

## MANAGEMENT PROXY CIRCULAR

### A. VOTING INFORMATION

#### PURPOSE OF SOLICITATION

This Management Proxy Circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by the Management of Niocan Inc. (the “Corporation”) for use at the annual general and special meeting of shareholders of the Corporation to be held at the offices of Blakes, Cassels & Graydon, LLP located at 1, Place Ville-Marie, Suite 3000, Montreal, Quebec, H3B 4N8, on Thursday, June 29, 2017, at the hour of 10:00 o’clock A.M., Montreal time, and at any adjournments thereof for the purposes set out in the accompanying notice of meeting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited by the Management of the Corporation by telephone, fax or personal interviews. The cost of any such solicitation will be borne by the Corporation.

#### INFORMATION ON THE DELIVERY OF PROXY-RELATED MATERIALS

These securityholder materials are being sent to both registered and non-registered owners of the securities (non-registered owners of securities are referred to as “Beneficial Shareholders” in this Information Circular). If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary 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 Corporation is not using “notice-and-access” to send its proxy-related materials to its shareholders, and paper copies of such materials will be sent to all shareholders. The Corporation will send proxy-related materials directly to non-objecting Beneficial Shareholders, through the services of its registrar and transfer agent, Computershare Investor Services Inc. The Corporation intends to pay for an intermediary to deliver to objecting Beneficial Shareholders the proxy-related materials and Form 54-101F7 “Request for Voting Instructions by Intermediary” of Regulation 54-101.

#### VOTING OF PROXIES

All Common Shares represented at the meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **In the absence of any such specifications, the Management Designees, if named as proxy, will vote in favour of all the matters set out herein.**

**The enclosed instrument of proxy confers discretionary authority upon the management designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the notice of meeting and any other matters which may properly come before the meeting. At the date of this Information Circular, the Corporation is not aware of any amendments to, or variations of, or other matters, which may come before the meeting. In the event that other matters come before the meeting, then the Management Designees intend to vote in accordance with the judgement of the Management of the Corporation.**

Proxies, to be valid, must be deposited at the offices of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue,

8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or an adjournment of the meeting.

#### **APPOINTMENT OF PROXY**

**A shareholder has the right to designate a person (who need not be a shareholder of the Corporation) other than Hubert Marleau and Remo Mancini, the Management Designees, to attend and act for him at the meeting.** Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management designees or by completing another proper instrument of proxy and, in either case, depositing the instrument of proxy at the offices of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or an adjournment of the meeting.

#### **REVOCAION OF PROXIES**

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy.

A shareholder may revoke a proxy by depositing an instrument in writing, executed by him or his attorney authorized in writing:

- (1) at the offices of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, at any time, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or adjournment of the meeting at which the proxy is to be used; or
- (2) at the registered office of the Corporation, 1, Place Ville-Marie, Suite 1670, Montreal, Quebec, H3B 2B6, to the attention of the Corporate Secretary at any time up to and including the last business day preceding the day of the meeting at which the proxy is to be used; or
- (3) with the Chairman of the meeting on the day of the meeting or an adjournment of the meeting.

In addition, a proxy may be revoked by the shareholder executing another form of proxy bearing a later date and depositing same at the offices of the registrar and transfer agent of the Corporation within the time period set out under the heading "VOTING OF PROXIES", or by the shareholder personally attending the meeting and voting his shares.

#### **ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES ON VOTING COMMON SHARES**

**The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold Common Shares of the Corporation (the "Common Shares") in their own name.** Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon 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 the shareholder's name on the records of the Corporation. Such Common Shares are likely to be registered under the name of the shareholder's broker or an agent of that broker. Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its 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 (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder receiving a proxy from an intermediary cannot use that proxy to vote Common Shares directly at the meeting. The proxy must be returned to the intermediary well in advance of the meeting in order to have the Common Shares voted at the meeting.**

Although a Beneficial Shareholder may not be recognized directly at the meeting for the purposes of voting Common Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder may attend the Meeting as proxy holder 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 proxy holder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the meeting.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, without nominal or par value, of which 25,979,868 Common Shares were issued and outstanding as of May 29, 2017, and entitled to vote at the meeting on the basis of one vote for each Common Share held.

The holders of Common Shares of record at the close of business on the record date, set by the Directors of the Corporation to be May 25, 2017 are entitled to vote such Common Shares at the meeting.

The by-laws of the Corporation provide that two (2) persons present and representing in person or by proxy not less than 5% of the issued shares entitled to vote at the meeting constitute a quorum for the meeting.

To the knowledge of the Directors and Officers of the Corporation, the only person who beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation, is the following:

#### **PRINCIPAL HOLDER OF VOTING SECURITIES**

<b>Name</b>	<b>Number of Common Shares</b>	<b>Percentage of Outstanding Voting Securities</b>
Nio-Metals Holdings LLC <sup>(1)</sup>	12,834,741	49.4%
(1) Ambassador Mark Wallace, a director of the Corporation, is a member of the Board of Directors of The Electrum Group LLC, which has voting and dispositive power over the Corporation's securities held by Nio-Metals Holdings LLC ("Nio-Metals"), a company controlled by The Electrum Group LLC.		

#### **B. BUSINESS OF THE ANNUAL MEETING**

To the knowledge of the Corporation's Directors, the only matters to be placed before the meeting are those matters set forth in the accompanying notice of meeting relating to the receipt of the management report and the financial statements, the election of the Directors, the appointment of the auditors and the approval of modifications to the Stock Option Plan.

## **ELECTION OF DIRECTORS**

The Corporation's statutes stipulate that the Board of Directors shall consist of a minimum of one (1) Director and a maximum of ten (10) Directors. Management proposes that the five (5) current members of the Board of Directors be elected to hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Corporation. Please refer to Section C Board of Directors for each nominee's biography.

