



**ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS**

TO BE HELD ON JUNE 25, 2014

**NOTICE OF MEETING AND
MANAGEMENT PROXY AND INFORMATION CIRCULAR**

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF NEW MILLENNIUM IRON CORP. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF NEW MILLENNIUM IRON CORP. TO BE HELD ON JUNE 25, 2014.

**TO BE HELD AT:
The Toronto Region Board of Trade, Ridout Room - 3rd Floor
77 Adelaide Street W.
Toronto, Ontario M5X 1C1**

At 2:00 p.m.

Dated: May 8, 2014

NEW MILLENNIUM IRON CORP.

**NOTICE OF ANNUAL GENERAL AND SPECIAL
MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 25, 2014**

NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL AND SPECIAL MEETING (the “**Meeting**”) of holders of common shares of New Millennium Iron Corp. (the “**Corporation**”) will be held at The Toronto Region Board of Trade, Ridout Room – 3rd Floor at 77 Adelaide Street W., Toronto, Ontario M5X 1C1, at 2:00 p.m., on Wednesday, June 25, 2014 for the following purposes:

1. to receive and consider the consolidated financial statements of the Corporation for the financial years ended December 31, 2013 and 2012, and the report of the auditor thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at ten (10);
3. to elect the Board of Directors of the Corporation for the ensuing year;
4. to appoint the auditor of the Corporation for the ensuing year and to authorize the Board of Directors to fix the auditor’s remuneration;
5. to approve the ordinary resolution, as more particularly set forth in the accompanying Management Information Circular prepared for the purpose of the Meeting to approve an amendment to the By-laws of the Corporation providing advance notice requirements for the nomination of directors; and
6. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

DATED this 8th day of May, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

“Robert Patzelt”

Robert Patzelt

President and Chief Executive Officer

IMPORTANT

It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend the Meeting and would like your shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be received by Valiant Trust Company, 310, 606 - 4th Street S.W. Calgary, Alberta T2P 1T1 at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

NEW MILLENNIUM IRON CORP.

MANAGEMENT INFORMATION CIRCULAR
SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR (“MANAGEMENT INFORMATION CIRCULAR”) IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF NEW MILLENNIUM IRON CORP. (THE “CORPORATION”) of proxies from the holders of common shares (the “**Common Shares**”) for the annual general and special meeting of the shareholders of the Corporation (the “**Meeting**”) to be held on June 25, 2014 at 2:00 p.m. at The Toronto Region Board of Trade, Ridout Room – 3rd Floor at 77 Adelaide Street W., Toronto, Ontario M5X 1C1, or at any adjournment thereof for the purposes set out in the accompanying notice of meeting (“**Notice of Meeting**”).

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named (the “Management Designees”) in the enclosed instrument of proxy (“Instrument of Proxy”) have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and should provide instructions on how the shareholder’s shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a shareholder personally attending at the Meeting and voting his shares.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation’s transfer agent, Valiant Trust Company, 310, 606 - 4th Street S.W. Calgary, Alberta T2P 1T1, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

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. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or by his authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the

Corporation or with Valiant Trust Company, 310, 606 - 4th Street S.W. Calgary, Alberta T2P 1T1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or any adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting his shares.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Management Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, *not* be registered in the shareholder’s name. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

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 broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on**

the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

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

VOTING OF PROXIES

Each shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), 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 specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

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. As of the date hereof, the Corporation is not aware of any amendments to, 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 judgment of management of the Corporation.

Voting by Internet

Shareholders of the Corporation may use the internet site at www.valianttrust.com to transmit their voting instructions. Shareholders should have the form of proxy in hand when they access the web site and will be prompted to enter their Control Number, which is located on the form of proxy. If shareholders vote by internet, their vote must be received at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. The website may be used to appoint a proxy holder to attend and vote on a shareholder's behalf at the Meeting and to convey a shareholder's voting instructions. Please note that if a shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a shareholder may resubmit their proxy and/or voting direction on the website, prior to the deadline noted above. When resubmitting a proxy on the website, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted on the website by the deadline noted above.

QUORUM

The by-laws of the Corporation provide that a quorum of shareholders is present at a meeting of shareholders of the Corporation if at least two persons are present at the Meeting, holding or representing by proxy not less than five (5%) percent of the outstanding shares of the Corporation entitled to vote at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at the effective date of this Management Information Circular (the “**Effective Date**”), which is May 8, 2014, the Corporation has 181,054,146 Common Shares issued and outstanding.

There are no other shares of any class issued or outstanding. The Common Shares are the only shares entitled to be voted at the Meeting, and holders of Common Shares are entitled to one vote for each Common Share held.

