and $0.20), based on the current holdings of the MB Group and Metallo in the Company.

Table 2
Anticipated holdings based on Maximum Offering Amount: 100% Allocation to Mawarid

	MB Group		Metallo	
Purchase Price	No. of Shares	% Outstanding Shares	No. of Shares	% Outstanding Shares
$0.05	694,436,260	60.3%	90,668,525	7.9%
$0.07	543,430,545	54.3%	90,668,525	9.1%
$0.10	430,176,260	48.5%	90,668,525	10.2%
$0.15	342,089,593	42.8%	90,668,525	11.4%
$0.20	298,046,260	39.5%	90,668,525	12.0%

Table 3 below sets forth, for illustrative and sensitivity analysis purposes, the anticipated resultant holdings of the MB Group and Metallo (expressed in number of common shares and percentage of outstanding shares) assuming the Maximum Offering Amount allocated 100% to Metallo, at five different purchase price scenarios (namely $0.05; $0.07; $0.10; $0.15; and $0.20), based on the current holdings of the MB Group and Metallo in the Company.

Table 3
Anticipated holdings based on Maximum Offering Amount: 100% Allocation to Metallo

	MB Group		Metallo	
Purchase Price	**No. of Shares**	**% Outstanding Shares**	**No. of Shares**	**% Outstanding Shares**
$0.05	165,916,260	14.4%	619,188,525	53.8%
$0.07	165,916,260	16.6%	468,182,810	46.8%
$0.10	165,916,260	18.7%	354,928,525	40.0%
$0.15	165,916,260	20.8%	266,841,858	33.4%
$0.20	165,916,260	22.0%	222,798,525	29.5%

As indicated in Table 3, if the Maximum Offering Amount is allocated 100% to Metallo pursuant to the Subscription Agreement, then, under all of the pricing scenarios set forth in Table 3, the holdings of Metallo will surpass the holdings of the MB Group. As a result, the Private Placement could "materially affect control" of the Company within the meaning of TSX rules, as Metallo would hold over 20% of the Company's outstanding shares and would have a larger holding than the MB Group.

Table 4 below sets forth, for illustrative and sensitivity analysis purposes, the anticipated maximum number of common shares issuable under the Private Placement based on the Maximum Offering Amount, at five different purchase price scenarios (namely $0.05; $0.07; $0.10; $0.15; and $0.20).

Table 4
Anticipated Shares issuable based on Maximum Offering Amount

Purchase Price	Total No. of Shares Issued	% of Current Outstanding Shares
$0.05	528,520,000	84.9%
$0.07	377,514,285	60.7%
$0.10	264,260,000	42.5%
$0.15	176,173,333	28.3%
$0.20	132,130,000	21.2%

Trading Price and Volume

The Company's common shares are listed and posted for trading on the TSX under the symbol "NUS". The following table sets forth information relating to the monthly trading of the shares on the TSX for the six month period preceding the date of the Subscription Agreement.

Period (2016)	High ($)	Low ($)	Total Volume
March	0.22	0.15	5,804,776
April	0.19	0.145	7,353,281
May	0.16	0.14	5,082,503
June	0.175	0.105	7,307,583
July	0.155	0.10	3,851,297
August	0.16	0.135	1,913,513
September 1 – 16	0.15	0.135	1,158,543

In addition, the shares were quoted under the symbol "NUSMF on OTCQX International effective as at April 27, 2012, and effective December 9, 2015 the Company became a member of the Nasdaq International Designation program.

Previous Purchases and Sales

Except as disclosed below, no securities of the Company have been purchased or sold by the Company during the twelve months preceding the date of the Subscription Agreement (excluding securities purchased or sold pursuant to the exercise of employee stock options, warrants and conversion rights):

Date of Issue	Type of Securities	No. of Common Shares	Issue Price per Security	Reason for Issue
April 8, 2016	Common Shares	188,425,531	$0.15	Rights Offering[(1)]

(1) See "Background to Transaction and Review and Approval Process" below for further details.