**It is the intention of the Management Designees, if named as proxy, to vote for the election of said persons to the Board of Directors. Management does not contemplate that any of such nominees will be unable to serve as Directors. However, if, for any reason, any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee at their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of Directors.**

## **APPOINTMENT OF AUDITORS**

**The Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy for the appointment of Guimond, Lavallee Inc., Chartered Professional Accountants, as auditors of the Corporation at a remuneration to be fixed by the Board of Directors unless the Shareholder has specified in his proxy that his shares are to be withheld from voting in the election of auditors.**

## **APPROVAL OF THE STOCK OPTION PLAN**

In accordance with the Stock Option Plan, the Corporation may grant options to purchase a maximum number of the Corporation's common shares corresponding to 10% of the number of outstanding shares of the Corporation's share capital from time to time. The number of common shares which can be reserved in accordance with the Stock Option Plan automatically increases or decreases according to the increase or decrease of the number of the Corporation's common shares issued and outstanding. It is therefore considered a rolling plan.

According to the policies of the TSX Venture Exchange, the Stock Option Plan, qualified as a rolling plan, must be approved by the shareholders of the Corporation every year during its annual general meeting.

For informative purposes, as of the date of the Circular, 2,597,987 common shares represented 10% of the outstanding common shares of the capital of the Corporation.

The Plan came into force upon its approval by the Corporation's Board of Directors on October 10, 2014. Shareholders are being asked to consider, and if deemed advisable, to adopt the following resolution to re-approve the Corporation's rolling 10% Stock Option Plan, a summary of which is set out in Section D of this Information Circular (the "Stock Option Plan Resolution"):

**"BE AND IT IS HEREBY RESOLVED:**

THAT the Stock Option Plan of the Corporation, as amended in October 2014, be and is hereby re-approved and confirmed; and

THAT any officer or director of the Corporation be and each of them is hereby authorized, for and on behalf of the Corporation, to execute and deliver such other documents and instruments and take such other actions as such officer or director may determine to be necessary or advisable to implement this resolution and the matters authorized thereby."

In order to be effective, the Stock Option Plan Resolution must be passed by a majority of the votes of shareholders voting on it at the Meeting. The management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the adoption of the Stock Option Plan Resolution unless the Shareholder has specified in his proxy that his shares are to be voted AGAINST the Stock Option Plan Resolution.

## C. BOARD OF DIRECTORS

### BIOGRAPHIES

The following table sets forth, for each person nominated by Management for election as a Director, his name, province or state and country of residence, the year in which he first became a Director, his principal occupation for the last five years, his Committee memberships, the number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which control or direction was exercised and the number of stock options in the Corporation held, all as at the date of this Information Circular.

<p><b>Hubert Marleau</b>          Ontario, Canada          Options: 60,000          Shares: 809,000<sup>(1)</sup></p>	<p>Mr. Hubert Marleau is the Economist and Co-Founder of Palos Management. With over 30 years of experience in the business and financial community, Mr. Marleau has raised funds privately and publicly for hundreds of emerging and mature companies, structured many mergers and acquisitions as well as designed and created numerous financial deals in Canada. Mr. Marleau has worked at the senior executive level of several large investment banks notably, Nesbitt Thomson Inc., Levesque Beaubien Inc. and Marleau, Lemire Inc. During his career, Mr. Marleau was a Chairman of the Listing Committee of the Toronto Stock Exchange, a governor of the Montreal Stock Exchange and the Vancouver Stock Exchange, a director of the Investment Dealer Association of Canada and Board member for a multitude of publicly traded companies. Mr. Marleau graduated from the University of Ottawa with an Honours Bachelor of Science in Economics. In January 2011, he became Interim Chairman and CEO of Niocan, and since October 29, 2012, he has been Chairman and CEO of the Corporation.</p> <p>Mr. Marleau is currently a Director of the following publicly traded companies: Eco Oro Mineral Corp., GobiMin Inc. and Dundee Sustainable Technologies Inc.</p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• Director since 1999</li> <li>• Chairman of the Board of Directors between 2005 and May 2010, and since January 12, 2011</li> </ul>
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<p><b>Mark D. Wallace</b> New York, USA</p> <p>Options: 60,000 Shares: 12,834,741 Common Shares<sup>(2)</sup></p>	<p>Ambassador Mark D. Wallace serves as the Chief Operating Officer of The Electrum Group LLC, a New York City-based investment, advisory and asset management firm that focuses on natural resources and the natural resources sector. Most recently, he served as United States Ambassador to the United Nations, Representative for U.N. Management and Reform. Ambassador Wallace was the chief U.S. negotiator to the world body on matters relating to reform and budget and he was the chief of U.S. oversight into matters relating to U.N. mismanagement, fraud and abuse. Prior to his service at the United Nations, Ambassador Wallace served in a variety of government, political and private sector posts including in the U.S. Department of Justice, the U.S. Immigration and Naturalization Service, the U.S. Department of Homeland Security and the U.S. Federal Emergency Management Agency. During the 2008 U.S. Presidential campaign he was a senior advisor to McCain-Palin 2008 and led the debate preparation team for Governor Sarah Palin. During the 2004 Presidential campaign, Ambassador Wallace served as the Bush-Cheney 2004 Deputy Campaign Manager. Ambassador Wallace also has extensive experience in the private sector. He was of counsel in the Washington DC office of Akerman Senterfitt, one of Florida's largest law firms, as it established and grew its presence in Washington D.C.</p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• Director since 2011</li> <li>• Member of the Audit Committee and of the Governance, Nominating and Compensation Committee</li> </ul>
<p><b>Remo Mancini</b> Ontario, Canada</p> <p>Options : 60,000 Shares : 0</p>	<p>Remo Mancini is a former Canadian and U.S. senior corporate executive and former Ontario Government Cabinet Minister. As a distinguished member of the Ontario Legislature for 18 years, Mr. Mancini was a Member of the Cabinet, serving in both economic and social portfolios. He also held the notable positions of: Chairman of the Public Accounts Committee, Parliamentary Assistant to the Premier, and Official Opposition Party House Leader. In the business world, Mr. Mancini served as Executive Vice President at The Canadian Transit Company and the Detroit International Bridge Company, the private companies that own, manage and operate the Ambassador Bridge, the world's busiest commercial border crossing. Mr. Mancini is a graduate of the Directors Education Program offered by the Institute of Corporate Directors and the University of Toronto's Rotman School of Management, and he has earned the internationally recognized designation of ICD.D. Mr. Mancini is the President/Owner of Sandstone Strategies, established in 2004.</p> <p>Mr. Mancini has served on the Board of several publicly traded listed companies.</p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• Director since 2007</li> <li>• Member of the Governance, Nominating and Compensation Committee (Chair) and the Audit Committee (Chair)</li> </ul>