Holders of Common Shares of record at the close of business on May 7, 2014 (the “**Record Date**”) are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of his Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than ten (10) days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

To the knowledge of the directors and the executive officers of the Corporation, as at the Effective Date, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any of the voting securities of the Corporation, except for:

Name	Number of Common Shares Owned or Controlled as of the Effective Date	Percentage of Outstanding Common Shares at the Effective Date
Tata Steel Global Minerals Holdings Pte Ltd.	47,402,908	26.2%

Note:

- (1) Sandip Biswas, Dibyendu Bose and Koushik Chatterjee, directors of the Corporation, are employees of Tata Steel Limited, the Corporation’s strategic partner and indirect holder of approximately 26.2% of the total issued Common Shares.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation’s corporate objectives and increase shareholder value. The main objective of the compensation program is to recognize the contribution of the executive officers to the overall success and strategic growth of the Corporation. The compensation program is designed to reward management performance by aligning a component of the compensation with the Corporation’s business performance and share value. The philosophy of the Corporation is to pay the management a total compensation amount that is competitive with other companies’ management in the mining industry and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long term basis.

The compensation program provides incentives to achieve short and long term objectives. The short term objectives include payments to the Named Executive Officers (as defined below) based on the performance of the Named Executive Officers (“**NEOs**”) and based on the achievement of strategic objectives by the Corporation. The Corporation provides long term incentives to its management and directors through grants of stock options under the Corporation’s stock option plan. This incentive closely aligns the interests of the NEOs and directors to shareholders of the Corporation.

The Corporation entered into an employment agreement (the “**Patzelt Employment Agreement**”) effective January 13, 2014, with Robert Patzelt, which provided that Mr. Patzelt would act in the capacity

of President and Chief Executive Officer of the Corporation. Under the Patzelt Employment Agreement, Mr. Patzelt is entitled to an annual gross salary of \$370,000 for 2014. In the event of termination of the Patzelt Employment Agreement by the Corporation without just cause, Mr. Patzelt is entitled to a payment in the amount of eighteen (18) months of salary. In the event that there is a change of control, merger, amalgamation or reorganization of the Corporation or a sale of all or substantially all of its assets (a “**Trigger Event**”) and as a result of the Trigger Event, Mr. Patzelt is demoted, has a substantial reduction in responsibilities or remuneration then Mr. Patzelt is entitled to resign his employment and receive a severance payment equal to eighteen (18) months of salary.

The Corporation entered into an employment agreement (the “**Journeaux Employment Agreement**”) effective July 1, 2011, with Dean Journeaux, which provided that Mr. Journeaux would act in the capacity of President and Chief Executive Officer of the Corporation. Mr. Journeaux resigned as President and Chief Executive Officer of the Corporation effective January 13, 2014. For the year ended December 31, 2013, the Corporation paid an annual gross salary of \$329,241. In the event of termination of the Journeaux Employment Agreement by the Corporation upon any prolonged mental or physical disability or illness, Mr. Journeaux was entitled to a payment in the amount of six (6) months of salary. In the event of termination of the Journeaux Employment Agreement by the Corporation without just cause, Mr. Journeaux was entitled to a payment in the amount of twelve (12) months of salary. Effective January 13, 2014, the Corporation entered into a consulting agreement (the “**Journeaux Consulting Agreement**”), with 1301738 Ontario Inc., which provides that 1301738 Ontario Inc. will supply the services of Mr. Journeaux to act as Executive Vice-Chairman of the Corporation. The Corporation will pay a daily per diem of \$1,154 for the services of 1301738 Ontario Inc. The Journeaux Consulting Agreement may be terminated by the Corporation or Mr. Journeaux, at any time, for any reason, without cause or entitlement to severance or termination pay, upon 90 days of notice. The Journeaux Consulting Agreement is in effect until December 31, 2014.

The Corporation entered into a consulting agreement (the “**Freedman Consulting Agreement**”) effective November 13, 2008, with Balance Consultants Inc., which provides that Balance Consultants Inc. will supply the services of Mark Freedman to act as Chief Financial Officer of the Corporation. Pursuant to the Freedman Consulting Agreement, for the year ended December 31, 2013, the Corporation paid annual fees of \$204,607. The Freedman Consulting Agreement may be terminated by the Corporation or Mr. Freedman, at any time, for any reason, without cause or entitlement to severance or termination pay, upon 30 days of notice. The Freedman Consulting Agreement is in effect until December 31, 2014, with additional one year terms as may be agreed upon by the Corporation and Balance Consultants Inc., and may be terminated by either party, as set forth above.

The Corporation entered into a consulting agreement (the “**Chanda Consulting Agreement**”) effective January 1, 2008, with Bish Chanda. Pursuant to the Chanda Consulting Agreement, for the year ended December 31, 2013, the Corporation paid annual fees of \$247,912. The Chanda Consulting Agreement may be terminated by the Corporation or Mr. Chanda, at any time, for any reason, without cause or entitlement to severance or termination pay, upon 30 days of notice. The Chanda Consulting Agreement is in effect until December 31, 2014 and additional one year terms as may be agreed upon by the Corporation and Mr. Chanda.