Related Party Transaction

MI 61-101

As the Purchasers are insiders of the Company, the Private Placement constitutes a "related party transaction" under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). MI 61-101 requires, among other things, issuers to obtain formal valuations and minority shareholder approval of related party transactions, absent the availability of applicable exemptions set forth in MI 61-101.

Pursuant to section 6.3(2) of MI 61-101, the formal valuation requirements under MI 61-101 do not apply to the Private Placement, since:

- the only non-cash consideration involved in the Private Placement consists of securities of a reporting issuer (namely, the Shares of the Company); and

- this Information Circular contains statements to the effect that (i) the Company has no knowledge of any material information concerning the Company or its securities that has not been generally disclosed; and (ii) to the knowledge of the Company after reasonable inquiry, the related parties (namely, the Purchasers) do not have knowledge of any material information concerning the Company or its securities that has not been generally disclosed (see "Other Material Facts" below).

As the Maximum Offering Amount is expected to exceed applicable thresholds in certain exemptions contained in MI 61-101, the Company is seeking minority shareholder approval of the Maximum Offering Amount under the Private Placement pursuant to the requirements of MI 61-101.

TSX Requirements

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

In addition, section 604(a)(i) of the TSX Company Manual requires issuers listed on TSX to obtain disinterested shareholder approval to private placements that materially affect the control of the issuer.

As the number of Shares that may be issued pursuant to the Purchase Price Formula up to the Maximum Offering Amount is expected to exceed the 10% threshold and may materially affect control of the Company (see "Purchasers' Holdings as a result of the Private Placement" above), the Company is seeking disinterested shareholder approval of the Maximum Offering Amount under the Private Placement pursuant to the requirements of TSX.

The votes at the Meeting required to be excluded for purposes of TSX requirements are the same as for the MI 61-101 minority shareholder approval requirements (see "Minority Shareholder Approval of the Transaction – Excluded Votes" below).

As part of TSX's conditional approval of the Private Placement, TSX requires the Company to provide, on the business day immediately following each issuance of Shares pursuant to a Financing Notice under the Subscription Agreement, a certificate from a senior officer of the Company confirming that there was (i) no communication of a pending Financing Notice either directly or indirectly with the Purchasers prior to such Financing Notice being delivered to the Purchasers; and (ii) no material undisclosed information about the Company as at the date of the Financing Notice and during the five trading days prior to the issuance of such Financing Notice.

Background to Transaction and Review and Approval Process

During February through early April 2016, the Company conducted an offering of rights (the "**Rights Offering**") to its shareholders in an effort to raise up to $103 million in order to advance the construction and development of the Company's equipment, machines and systems comprising the "seafloor production system" and for general working capital purposes (refer to the Company's prospectus dated February 23, 2016 (the "**Prospectus**"), and in particular the section entitled "Use of Proceeds", available at www.sedar.com.

On April 8, 2016, the Company announced that it had completed the Rights Offering and received gross proceeds of approximately $28 million, through the issuance of 188,425,531 common shares at the subscription price of $0.15 per share, representing approximately 27% of the total shares offered under the Rights Offering.

Mawarid purchased 43,600,000 common shares under the Rights Offering for an aggregate subscription price of $6,450,000, which resulted in the MB Group's holdings in the Company declining from approximately 28% to 27% as at the closing of the Rights Offering. Metallo did not participate in the Rights Offering and, as a result of the Rights Offering, its holdings in the Company declined from approximately 21% to 15%.

The Company disclosed that, having completed the Rights Offering, it was considering various alternative sources of financing and was commencing discussions with various parties to explore its financing options. The Prospectus stated that the Company required significant additional funding, in excess of the maximum amount sought under the Rights Offering, in order to fund the Company's costs associated with completing the construction and development of the entire seafloor production system for initial deployment and testing operations at the Company's Solwara 1 Project.