<p><b>Joel Bell</b> Ontario, Canada</p> <p>Options : 60,000 Shares: 0</p>	<p>Mr. Bell was founding President and Chief Executive Officer of Canada Development Investment Corporation (CDIC). He was Executive Vice President and Chief Financial Officer of PetroCanada. He was jointly responsible in Northbridge Inc. for the establishment of two US TV networks and served as a Director. He was Executive Chairman of Power DirecTV. He founded the Maxlink Group of Companies as its President and CEO. He has served as President of a real estate development company in Paris. He has worked as a business development and financial advisor and served on the boards of a number of companies in natural resources, financial intermediation services, manufacturing, telecommunications and broadcasting. He was Senior Economic Advisor to Prime Minister Pierre Elliot Trudeau and held a variety of positions with the Government of Canada, including: Special Advisor to the Department of Energy, Mines and Resources; Special Counsel to the Canadian Radio-Television Telecommunications Commission; Chairman of the Working Group on Foreign Investment; Special Advisor to the Minister of Consumer and Corporate Affairs; Staff Consultant to the Canada Department of Labour; Consultant to the Economic Council of Canada; and Research Officer with the Prime Ministerial Task Force on Labour Relations. He has served as Chairman of the Council for Canadian-American Relations based in New York, as a Director of the Canada-France Business Council and is currently Chairman of the Chumir Foundation for Ethics in Leadership, an activity he founded. Mr. Bell was educated in economics, political science and law at McGill University and did graduate studies in business, economics and law at Harvard University.</p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• Director since 2012</li> <li>• Member of the Audit Committee and member of the Governance, Nominating and Compensation Committee</li> </ul>
<p><b>Guy Arbour</b> Québec, Canada</p> <p>Options: 0 Shares: 0</p>	<p>Guy Arbour is a Professional Engineer and a Geologist registered in Quebec. Trained as a mining geophysicist, Mr. Arbour now works as a consulting engineer on deleterious materials and ionizing radiation. Between 2004 and 2011, Mr. Arbour was President of the Institut Supérieur de Formation Continue, a professional development organization for engineers. He previously served as Executive Director for various technical associations. He was recently welcomed as a Fellow of Engineers Canada. Mr. Arbour holds a B.Eng. and a M.Sc.A. from École Polytechnique de Montréal.</p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• Director since 2015</li> <li>• Member of the Governance, Nominating and Compensation Committee and the Audit Committee</li> </ul>
<p>(1) These shares are held through a Registered Retirement Income Fund (RRIF) and through Benevest Inc., a company under Mr. Marleau's control. (2) These Common Shares are held by Nio-Metals. Ambassador Mark Wallace is a member of the Board of Directors of The Electrum Group LLC, which has voting and dispositive power over the Corporation's securities held by Nio-Metals, a company controlled by The Electrum Group LLC.</p>	

The information as to the number of Common Shares beneficially owned or over which control is exercised, not being within the knowledge of the Corporation, has been provided by each nominee.

To the Company's knowledge, and based on information provided by the nominees, with the exception of the facts disclosed below with respect to Mr. Marleau:

- (a) no proposed director of our Corporation is, as at the date hereof or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, that,
  - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than

30 consecutive days (an "Order"), that was issued while the director or executive officer was acting in its capacity as director, chief executive officer or chief financial officer; or

- (ii) was subject to an Order that was issued, after the director or executive officer 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) no proposed director of our Company:

- (i) is, at the date hereof, or has been, within the 10 years before the date hereof, a director or executive officer of any 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;
- (ii) has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets;
- (iii) 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 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 such proposed director.

Mr. Marleau was a director of Magistral Biotech Inc. in early 2006 when it was subject to a cease trade order imposed by L'Autorité des marchés financiers and the British Columbia Securities Commissions because it did not file a comparative financial statement for the financial year ended December 31, 2005. Magistral Biotech Inc. subsequently filed the necessary disclosures and in late 2006, L'Autorité des marchés financiers (the "AMF") and the British Columbia Securities Commissions each issued Partial Revocation Orders allowing Magistral Biotech Inc. to effect certain transactions to complete a reverse takeover with Immunotec Research Ltd.

Mr. Marleau was a director of Malette International Inc. ("Malette") a reporting issuer listed on the Toronto Stock Exchange Venture Exchange when, on February 26, 2007, Malette Industries Inc., a wholly-owned subsidiary of Malette, filed a notice of intention to make a proposal to its creditors under the Bankruptcy and Insolvency Act. On February 27, 2007, a creditor of Malette Hardwood Flooring Inc., another subsidiary of Malette, obtained a receivership order from the Superior Court of Québec. On February 2, 2007, the Autorité des marchés financiers issued a cease trade order against Malette for its failure to file financial statements for the year ended September 30, 2006. Effective March 1, 2007, Mr. Marleau resigned from the Board of Directors of Malette.

Mr. Marleau was required by the TSX Venture Exchange, in May 2007, to submit an undertaking to the TSX Venture Exchange concerning the submission in a true and correct manner of all future Personal Information Forms in relation to acting as director of Artevo Corporation. Mr. Marleau was reprimanded by the TSX Venture Exchange, on May 12, 2011, for the breach of his 2007 undertaking to the TSX Venture Exchange; required to attend a workshop, required to pay a fee of \$3,000, required to provide a written acknowledgement that he had read the TSX Venture Exchange correspondence and that the 2007 undertaking remains in effect.

Mr. Marleau was a director of Mitec Telecom Inc. (“Mitec”) when, on September 15, 2010, Mitec applied for and was granted a management cease trade order (a “MCTO”), as provided for in National Policy 12-203, from the AMF, Mitec’s lead regulator. On September 29, 2010, Mitec announced its financial results, which resulted in the lifting of the MCTO.