The Corporation entered into an employment agreement (the “**Melainine Employment Agreement**”) dated April 2, 2013 with Moulaye Melainine which recognized that Mr. Melainine has acted, since July 6, 2009 in the capacity of Senior Vice-President, Development of the Corporation. Pursuant to the Melainine Employment Agreement, for the year ended December 31, 2013, the Corporation paid an annual gross salary of \$220,782.

The Corporation entered into an employment agreement (the “**Dempsey Employment Agreement**”) dated April 21, 2011 with Ernest Dempsey which provides that Mr. Dempsey will act, commencing April 25, 2011 in the capacity of Vice-President, Investor Relations and Corporate Affairs of the

Corporation. Pursuant to the Dempsey Employment Agreement, for the year ended December 31, 2013, the Corporation paid an annual gross salary of \$203,158.

The Corporate Governance and Compensation Committee

The responsibilities of the Corporate Governance and Compensation Committee in respect of compensation matters includes determining the compensation for the Named Executive Officers based on their performance and other factors. The Corporate Governance and Compensation Committee is currently comprised of Roy Hudson (Chair), John Schindler and Pierre Seccareccia. John Schindler and Pierre Seccareccia are both considered independent directors. The Corporate Governance and Compensation Committee met once in the financial year ended December 31, 2013.

Relevant Education and Experience

Roy Hudson, Chair of the Corporate Governance and Compensation Committee.

Mr. Hudson is a partner in the Calgary office of Davis LLP practicing corporate and securities law. He has been a director and Secretary of NML since 2004.

He received a Bachelor of Commerce degree from the University of Alberta in 1979. He later received an LL.B. from the same institution in 1983, and was called to the Alberta Bar in 1984. Mr. Hudson has served as a director and officer of several other publicly traded companies and a Member of the Law Society of Alberta.

Mr. Hudson has been Chair of the Corporate Governance and Compensation Committee for the last five years and has served on board compensation committees for a number of other public companies over the last 15 years.

John Schindler

Mr. Schindler holds geology degrees from McGill University (1960), University of London, England (1963, Mining Geology) and McMaster University (1975). He has over 40 years of domestic and international experience in the exploration and development of metallic and industrial minerals including, project design and management, and royalty and resource evaluations. Previously he served as President and director of Contwoyto Goldfields Limited, a publicly traded, junior mineral exploration company.

In the management of various exploration activities, Mr. Schindler is knowledgeable of compensation packages for exploration and development personnel.

Pierre Seccareccia, FCPA, FCA

Mr. Seccareccia, Fellow of the Ordre des comptables professionnels agréés du Québec has over 35 years' experience in various areas of financial consulting and management. Until 2002, he was the Managing Partner of the Montreal office of PricewaterhouseCoopers. He is a director of numerous companies, including GLV Inc. (TSX: LVG.A and LVG.B), Boralex Inc. (TSX: BLX-T), WSP Global Inc. (formerly Genivar Inc.) (TSX: WSP), Ivanhoe Cambridge Inc. and Fondation de la Famille Lemaire.. In addition, Mr. Seccareccia is Chairman of the Board of la Maison du Père and of la Fondation de la Maison du Père.

Previously head of the Quebec PricewaterhouseCoopers ("PwC") practice, Mr. Seccareccia has significant experience in compensation matters for PwC, and is familiar with compensation practices of his former clients.

The Corporate Governance and Compensation Committee is charged with the periodic review of, and recommendation to the Board of Directors with respect to, annual compensation, corporate benefits, bonuses and option based awards to the Named Executive Officers of the Corporation and such other members of executive management as it is designated to consider. Management of the Corporation is charged with establishing compensation for the other non-executive employees of the Corporation.

The Corporate Governance and Compensation Committee annually reviews the compensation of the Named Executive Officers, in the context of comparable entities, to determine the competitiveness of the target compensation. The Corporate Governance and Compensation Committee also assesses performance, considering both financial and non-financial objectives of the annual incentive plan.

The Corporate Governance and Compensation Committee will continue to review with management the approach to executive compensation and, if it becomes appropriate, will consider alternative or supplemental compensation arrangements.

Compensation Plan and Policies

The Compensation Committee has reviewed practices about other companies and has adopted policies that are adapted to the Corporation's needs.

The Corporation's executive compensation program is designed to reward the following:

- excellence in establishing and executing strategies and transactions that will produce significant value for the shareholders over the long term;
- management vision and an entrepreneurial approach;
- quality of decision-making;
- strength of leadership; and
- record of performance over the long term.

The Corporation's compensation policies are designed to recognize and reward individual performance as well as to provide a competitive level of compensation.

The Corporation's current compensation plan consists of the following elements:

- base salaries;
- annual bonuses;
- option based awards;
- salary gross up in lieu of benefits (for the period from January 1, 2013 to May 31, 2013);
- defined contribution pension plan (implemented on June 1, 2013)
- insurance benefit plan (implemented on June 1, 2013)

A description of each element and its purpose is described below.