Following the Rights Offering, the Company engaged in discussions and negotiations with various third parties relating to potential financing transactions, none of which resulted in an agreement to conclude a viable financing transaction for the Company. Throughout that period, representatives of management, with the assistance and direction of the Company's independent directors (the "**Independent Directors**"), engaged in discussions with representatives of the Purchasers with regard to potential financing transactions.

On June 29, 2016 the Company announced that it was exploring alternatives for delaying project spending to facilitate the time required to secure the significant project funding required or to explore alternative transactions aimed at maximizing shareholder value. The Company noted that, as a result of the continued funding delays, the previous target date (being the first quarter of 2018) for initial deployment of the seafloor production system at the Solwara 1 Project was no longer achievable. Refer to the June 29, 2016 news release, available at www.sedar.com, for further details.

Having been unable to reach agreement with other third parties in relation to a financing or other transaction aimed at maximizing shareholder value, the Company pursued more detailed discussions and meetings with representatives of the Purchasers during June and July 2016.

Following the retirement of the Company's independent chairman of the board of directors (Geoff Loudon) effective at the close of the Company's annual general meeting held on June 1, 2016, the Independent Directors consisted of Mr. Russell Debney and Ms. Cynthia Thomas. Mr. Debney and Ms. Thomas are considered independent directors within the meaning of MI 61-101 in relation to the Private Placement and the Purchasers.

The MB Group and Metallo are considered "interested parties" under MI 61-101 in connection with the Private Placement. Dr. Mohammed Al Barwani and Mr. Tariq Al Barwani, who are nominee directors of the MB Group, and Mr. Mark Horn, who is a nominee director of Metallo, are considered to be non-independent directors of the Company in relation to the Private Placement and the Purchasers.

Dr. Mohammed Al Barwani is the Chairman, founder and the controlling beneficial shareholder of the MB Group. His son, Mr. Tariq Al Barwani, is a director and beneficial shareholder of various companies in the MB Group.

Mr. Mark Horn is a Corporate Finance Advisor to Metallo and acted as a representative of Metallo in the negotiation of the Subscription Agreement.

The Company, at the direction of the Independent Directors, negotiated the terms of the Subscription Agreement, in consultation with legal counsel. The Independent Directors held numerous meetings during the period following completion of the Rights Offering up to the date of their approval of the Private Placement, and evaluated various reports, budgets and other information from management, and advice from legal counsel, in relation to the Company's Solwara 1 Project, the seafloor production system and the Company's financing options.

Management of the Company and the Independent Directors relied on advice from the law firm DuMoulin Black LLP, the Company's existing Canadian legal counsel, as well as special counsel Stikeman Elliott LLP, to assist the Independent Directors in carrying out their responsibilities and exercising their duties.

The Independent Directors reviewed and approved the terms of the Private Placement as set forth in the Subscription Agreement and informed the board of directors that the Independent Directors were of the view that the Private Placement, as proposed in the Subscription Agreement, is in the best interests of the Company. The board of directors of the Company (with the interested directors – Dr. Mohammed Al Barwani, Mr. Tariq Al Barwani and Mr. Mark Horn – all abstaining) then unanimously approved the entering into of the Subscription Agreement, the submission of the Private Placement to the Company's minority shareholders and the recommendation to such shareholders that they vote in favour of the Private Placement.

During the review and approval process of the Private Placement, there was no materially contrary view or abstension by a director of the Company (other than the required abstensions from the three interested directors) in respect of the Private Placement, nor was there any material disagreement between the board and the Independent Directors.

Arrangements between the Company and Security Holders

Other than the Subscription Agreement, there is no agreement, commitment or understanding made or, to the Company's knowledge, proposed to be made between the Company and a security holder of the Company relating to the Private Placement.

Proposed Material Changes

Other than in relation to the Company's restructuring plans referred to under "Summary of the Private Placement" above, the Company is not aware of any plans or proposals for material changes in the affairs of the Company.