On May 31, 2011, the AMF instituted proceedings before the Bureau de decision et de révision (the “BDRVM”) wherein the AMF sought payment by Palos Management Inc. (“Palos”), a company for which Mr. Marleau was then acting as president and chairman, of a monetary penalty of \$36,500 and an order requiring Palos to submit certain components of certain financial statements which the AMF alleged were not duly filed for the periods ending June 30, 2009, December 31, 2009 and June 30, 2010. The proceedings related to investment funds managed by Palos and offered under statutory prospectus exemptions. In the interim, Mr. Marleau resigned as president and chairman of Palos. On November 23, 2011, Palos and the AMF entered into a joint submission and acknowledgement of facts in which Palos acknowledged the facts alleged by the AMF and agreed to pay an administrative penalty of \$26,500.

Mr. Marleau was a director of GobiMin Inc. (“GobiMin”) when, on May 1, 2013, cease trade orders were imposed on GobiMin by the Alberta Securities Commission (“ASC”) and the British Columbia Securities Commission (“BCSC”) due to GobiMin’s delay in the filing its audited consolidated financial statements, management’s discussion and analysis and certificates of annual filings which were due on April 30, 2013. Upon publication of these documents and of related filings on SEDAR on May 16, 2013, a full revocation of the cease trade orders was granted to GobiMin by the ASC and the BCSC in mid-July 2013 and the trading of the Company’s shares was reinstated by the TSX Venture Exchange on July 30, 2013.

## **D. DISCLOSURE OF COMPENSATION AND OTHER INFORMATION**

### **COMPENSATION OF DIRECTORS**

In fiscal 2016, all Directors were remunerated by the Corporation in their capacity as directors. The remuneration of Mr. Marleau, Chairman of the Board, President and CEO is set forth in the “Compensation of Executive Officers” Section of this Information Circular.

The compensation of directors is a combination of quarterly fees, in the amount of \$2,500, and of stock options. In addition, should a Director spend time on affairs of the Corporation other than for the preparation or attendance at Board or committee meetings, such director is entitled to receive \$600 per day for such additional work.

No formal policy on the grant of stock options to Directors has been implemented and Directors are granted stock options on a discretionary basis. During 2016, no options were granted to Directors.

### **REMUNERATION PAID TO DIRECTORS**

The total remuneration paid to Directors during the most recently completed financial year is set forth in the following table:

<i>Director Name</i>	<i>Fees Earned (\$)</i>	<i>Share-Based Awards (\$)</i>	<i>Option-Based Awards (\$)</i>	<i>Non-Equity Incentive Plan Compensation (\$)</i>	<i>Pension Value (\$)</i>	<i>All Other Compensation (\$)</i>	<i>Total (\$)</i>
Guy Arbour	10,000 <sup>(1)</sup>	Nil	Nil	N/A	N/A	N/A	10,000
Joel Bell	10,000 <sup>(1)</sup>	Nil	Nil	N/A	N/A	N/A	10,000
Remo Mancini	10,000 <sup>(1)</sup>	Nil	Nil	N/A	N/A	N/A	10,000
Mark D. Wallace	Nil	Nil	Nil	N/A	N/A	N/A	Nil

(1) \$2,500 remained outstanding as of December 31, 2016.

## OUTSTANDING DIRECTOR OPTION-BASED AWARDS

The following table provides information on the number and value of each Director's outstanding options at the end of the most recently completed financial year.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
<b>Joel Bell</b>				
- 2013 award	60,000	0.175	12/10/2018	0
<b>Remo Mancini</b>				
- 2013 award	60,000	0.175	12/10/2018	0
<b>Mark D. Wallace</b>				
- 2013 award	60,000	0.175	12/10/2018	0

(1) Calculation is based on the trading price of the Corporation's Common Shares of \$0.08 on December 30, 2016, the last trading day of the Corporation's Common Shares in 2016 on the TSX Venture Exchange.

## OPTIONS VESTED AND EARNED

The following table sets out the value of stock options vested or earned by the directors during the most recently completed financial year.

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Guy Arbour	0	n/a	n/a
Joel Bell	0	n/a	n/a
Remo Mancini	0	n/a	n/a
Mark D. Wallace	0	n/a	n/a

(1) No options have vested in 2016.

## COMPENSATION OF EXECUTIVE OFFICERS

This disclosure is intended to communicate the compensation provided to the President and Chief Executive Officer ("CEO") and to the Chief Financial Officers ("CFO") (together, the "Named Executive Officers"). The Corporation had no other executive officers in 2016. None of the Corporation's Executive Officers' total compensation has exceeded \$150,000 in 2016.

The compensation of Executive Officers of the Corporation is determined by the Board of Directors.

## COMPENSATION DISCUSSION AND ANALYSIS

During the most recently completed financial year, the remuneration of Mr. Hubert Marleau, Chairman of the Board of Directors, President and CEO, consisted in a monthly fee of \$5,000 for his responsibilities as Chairman of the Board, President and CEO.

The Corporation's CFO, Mr. Dumais, provides consulting services to the Corporation on a part-time basis. Mr. Dumais' compensation consists of a fee of \$1,500 per quarter for his services as CFO, as well as \$125 per hour for accounting services provided to the Corporation, including the preparation of financial statements and MD&A.

The grant of stock options to the Corporation's Directors and Officers is aimed at recognizing and rewarding the impact of longer-term strategic actions overseen by Directors and Officers, offering an added incentive for the retention of the Corporation's directors and officers as well as aligning the interests of the

Corporation's Directors and Officers with that of its shareholders. For a more detailed description of the Corporation's Stock Option Plan, please refer to the "Equity Compensation Plans" section of this Information Circular.

Grants of options to Directors and Officers are determined and approved by the Corporation's Board of Directors. Since no grant of option has been made in recent years to Officers who were not Directors, the Remuneration Committee was not involved in the determination of option grants. Previous grants are taken into account by the Board of Directors when considering new grants to ensure that they respect the maximum number of options which may be awarded under the terms of the Stock Option Plan.