Base Salaries

The purpose of the base salary is to attract and retain executives by providing a competitive base compensation. The level of base salary for each NEO is determined by the level of responsibility and the importance of the position to the Corporation, within competitive industry ranges. The Corporate Governance and Compensation Committee makes recommendations to the Board of Directors regarding base salaries of the NEOs. The salaries were set at a level for 2013 within ranges paid by comparable Canadian junior mining companies.

Annual Bonuses

The Corporation first paid annual bonuses to NEOs in 2007. No bonuses were paid to NEOs in 2009 but were paid for the last four years. The annual bonuses are a short-term variable compensation element, designed to reward executives on an annual basis for achieving the Corporation's business objectives. The Corporation's business objectives are generally established by the Board of Directors at the start of each year. Determination of the amount of bonus awarded to each NEO is based on an assessment by the Corporate Governance and Compensation Committee (after receiving input from management) of several factors including appraisal of the NEO's performance against stated objectives and contribution of the individual to overall progress of the Corporation in achieving its stated business objectives. The purpose of the annual bonus is to pay for performance, align the executive's economic interest with the Corporation's business objectives and to motivate and retain the executives.

Option-based Awards

The objective of granting stock options to the NEOs is to incentivize the executives to maximize shareholder value on a long term basis. The Corporation is of the view that stock options, if used as incentive compensation properly, align the interests of the NEOs to those of the Corporation.

Option based awards are designed to align executive and shareholder interests, focus executives on long term value creation and also to support the retention of key executives. Management of the Corporation makes a proposal to the Corporate Governance and Compensation Committee regarding the issuance of stock options to executive officers. The Corporate Governance and Compensation reviews management's proposal and then makes recommendations to the Board of Directors in respect of the issuances of such stock options. NEOs are excluded from the decision making process regarding option-based compensation to be awarded to them. Previous grants of option-based awards are taken into account when considering new grants to the NEOs. During 2013, the number of stock options issued to each NEO was authorized by the Board of Directors after receiving a recommendation from the Corporate Governance and Compensation Committee.

The maximization of shareholder value is encouraged by the granting of stock options at all levels. The Corporation has in place a stock option plan (the "**Plan**") under which awards have been made to executive officers in amounts relative to positions, performance, and what is considered competitive in the industry. The objective of the Plan is to reward and retain NEOs. The program is designed to reward NEOs for maximizing shareholder value in a volatile commodity based business in a safe, environmentally responsible, regulatory compliant and ethical manner. Increasing the value of the Corporation's Common Shares increases the value of the stock options. This incentive closely links the interests of the officers and directors to shareholders of the Corporation, and encourages a long term commitment to the Corporation. The Plan was approved by the shareholders of the Corporation on June 5, 2012.

The compensation program provides incentives to its management and directors to achieve long term objectives through grants of stock options under the Plan. See "*Incentive Plan Awards – Share Option Plan*" for further information.

Salary Gross Up in Lieu of Benefits

In addition to the compensation elements set out above, the NEOs who are employees of the Corporation also received a ten percent (10%) salary gross up in lieu of benefit for the period from January 1, 2013 to May 31, 2013. Prior to June 1, 2013, the Board of Directors determined that it was appropriate to pay the salary gross up in lieu of benefits given that the Corporation did not have a health benefits plan, pension and retirement plan or any long term incentive plans. However, the Board of Directors approved an employee pension plan and insurance benefits plan for eligible employees that provides certain life, medical, dental, vision care, disability and pension benefits, effective on June 1, 2013. Any gross up in lieu of benefit in excess of the insurance and pension plan was folded into the base annual salary.

Defined Contribution Pension Plan

The Corporation sponsors an obligatory Direct Contribution Pension Plan for its employees. Employees and the Corporation each contribute a base 3% of the employees' annual salary. The employee may choose to voluntarily contribute between 1% and 2% of their annual salary in addition to the obligatory contribution up to a maximum amount based on the annual limitation set each year by the Canada Revenue Agency.

Insurance Benefit Plan

The Corporation's NEOs who are also employees are members of the Corporation's benefits program that includes life, medical, dental, vision care, and disability insurance. Such benefits are designed to be competitive with other comparable enterprises.

Compensation Risk Management

In performing its duties, the Compensation Committee considers the implications of the possible risks associated with the Corporation's compensation policies and practices. This includes identifying any such policies or practices that may encourage executive officers to take inappropriate or excessive risks, identifying risks arising from such policies and practices that could have a material adverse effect on the Corporation and considering the possible risk implications of the Corporation's compensation policies and practices and any proposed changes to them.

The Compensation Committee periodically reviews and assesses the Corporation's compensation policies and practices in relation to such risks, including assessing such policies and practices in light of practices identified by the Canadian Securities Administrators ("CSA") as potentially encouraging executive officers to expose the Corporation to inappropriate or excessive risks. It is the Committee's view that the Corporation's compensation policies and practices do not encourage inappropriate or excessive risk-taking.