Fees and Expenses

The total expenses incurred and to be incurred by the Company in respect of the Private Placement up to the date that all regulatory conditions set forth in the Subscription Agreement are satisfied, including expenses incurred up to the date of the Meeting and the date that final filings are made with the TSX, are estimated to be approximately $187,000, including, without limitation, amounts paid or payable to legal counsel, printers, transfer agents, applications and filing fees to the TSX, preparation and distribution of all necessary disclosure and other documents, preparation of the Subscription Agreement and other agreements, and other steps to implement the Private Placement.

Other Material Facts

Other than as disclosed in this Information Circular, there are no material facts concerning the Company or the securities of the Company or any other matter that has not previously been generally disclosed, is known to the Company and that would reasonably be expected to affect the decision of a shareholder of the Company in determining whether to vote for or against the resolution to approve the Private Placement.

To the knowledge of the Company after reasonable inquiry, the Purchasers do not have knowledge of any material information concerning the Company or its securities that has not been generally disclosed.

Minority Shareholder Approval of the Transaction

Pursuant to the requirements of the TSX and MI 61-101, the Company cannot complete the Maximum Offering Amount under the Private Placement unless it is first approved by the minority shareholders at the Meeting by way of an ordinary resolution.

Excluded Votes

To the knowledge of the directors and management, the following shareholders are required to be excluded from voting on the Transaction Resolution (as defined below) pursuant to MI 61-101 and TSX requirements, as such persons are either "interested parties" in the Private Placement, a "related party" of an interested party or a "joint actor" with any of the foregoing persons in respect of the Private Placement (as such terms are defined in MI 61-101):

Shareholder	No. of shares held	% outstanding Shares
MB Holding Company LLC	195,400	0.03%
Mawarid Offshore Mining Ltd.	165,720,860	26.6%
Metalloinvest Holding (Cyprus) Limited	90,668,525	14.6%
Total:	256,584,776	41.2%

Transaction Resolution

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

"RESOLVED AS AN ORDINARY RESOLUTION THAT:

(a) the subscription agreement dated August 21, 2016, as amended by an agreement dated September 19, 2016 (together, the "**Subscription Agreement**") between Nautilus Minerals Inc. (the "**Company**"), Mawarid Offshore Mining Ltd. ("**MB**") and Metalloinvest Holding (Cyprus) Limited (together with MB, the "**Purchasers**"), pursuant to which the Purchasers have agreed to purchase common shares of the Company (the "**Shares**") to raise gross proceeds of up to US$20,000,000 (the "**Maximum Offering Amount**") pursuant to the pricing formula set forth in the Subscription Agreement (the "**Private Placement**"), be and the same is hereby ratified, confirmed and approved;

(b) the completion of the Maximum Offering Amount pursuant to the Private Placement and the issuance of the requisite number of Shares thereunder to the Purchasers in accordance with the terms of the Subscription Agreement, as described in the Company's information circular dated September 19, 2016, be and are hereby authorized and approved;

(c) notwithstanding the approval by the shareholders of the Company of this ordinary resolution, the board of directors of the Company is hereby authorized, by resolution at any time in its absolute discretion, to determine whether or not to proceed with the transactions contemplated by the Subscription Agreement without further approval, ratification or confirmation by the shareholders of the Company; and

(d) any one director or officer of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments or the taking of such actions."

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

If the Transaction Resolution is not approved at the Meeting, the Company may not be permitted to complete the Maximum Offering Amount under the Private Placement. However, the Company may still proceed to complete initial tranches under the Private Placement up to the maximum thresholds of applicable TSX requirements and applicable exemption(s) from the minority shareholder approval requirement under MI 61-101 (see "Related Party Transaction" above).

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at investor@nautilusminerals.com to request copies of the Company's financial statements and management's discussion and analysis ("**MD&A**") as well as the Subscription Agreement.

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.

APPROVAL OF INFORMATION CIRCULAR

This Information Circular has been approved by the Company's board of directors and the delivery of this Information Circular to the shareholders of the Company has been authorized by the Company's board of directors.

DATED this 19th day of September, 2016.

APPROVED BY THE BOARD OF DIRECTORS

"Russell Debney"
Chairman of the Board