No formal policy on the grant of stock options to Executive Officers has been implemented at this time, and the Board of Directors has granted stock options to Mr. Marleau on a discretionary basis. In 2016, no options were granted to Mr. Marleau nor Mr. Dumais.

The Corporation used no benchmark to establish the compensation of the Named Executive Officers. There exists at the present time no formal process to set objectives or to review the performance of the Corporation's executives, nor does there exist any cash incentive plan, considering the part-time nature of their functions and the fact that the Corporation has no mining operations at the present time. The Corporation intends to review these items when this will become appropriate.

#### **OUTSTANDING OFFICER OPTION-BASED AWARDS**

The following table sets out all awards of stock options outstanding to Mr. Marleau as at the last day of the most recently completed financial year. The Corporation has not granted options to Mr. Dumais.

<b>Name</b>	<b>Number of securities underlying unexercised options (#)</b>	<b>Option exercise price</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options (\$)<sup>(1)</sup></b>
<b>Hubert Marleau</b>				
- 2013 award	60,000	0.175	12/10/2018	0
(1) Calculation is based on the trading price of the Corporation's Common Shares of \$0.06 on December 31, 2016, the last trading day of the Corporation's Common Shares in 2015 on the TSX Venture Exchange.				

The following table sets out the value of stock options vested or earned by the Named Executive Officers during the most recently completed financial year.

#### **OPTIONS VESTED AND EARNED**

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)<sup>(1)</sup></b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year(\$)</b>
Hubert Marleau	0	n/a	n/a
(1) No options have vested in 2016.			

#### *Risks Associated with the Company's Compensation Policies and Practices*

The Board of Directors and its Committees have not proceeded to an evaluation of the implications of the risks associated with the Corporation's compensation policies and practices.

#### *No Policy on Purchase of Financial Instruments*

The Corporation has not adopted a policy to prohibit Named Executive Officers and Directors from

purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or Director.

## **COMPENSATION GOVERNANCE**

The Board of Directors has not adopted any formal policies and practices to determine the compensation of the Corporation's directors and executive officers. The Corporation's process for determining such compensation is very simple, as the Corporation relies solely on discussion between its management and its directors, without any formal objectives, criteria and analysis, other than those set forth in this Compensation Discussion and Analysis. The determination of the compensation is made based on each director's personal experience and knowledge of compensation practices in the industry and more generally, to executives and directors in similar positions.

During the most recently completed financial year, the members of the GNCC were Remo Mancini (Chair), Mark Wallace, and Joel Bell. All these members were considered independent.

The GNCC possesses the following skills and experience that enable it to make decisions on the suitability of the Corporation's compensation policies and practices: experience in the management of corporations, human resources management including hiring, dismissals, establishment of human resources policies and practices and compensation programs, as well as establishing, communicating and evaluating overall corporate objectives and personal performance objectives.

All members of the GNCC has direct experience that is relevant to his responsibilities in executive compensation. The following sets forth each member's experience in this regard:

- Guy Arbour – Mr. Arbour is a consulting engineer on deleterious materials and ionizing radiation at Solroc Inc.. Mr. Arbour was President of the Institut Supérieur de Formation Continue, and served as Executive Director for various technical associations including the Ordre des ingénieurs du Québec.
- Remo Mancini – Mr. Mancini served as Minister of Revenue for the Province of Ontario; during that time period the Ministry had more than 4,200 employees and a global budget of more than \$870 million. In the private sector, Remo Mancini served as Executive Vice President of the Detroit International Bridge Company and the Canadian Transit Company where he collaborated in establishing compensation for many senior management employees. For several years, Remo Mancini served as Chairman of the Governance/Nomination and Compensation Committee of Estrella International Energy Services, a Corporation traded on the TSX-V. Estrella has more than 1,500 employees and operates in several countries. As well, Mr. Mancini served on the Board of Directors of Melior Resources, a company traded on the TSX-V, between February 2013 and March 2014, and during his tenure, he served as Chairman of the Governance/Nomination and Compensation Committee. Mr. Mancini is a graduate of the Directors Education Program offered by the Institute of Corporate Directors and the University of Toronto's Rotman School of Management, and he has earned the internationally recognized designation of ICD.D.
- Mark Wallace – In his capacity as Chief Operating Officer of The Electrum Group LLC, as well as in numerous other positions held in the past, Ambassador Wallace has had extensive experience in managing staff and establishing compensation conditions and policies.
- Joel Bell - In his capacity as senior executive of Canada Development Investment Corporation (CDIC), PetroCanada, Maxlink Group of Companies as well as in numerous other positions held in the past, Mr. Bell has had extensive experience in managing staff and establishing compensation conditions and policies. Mr. Bell was educated in economics, political science and law at McGill University and did graduate studies in business, economics and law at Harvard University.

The responsibilities of the GNCC are set forth in the "Report of the Corporate Governance" Section of this Information Circular. The GNCC's purpose is to review all elements which are under its responsibility

and to make recommendations to the Board of Directors, which makes all final decisions.

#### SUMMARY COMPENSATION TABLE

The following Summary Compensation Table sets forth the compensation information for the Named Executive Officers for services rendered during three most recently completed financial years. For compensation related to previous years, please refer to the Corporation's Management Proxy Circular available at [www.sedar.com](http://www.sedar.com).

#### SUMMARY COMPENSATION TABLE – NAMED EXECUTIVE OFFICERS

Name and Principal Position	Year	Salary	Option-based awards (\$)	All other compensation (\$)	Total compensation (\$)
Hubert Marleau, Chairman, President and Chief Executive Officer <sup>(1)</sup>	2016	38,000	0	0	38,000
	2015	60,000	0	0	60,000
Bruno Dumais, Chief Financial Officer	2016	0	0	22,625 <sup>(2)</sup>	22,625
	2015	0	0	31,468	31,468
<p>(1) Mr. Marleau has been Chairman of the Board of Directors, President and CEO since October 29, 2012, prior to which he acted in such capacity on an interim basis since January 12, 2011. Prior to such date, Mr. Marleau was a director of the Corporation and he was Chairman of the Board of Directors between 2005 and May 2010.</p> <p>(2) \$5,600 remained outstanding as of December 31, 2016.</p>					

#### TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation is not party to any contract, agreement, plan or arrangement that provides for payments to its Named Executive Officers at, following or in connection with any termination, resignation, retirement, change of control of the Corporation or a change in the Named Executive Officer's responsibility.