The Compensation Committee's Decision-Making Process

The Board and the Compensation Committee recognize the importance of executive compensation decisions to the management and shareholders of the Corporation and have given careful consideration to the process which is followed to make decisions.

The Compensation Committee considers it important that total compensation (cash and all other employment-related costs incurred by the Corporation) reflect the Corporation's entrepreneurial roots and corporate culture. The various elements of executive compensation, the relative weighting allocated to cash compensation versus options, and the mix of annual as opposed to long-term incentives, is not quantified by the Compensation Committee on the basis of a formulaic approach. The Compensation

Committee reviews each compensation element in the context of the compensation mix (fixed versus variable) determined in accordance with the Corporation's executive compensation policy.

Annual Review by the Compensation Committee

The Compensation Committee reviews the total compensation of each NEO annually. The Compensation Committee's review covers all forms of compensation and the Compensation Committee considers a number of factors and performance indicators, including in particular the long-term financial return of the Corporation relative to that of other exploration and development companies in the mining industry. The comparative evaluation is not based on a mathematical formula that integrates specific, weighted performance measures. Rather, the Compensation Committee qualitatively considers such factors in the context of the overall challenges and achievements of the Corporation, be they financial or strategic in nature.

The Compensation Committee obtained the recommendations of the Chief Executive Officer in reviewing the compensation of each of the NEOs, other than the Chief Executive Officer, together with their evaluation of the performance of each such NEO for the year.

Components of Executive Compensation

A - Base Salary

The Compensation Committee reviews and approves the base salary for each NEO taking into account each executive's responsibilities, experience and performance assessment. During the review, the Compensation Committee considers the total compensation of each NEO to ensure it remains aligned with the Corporation's total compensation policy.

For 2013, increases in salary varied between 5.1% per cent and 16.7% per cent. The Compensation Committee believes the increases for the applicable NEOs were in line with general increases granted in the market for comparable positions, taking into account the total compensation for comparable positions in companies in the reference groups specified above.

B - Incentive Compensation

The Compensation Committee believes it to be appropriate, in the context of an exploration and development mining company, to determine executive incentive compensation using a review and global assessment of the performance of the Corporation, in terms of financial results, challenges, achievements and strategic positioning, and specific individual contributions, among others, rather than adhering to a formulaic approach.

The Corporation has decided that in 2014 it will not be paying a cash bonus under its Non-Equity Incentive Plan Compensation to any of the NEOs.

Summary Compensation Table

The following table sets forth all annual and long term compensation for the three most recently completed financial years for services in all capacities to the Corporation and its subsidiaries, if any, in respect of individual(s) who were acting as, or were acting in a capacity similar to, a chief executive officer or chief financial officer and the three most highly compensated executive officers whose total compensation exceeded \$150,000 per annum (the "**Named Executive Officers**").

SUMMARY COMPENSATION TABLE									
Name and Principal Position	Year Ended Dec.31	Salary (\$)	Share-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽³⁾		Pension Value (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total Compensation (\$)
					Annual Incentive Plans ⁽³⁾	Long-Term Incentive Plans			
Dean Journeaux ⁽⁶⁾⁽⁷⁾ Former President and Chief Executive Officer	2013	329,241	Nil	157,500	50,000	Nil	Nil	20,045	556,786
	2012	272,545	Nil	388,000	50,000	Nil	Nil	27,255	737,800
	2011	290,938	Nil	577,800	70,000	Nil	Nil	12,500	951,238
Mark Freedman ⁽⁸⁾ Chief Financial Officer	2013	204,607	Nil	126,000	30,000	Nil	Nil	Nil	360,607
	2012	223,905	Nil	291,000	25,000	Nil	Nil	Nil	539,905
	2011	246,551	Nil	267,500	30,000	Nil	Nil	Nil	544,051
Bish Chanda ⁽⁹⁾ Senior Vice-President, Marketing and Strategy	2013	247,912	Nil	63,000	35,000	Nil	Nil	Nil	345,912
	2012	236,755	Nil	194,000	30,000	Nil	Nil	Nil	460,755
	2011	214,946	Nil	395,900	37,500	Nil	Nil	Nil	648,346
Moulaye Melainine Senior Vice- President, Development	2013	220,782	Nil	69,300	30,000	Nil	3,939	15,288	339,309
	2012	207,091	Nil	242,500	25,000	Nil	Nil	20,709	495,300
	2011	193,536	Nil	513,600	12,000	Nil	Nil	19,354	738,490
Ernest Dempsey ⁽¹⁰⁾ Vice President, Investor Relations and Corporate Affairs	2013	203,158	Nil	78,750	30,000	Nil	3,642	12,656	328,206
	2012	189,000	Nil	242,500	20,000	Nil	Nil	18,900	470,400
	2011	121,154	Nil	357,000	Nil	Nil	Nil	12,115	490,269

Notes:

- (1) **“Share-Based Award”** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) **“Option-Based Award”** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The “grant date fair value” has been determined by using the Black-Scholes option pricing model. See discussion below.
- (3) Amounts referred to in this column are paid as cash bonuses and are attributable to the immediately preceding financial year.
- (4) Amounts referred to in this column are the Corporation’s payments to the individual’s defined contribution plan which the Corporation began effective June 1, 2013.
- (5) Amounts referred to in this column relating to prior to June 1, 2013, were paid as a gross up in an individual’s salary in lieu of benefits. Effective as of June 1, 2013 the Corporation began a benefits plan for its employees and as such the amounts in this column subsequent to that date refer to insurance benefits paid by the Corporation on behalf of the individual.
- (6) The Named Executive Officers did not receive any additional compensation for serving as a director of the Corporation. Mr. Journeaux was the only Named Executive Officer who also was a director during 2013.
- (7) Mr. Journeaux was the Chief Operating Officer of the Corporation until his appointment as President and Chief Executive Officer on July 1, 2011. Up until June 30, 2011 Mr. Journeaux worked as a consultant for the Corporation and his compensation during this period was paid as consulting services to 1301738 Ontario Inc., a company which is wholly-owned by Mr. Journeaux. Effective July 1, 2011, Mr. Journeaux became an employee of the Corporation until his resignation as President and Chief Executive Officer effective January 13, 2014.

- (8) The Corporation paid no salary directly to Mr. Freedman. The amounts disclosed, other than option-based awards, represent compensation paid to Balance Consultants Inc., a company which is wholly-owned by Mr. Freedman, for consulting services provided to the Corporation, as per the Freedman Consulting Agreement.
- (9) The Corporation paid no salary directly to Mr. Chanda. The amounts disclosed represent compensation paid to Mr. Chanda for consulting services provided to the Corporation, as per the Chanda Consulting Agreement.
- (10) Mr. Dempsey was appointed as the Vice President, Investor Relations and Corporate Affairs on April 25, 2011.

Narrative Discussion

Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple “in-the-money” value calculation. In fact, stock options that are well out-of-the-money can still have a significant “grant date fair value” based on the Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

Incentive Plan Awards

Stock Option Plan

The Plan permits the granting of stock options (“**Options**”) to purchase Common Shares to directors, officers, employees of, and consultants to, the Corporation, its subsidiaries and affiliates. The Plan limits the total number of Common Shares that may be issued on exercise of Options outstanding under the Plan to 10% of the number of Common Shares outstanding from time to time, subject to the following additional limitations:

- (a) the aggregate number of Common Shares reserved for issuance to any one person under the Plan, shall be determined by the Board of Directors but no person shall be granted an option which exceeds the maximum number permitted by a relevant exchange or other regulatory body;
- (b) no single person may be granted Options to purchase a number of Common Shares equaling more than 5% of the issued Common Shares of the Corporation in any 12 month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant;
- (c) the number of Common Shares issuable at any time to insiders (as such term is defined in the *Securities Act* (Alberta) under the Plan, and any other security based compensation arrangements of the Corporation, cannot exceed 10% of the issued and outstanding Common Shares;
- (d) the number of Common Shares issued to insiders, within any one year period, under the Plan and any other security based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares of the Corporation;
- (e) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12 month period to any one consultant of the Corporation (or any of its subsidiaries); and
- (f) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12 month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than $\frac{1}{4}$ of the Options vesting in any three month period.

As of the Effective Date, 14,408,500 Options (representing 7.96%% of the issued and outstanding Common Shares) are granted to directors, officers, employees of, and consultants to, the Corporation (the “**Granted Options**”), leaving 3,696,915 Options (2.04%) remaining available for grant.

The Plan provides that the exercise price shall be fixed by the Board at the time that the Option is granted, provided that such price shall not be less than the closing price of the Common Shares on the Toronto Stock Exchange (“**TSX**”) on the last day preceding the date of grant. Also, the Board of Directors may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.

The Plan also includes a black out provision. Pursuant to the policies of the Corporation respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in the Corporation’s securities. These periods are referred to as “black out periods”. A black out period is designed to prevent a person from trading while in possession of material information that is not yet available to other shareholders. The TSX recognizes these black out periods might result in an unintended penalty to employees who are prohibited from exercising their Options during that period because of their company’s internal trading policies. As a result, the TSX provides a framework for extending options that would otherwise expire during a black out period. The Plan includes a provision that should an Option expiration date fall within a black out period or immediately following a black out period, the expiration date will automatically be extended for 10 business days following the end of the black out period.

The maximum length of any Option shall be ten (10) years from the date the Option is granted. Except as otherwise determined by the Board of Directors, a participant’s options will expire ninety (90) days after a participant ceases to act for the Corporation, other than by reason of death. Options of a participant that provides investor relations activities will expire 30 days after the cessation of the participant’s services to the Corporation. In the event of the death of a participant, the participant’s estate shall have twelve (12) months in which to exercise the outstanding options. The Options are not assignable, other than by reason of death.