#### EQUITY COMPENSATION PLANS

The following table sets forth compensation plans under which equity securities of the Corporation are authorized for issuance as at the last day of the most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options or warrants (a)	Weighted-average exercise price of outstanding options or warrants (\$)(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 (Stock Option Plan)	624,000	0.37	1,973,987
Equity compensation plans not approved by securityholders	n/a	n/a	n/a

#### Stock Option Plan

The Corporation adopted a Stock Option Plan (the "Plan") for the Directors, Officers, employees and suppliers of the Corporation. The Plan provides that the total number of Common Shares which may be

issued following the exercise of options may not exceed 10% of the issued and outstanding Common Shares at the time of any option grant on a “rolling” basis, and therefore, as further Common Shares of the Corporation may be issued from time to time, additional options to purchase up to 10% of such number of Common Shares shall become available to be granted by the Corporation. The Plan also permits the issuance of options to charitable organizations.

The Plan provides that the number of Common Shares covered by any stock option, the exercise price, expiry date and vesting period of such stock option and any other matter pertaining thereto are determined by the Board of Directors of the Corporation, that no single person may be granted options covering more than 5% of the Corporation's issued and outstanding Common Shares (on a non-diluted basis) and that the number of securities issued to insiders under all security-based compensation arrangements cannot exceed 10% of issued and outstanding securities. In addition, the Plan provides that the aggregate number of options granted to any one Participant in any 12-month period must not exceed 5% of the issued and outstanding Common Shares, unless disinterested shareholder approval is obtained; that the aggregate number of options granted to any one consultant in any 12-month period must not exceed 2% of the issued and outstanding Common Shares; that the aggregate number of options granted to all participants employed to provide investor relations activities in any 12-month period must not exceed 2% of the issued and outstanding common shares; that the aggregate number of options granted to Insiders (as a group) within a 12-month period cannot exceed 10% of the issued and outstanding Common Shares, and the aggregate number of options issued to eligible charitable organizations must not exceed 1% of the issued and outstanding Common Shares. The Plan also provides that options issued to participants retained to provide investor relation activities shall vest in stages over a period of not less than twelve months with no more than one quarter of the options vesting in any three-month period.

Options granted are non-assignable except to the heirs and successors of the optionee. Options are fully exercisable by the optionee's legal representative, in the case of death, upon the first of the following dates: the date of expiry of the options or twelve months after the death of the optionee according to the Plan. Options will lapse upon termination of employment or the end of the business relationship with the Corporation except that they may be exercised at the first of the following dates, to the extent that they will have vested on such date: (i) the Plan provides 3 years after termination or the end of the business relationship, or the date of expiry of the options for the holders who were not Insiders as of October 10, 2014; the Board of Directors may determine that the options will lapse at a later date than the 3-year period provided above; (ii) the Plan provides 12 months after termination or the end of the business relationship, or the date of expiry of the options.

No option may be allotted for a period exceeding 5 years according to the Plan. The Plan provides that the exercise price of each stock option shall be no less than the discounted market price based on the last closing market price of the Common shares before the date of grant, subject to a minimum exercise price of \$0.05. Notwithstanding the foregoing, if the Corporation is sold, the Board of Directors may upon written notice to each optionee permit the exercise of the options within 30 days following the date of such notice and provide that upon the expiry of such 30-day period all rights of optionees shall terminate. The Board of Directors of the Corporation has the right to amend the Plan, subject to amendments which require the approval of the Toronto Stock Exchange or of the shareholders of the Corporation in accordance with the terms of the Stock Option Plan or applicable rules and regulations.

## **E. OTHER INFORMATION**

### **CORPORATE GOVERNANCE DISCLOSURE**

The following disclosure sets out the Corporation's corporate governance practices during the most recently completed financial year.

## Mandate, Structure and Composition of the Corporation's Board of Directors

In 2016, the Corporation's Board of Directors consisted of five members, all of which are proposed for re-election as Directors for the ensuing year.

### *Board of Directors*

The Corporation considers that a majority of its Directors were independent as defined in Multilateral Instrument 52-110, and therefore did not have a direct or indirect relationship with the Corporation that could reasonably interfere with the Directors' ability to exercise their independent judgment.

Mr. Arbour, Mr. Mancini, Mr. Bell, and Mr. Wallace were considered independent. Mr. Marleau was considered as a related Director since he is an officer of the Corporation.

The Chairman of the Board of Directors, Mr. Marleau, is not considered independent. However, once per year, the members of the Audit Committee meet with the Corporation's auditors without the presence of Management.

### *Directorships*

Certain Directors are presently a director of other reporting issuers. Please refer to the "Biographies" section of this Information Circular for details.

### *Other Committees*

The Board has delegated responsibilities to two standing committees, being the Audit Committee and the Governance, Nominating and Compensation Committee.