If the number of outstanding Common Shares are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through a reorganization, amalgamation, arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision, consolidation, or any adjustments relating to the Common Shares subject to Options or issued on exercise of Options and the exercise price per Common Share shall be adjusted by the Board of Directors, in its sole and absolute discretion.

The Plan also includes a provision that provides the Corporation with authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by an option holder to the Corporation, of any taxes or other required source deductions which the Corporation is required by law or regulation of any governmental authority whatsoever to remit in connection with the Plan, or any issuance of Common Shares.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Named Executive Officer of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year.

Name and Title	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾⁽²⁾ (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (\$)	Market or Payout Value of Vested Share-Based Awards not paid out or distributed (\$)
Dean Journeaux ⁽³⁾ Former President and Chief Executive Officer	250,000 400,000 270,000 360,000 325,000	0.89 1.35 3.36 0.90 0.37	April 24, 2018 July 27, 2017 April 1, 2016 June 30, 2015 Jan. 20, 2014	N/A N/A N/A N/A 91,000	N/A	N/A	N/A
Mark Freedman Chief Financial Officer	200,000 300,000 125,000 150,000 100,000	0.89 1.35 3.36 0.90 0.37	April 24, 2018 July 27, 2017 April 1, 2016 June 30, 2015 Jan. 20, 2014	N/A N/A N/A N/A 28,000	N/A	N/A	N/A
Bish Chanda Senior Vice-President, Marketing and Strategy	100,000 200,000 185,000 220,000 225,000	0.89 1.35 3.36 0.90 0.37	April 24, 2018 July 27, 2017 April 1, 2016 June 30, 2015 Jan. 20, 2014	N/A N/A N/A N/A 63,000	N/A	N/A	N/A
Moulaye Melainine Senior Vice-President, Development	110,000 250,000 240,000 125,000	0.89 1.35 3.36 0.90	April 24, 2018 July 27, 2017 April 1, 2016 June 30, 2015	N/A N/A N/A N/A	N/A	N/A	N/A
Ernest Dempsey Vice President, Investor Relations and Corporate Affairs	125,000 250,000 175,000	0.89 1.35 3.16	April 24, 2014 July 27, 2017 April 29, 2016	N/A N/A N/A	N/A	N/A	N/A

Notes:

- (1) Unexercised “in-the-money” options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.
- (2) The aggregate of the difference between the market value of the Common Shares as at December 31, 2013, being \$0.65 per Common Share, and the exercise price of the options.
- (3) Mr. Journeaux resigned as President and Chief Executive Officer of the Corporation effective January 13, 2014.

None of the awards disclosed in the table above have been transferred at other than fair market value.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for each Named Executive Officer.

Name and Title	Option-Based Awards - Value vested during the year⁽¹⁾ (\$)	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
Dean Journeaux Former President and Chief Executive Officer	Nil	Nil	Nil
Mark Freedman Chief Financial Officer	Nil	Nil	Nil
Bish Chanda Senior Vice-President, Marketing and Strategy	Nil	Nil	Nil
Moulaye Melainine Senior Vice-President, Development	Nil	Nil	Nil
Ernest Dempsey Vice President, Investor Relations and Corporate Affairs	Nil	Nil	Nil

Note:

- (1) Amounts referred to in this column represent the aggregate dollar value that would have been realized by the Named Executive Officers if the stock options had been exercised on the vesting date. Where the share price on the vesting date is lower than the exercise price of the stock options a nil value is noted.

Pension Plan Benefits

The Corporation sponsors an obligatory defined contribution retirement plan for all its employees, including the NEOs. Under the defined contribution pension plan, the Corporation contributes a base of 3% of an employee's salary to the plan on behalf of the employee. Upon the employee's first day of work, the employee may choose to voluntarily contribute between 1% and 2% of their annual salary in addition to the obligatory contribution up to a maximum amount based on the annual limitation set each year by the Canada Revenue Agency. This additional contribution is not matched by the Corporation.

The following table sets forth the value of all defined contribution pension plan that provide for payments or benefits at, following, or in connection with retirement which were paid during the most recently completed financial year for each Named Executive Officer.

Name and Title	Accumulated value at start of year (\$)	Compensatory (\$)⁽¹⁾	Accumulated value at year end (\$)
Dean Journeaux Former President and Chief Executive Officer	Nil	Nil	Nil
Mark Freedman Chief Financial Officer	Nil	Nil	Nil
Bish Chanda Senior Vice President, Marketing and Strategy	Nil	Nil	Nil
Moulaye Melainine Senior Vice-President, Development	Nil	\$3,939	\$3,939
Ernest Dempsey Vice President, Investor Relations and Corporate Affairs	Nil	\$3,642	\$3,642

Note:

- (1) Amounts referred to in this column, disclose the employer contribution and above-market or preferential earnings credited on employer and employee contributions. Above-market or preferential earnings applies to non-registered plans and means a rate greater than the rate ordinarily paid by the Corporation on securities or other obligations having the same or similar features issued to third parties.