## RESPONSIBILITIES OF STANDING COMMITTEES

Committee	Membership
<p><b>Governance, Nominating and Compensation Committee</b>                      The Board of Directors may, from time to time, delegate to the Governance, Nominating and Compensation Committee the following responsibilities: ensuring that adequate policies and procedures relating to corporate governance are adopted by the Corporation, presenting to the Board candidates for nomination to the board of directors, evaluating the remuneration of the Corporation's senior executives, having regard for competitive position and individual performance, and making recommendations to the Board, which makes the final determination of the compensation of the senior executives, as well as evaluating and recommending to the board of directors remuneration policies for directors.</p>	Remo Mancini (Chair) Guy Arbour Mark Wallace Joel Bell
<p><b>Audit Committee</b>                      The Audit Committee is responsible for reviewing and recommending to the Board the selection of the Corporation's independent auditors as well as the compensation to be paid to such auditors, overseeing the work of the external auditor, reviewing the Corporation's financial statements and MD&amp;A.</p> <p>The Corporation's Audit Committee charter is reproduced as Schedule A of this Information Circular.</p>	Remo Mancini (Chair) Guy Arbour Joel Bell

### *Nomination of Directors*

The GNCC is composed of independent directors. When there is a vacancy on the Board of Directors, the Board of Directors may delegate to this committee the responsibility for identifying, evaluating and recommending potential candidates for consideration and approval by the Board of Directors. There exists no formal process for the identification of new Director candidates and individual Directors may suggest candidates for consideration and approval by the Board of Directors. The GNCC has decided, further to the requirement from the TSX Venture Exchange, to add a geologist, who is also a qualified person, to the Board of Directors in order to receive proper guidance from a mineralogical perspective.

### *Orientation of New Directors and Continuing Education*

The Board of Directors has not implemented a formal process for the orientation of new directors or for continuing education. New directors familiarize themselves with the Corporation's business through discussions with other Board Members and the receipt of various information from the Corporation. When it is considered advisable, the Board of Directors is kept abreast of information relating to various topics of interest to the Directors, relating, for instance, to the mining industry and to regulations governing publicly-traded companies.

### *Compensation of Directors and Officers*

The Board of Directors may delegate to the GNCC the responsibility for evaluating the remuneration of the Corporation's senior executives and making recommendations to the Board, which makes the final determination of the compensation of the senior executives. In 2016, the GNCC was composed of independent directors.

The Board of Directors is responsible for determining the compensation of the Corporation's Directors, CFO and Chairman, President and CEO. A summary of the compensation received by the Directors and Officers of the Corporation for the financial year ended December 31, 2016 is provided in this Information Circular.

### *Assessments*

The Board of Directors has not established formal procedures for the assessment of the Board, the Committees and of individual Directors. The Chairman of the Board is responsible for making such assessments and for making recommendations when appropriate.

### *Ethical Business Conduct*

The Board of Directors has adopted a Code of Ethics, which provides guidelines to ensure that all Directors, officers and employees of the Corporation respect its commitment to promote a culture of ethical business conduct.

The President of the Corporation and the Audit Committee are responsible for monitoring compliance to the Code of Ethics. In addition, the Code of Ethics provides that each the Corporation's employees is obligated to communicate any situation that raises a question as to ethical or legal compliance. The Corporation has not filed any material change report pertaining to a conduct of a director or officer that would constitute a departure from the Code of Ethics. The Corporation's Code of Ethics was filed on SEDAR on March 25, 2009, and may be consulted at [www.sedar.com](http://www.sedar.com).

In addition, transactions which could give rise to a conflict of interest are reviewed by the Directors of the Corporation who have no personal interest in such transaction, without the presence of the concerned director(s).

## **AUDIT COMMITTEE INFORMATION**

The text of the Company's Audit Committee Charter is reproduced as Schedule A of this Information Circular.

### *Composition of the Audit Committee*

The Audit Committee is formed of three directors, Remo Mancini (Chair), Guy Arbour and Joel Bell. All current members are independent and financially literate as required by National Instrument 52-110.

### *Relevant Education and Experience*

The following describes the relevant education and experience of each member of the Audit Committee that provides him or her with (a) an understanding of the accounting principles used by the Company to prepare its financial statements, (b) the ability to assess the general application of such accounting principles, (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising one or more persons engaged in such activities and (d) an understanding of internal controls and procedures for financial reporting.

*Remo Mancini* – Mr. Remo Mancini is a former Canadian and U.S. senior corporate executive and former Ontario Government Cabinet Minister. As a distinguished member of the Ontario Legislature for 18 years, Mr. Mancini was a Member of the Cabinet, serving in both economic and social portfolios. He also held the notable positions of: Chairman of the Public Accounts Committee, Parliamentary Assistant to the Premier, and Official Opposition Party House Leader. In the business world, Mr. Mancini served as Executive Vice President at The Canadian Transit Company and the Detroit International Bridge Company, the private companies that own, manage and operate the Ambassador Bridge, the world's busiest commercial border crossing. Mr. Mancini is a graduate of the Directors Education Program offered by the Institute of Corporate Directors and the University of Toronto's Rotman School of Management, and he has earned the internationally recognized designation of ICD.D. Mr. Mancini is the President/Owner of Sandstone Strategies, established in 2004. Mr. Mancini served on the Board of Directors of Melior Resources, a company traded on the TSX-V, between February 2013 and March 2014, and during his tenure he served as the Chairman of the Audit Committee and for several years served on the Audit Committee of Estrella International Energy Services Ltd., a TSX Venture Exchange listed company with more than 1,500 employees.

*Guy Arbour* – Mr. Arbour is a consulting engineer on deleterious materials and ionizing radiation at Solroc Inc.. Mr. Arbour was President of the Institut Supérieur de Formation Continue, and served as Executive Director for various technical associations including the Ordre des ingénieurs du Québec.

*Joel Bell* - Mr. Bell possesses extensive business experience as he has held senior executive positions in several companies and organizations over the years. He was also Senior Economic Advisor to Prime Minister Pierre Elliot Trudeau and held a variety of positions with the Government of Canada. Mr. Bell was educated in economics, political science and law at McGill University and did graduate studies in business, economics and law at Harvard University.

### *Policy Regarding Non-Audit Service Rendered by Auditors*

The Charter of the Audit Committee requires the Audit Committee to pre-approve all non-audit services to be provided by the external auditors of the Company. The terms of such policy are more fully set out in the text of the Charter, reproduced as Schedule A of this Information Circular.

### *Audit Committee Oversight*

At no time since the commencement of the Corporation'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 Corporation's most recently completed financial year, has the Corporation relied on the exemptions in section 2.4 (De Minimis Non-audit Services) or an exemption granted under Part 8 (Exemptions) of MI 52-110. However, the Corporation is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of MI 52-110 given that it is a venture issuer as defined in MI 52-110, and the Corporation thus is relying upon the exemption set forth in section 6.1 of MI 52-110.

*Remuneration of Auditors*

The following table presents, by category, the fees billed by the external auditors of the Corporation for fiscal years 2016 and 2015.

<b>Category of fees</b>	<b>2016 \$</b>	<b>2015 \$</b>
Audit Fees	16,000	17,000
Tax Fees	2,000	0
All Other Fees	0	0
<b>Total</b>	<b>18,000</b>	<b>17,000</b>

**DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation provides, at its sole cost, liability insurance for its Directors and officers covering them against liability arising while engaged in those capacities by means of insurance policies. On December 31, 2016, the policy provided maximum coverage of \$3,000,000 per occurrence and a maximum coverage of \$3,000,000 per each policy period subject to a deductible of \$15,000 per occurrence for the Corporation (subject to certain exceptions). The premium paid for the policies was \$13,450. Neither the policies nor the premium paid make any distinction between the liability insurance for the Corporation's Directors and Officers, since the coverage is the same for both groups.

**INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as set forth in this Information Circular, Management of the Corporation is not aware of any material interest, direct or indirect, of any Director, officer or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon, other than the election of Directors, and the fact that Directors and Officers have been granted and may receive in the future stock options in accordance with the Stock Option Plan, the amendments of which are presented for approval by the Corporation's shareholders.

**INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No Director, Officer, nor any of their respective associates or affiliates is indebted to the Corporation.

**INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS**

Other than as set forth below, Management of the Corporation is not aware of any material interest, direct or indirect, of any insider of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any such person in any transaction since the commencement of the Corporation's

most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

On February 19, 2013, the Corporation announced that it had completed a private placement with Nio-Metals pursuant to which Nio-Metals subscribed for a unit comprising of \$1,200,000 aggregate principal amount of secured subordinated debentures and 1,000,000 Common Share purchase warrants, representing aggregate gross proceeds to the Corporation of \$1,200,000. The debentures bear interest at a rate of 10% per annum and will mature 30 months from the date of their issuance, subject to the ability of the Corporation to repay them at any time without penalty. In 2015, the Corporation incurred \$120,000 of interest expense to Nio-Metals in relation to this debenture.

On September 17, 2015, the Company completed a private placement pursuant to which Nio-Metals subscribed for 2,850,000 units comprising of one common share of the Company and one warrant to purchase one common share of the Company representing aggregate gross proceeds to the Company of \$300,000. Each Warrant will entitle its holder to purchase one common Share at a price of \$0.15 at any time until the five year anniversary of the date of their issuance.

On September 30, 2015, then subsequently on various dates up to April 17, 2017, the Company announced that it has amended its Amended Secured debenture to extend its maturity date from September 30, 2015 to October 30, 2017.

#### **GENERAL**

Except as otherwise mentioned, the information contained herein is given as of the May 29, 2017.

#### **ADDITIONAL INFORMATION**

Additional financial and other information relating to the Corporation is included in its 2015 audited annual and unaudited quarterly financial statements, annual and quarterly Management's Discussion and Analysis, Annual Information Form and other continuous disclosure documents, which are available on SEDAR at [www.sedar.com](http://www.sedar.com), or which may be obtained by making a written request to this effect to the attention of the Corporation's Corporate Secretary.

#### **APPROVAL OF THE DIRECTORS**

The Directors of the Corporation have approved the content and mailing of this Information Circular to the shareholders, Directors and auditors of the Corporation.

*[signed]*

Hubert Marleau  
Chairman of the Board of Directors,  
President and Chief Executive Officer  
Montreal, May 29<sup>th</sup>, 2017

## **SCHEDULE A AUDIT COMMITTEE CHARTER**

### **1. Mandate and objectives**

The mandate of the Audit Committee of the Company (the "Committee") is to assist the Board of Directors of the Company (the "Board") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes.

The objectives of the Committee are to:

- (i) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- (ii) ensure the independence of the Company's external auditors; and
- (iii) provide better communication among the Company's auditors, the management and the Board.

### **2. Composition**

The Committee shall be comprised of at least three (3) Directors as determined by the Board, all of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of their independent judgment as members of the Committee.

Each member of the Committee shall have accounting or related financial management expertise. For the purposes of this Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board at its first meeting following each annual shareholders' meeting. Unless a Chairman is elected by the Board, the members of the Committee may designate a Chairman by a majority vote of all the Committee members.

### **3. Meetings and procedures**

3.1 The Committee shall meet at least once every quarter or more frequently if required.

3.2 At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman shall not be entitled to a second vote.

3.3 A quorum of meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

### **4. Duties and responsibilities**

The following are the general duties and responsibilities of the Committee:

#### **4.1 Financial Statements and Disclosure Matters**

a) review the Company's financial statements, MD&A and any press releases regarding annual and interim earnings, before the Company publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public;

#### **4.2 External Auditors**

a) recommend to the Board the selection and, where applicable, the replacement of the external auditors to be nominated annually as well the compensation of such external auditors;

- b) oversee the work and review annually the performance and independence of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- c) on an annual basis, review and discuss with the external auditors all significant relationships they may have with the Company that may impact their objectivity and independence;
- d) consult with the external auditors about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- e) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- f) review the audit plan for the year-end financial statements and intended template for such statements;
- g) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, as well as any non-audit services provided by the external auditors to the Company or its subsidiary entities. The pre-approval requirement is satisfied with respect to provision of non-audit services if:
  - i) the aggregate amount of all such non-audit services provided to the Company constitutes no more than 5% of the total amount of fees paid by the Company and its subsidiary entities to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii) such services were not recognized by the Company or its subsidiary entities as non-audited services at the time of the engagement; and
  - iii) such services are promptly brought to the attention of the Committee by the Company and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audited services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

#### 4.3 Financial Reporting Processes

- a) in consultation with the external auditors, ensure that adequate procedures are in place to review communications made to the public of the Company's financial information, and review with management the integrity of the Company's financial reporting process, both internal and external;
- b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- d) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- e) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- f) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.