Termination and Change of Control Benefits

Other than as set forth below, the Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation, its subsidiaries or affiliates or a change in a NEO's responsibilities.

Pursuant to the Patzelt Employment Agreement, in the event of termination of the Patzelt Employment Agreement by the Corporation without just cause, Mr. Patzelt is entitled to a payment in the amount of eighteen (18) months of salary. In the event that there is a Trigger Event and as a result of the Trigger Event, Mr. Patzelt is demoted, has a substantial reduction in responsibilities or remuneration then Mr. Patzelt is entitled to resign his employment and receive a severance payment equal to eighteen (18) months of salary. The Patzelt Employment Agreement may be terminated by the Corporation or Mr. Patzelt, at any time, for any reason, without cause or entitlement to severance or termination pay, upon 30 days of notice. The Patzelt Employment Agreement is in effect until terminated by either party, as set forth above.

Pursuant to the Journeaux Employment Agreement, in the event of termination of the Journeaux Employment Agreement by the Corporation upon any prolonged mental or physical disability or illness, Mr. Journeaux was entitled to a payment in the amount of six (6) months of salary. In the event of termination of the Journeaux Employment Agreement by the Corporation without just cause, Mr. Journeaux was entitled to a payment in the amount of twelve (12) months of salary. The Employment Agreement was in effect until December 31, 2013.

The Freedman Consulting Agreement may be terminated by the Corporation or Mr. Freedman, at any time, for any reason, without cause or entitlement to severance or termination pay, upon 30 days of notice. The Freedman Consulting Agreement is in effect until terminated by either party, as set forth above.

DIRECTOR COMPENSATION

During the year ended December 31, 2013, the Corporation had twelve (12) directors, one (1) of which, Dean Journeaux (Former President and Chief Executive Officer), was also a Named Executive Officer. For a description of the compensation paid to the Named Executive Officer of the Corporation who also acted as a director of the Corporation, see "*EXECUTIVE COMPENSATION*".

Director Compensation Table

The following table sets forth all compensation provided to directors who are not also Named Executive Officers ("**Outside Directors**") of the Corporation for the financial year ended December 31, 2013.

Name	Fees Earned (\$)	Share-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Lee Nichols	30,000	Nil	110,250	Nil	Nil	Nil	140,250

Name	Fees Earned (\$)	Share-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
John Schindler	30,000	Nil	63,000	Nil	Nil	Nil	93,000
Roy Hudson	30,000	Nil	63,000	Nil	Nil	Nil	93,000
Pierre Seccareccia	30,000	Nil	94,500	Nil	Nil	Nil	124,500
General (Ret) Rick Hillier	78,000 ⁽³⁾	Nil	63,000	Nil	Nil	Nil	141,000
Partha Sengupta ⁽⁴⁾	28,229	Nil	63,000	Nil	Nil	Nil	91,229
H.M. Nerurkar ⁽⁵⁾	27,917	Nil	63,000	Nil	Nil	Nil	90,917
Sandip Biswas	30,000	Nil	63,000	Nil	Nil	Nil	93,000
Cathy Bennett ⁽⁶⁾	15,000	Nil	294,000	Nil	Nil	Nil	309,000
Koushik Chatterjee ⁽⁷⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dibyendu Bose ⁽⁸⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) “**Share-Based Award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) “**Option-Based Award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The “grant date fair value” has been determined by using the Black-Sholes option pricing model.
- (3) General (Ret.) Hillier fees earned including consulting fees in addition to his director’s fees.
- (4) Mr. Sengupta resigned as a Director of NML on December 6, 2013.
- (5) Mr. Nerurkar resigned as Director of NML on December 3, 2013.
- (6) Ms. Bennett was appointed as a director on February 5, 2013 and resigned as a director on July 2, 2013.
- (7) Mr. Chatterjee was appointed as a director on December 3, 2013.
- (8) Mr. Bose was appointed as a director on December 6, 2013.

Narrative Discussion

During the financial year ended December 31, 2013, directors of the Corporation, other than the Former President and Chief Executive Officer, each received annual retainer fees for Board and Board Committee representation, as listed above. In 2013, the total aggregate cash compensation (which includes directors fees and consulting fees for non-executive services) to the directors for services rendered in their capacity as directors and consultants was \$299,146. In addition, directors are reimbursed for reasonable expenses incurred in respect of their activities as directors.

The Corporation has determined that the cash component of the directors’ compensation should be relatively modest and that most of the compensation should be comprised of option based awards, in order to align the interests of the directors with shareholders of the Corporation.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Outside Director of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾⁽²⁾ (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (\$)	Market or Payout Value of Vested Share-Based Awards not paid out or distributed (\$)
Lee C.G. Nichols	175,000 200,000 125,000 150,000 100,000	0.89 1.35 3.36 0.90 0.37	April 24, 2018 July 27, 2017 April 1, 2016 June 30, 2015 Jan. 20, 2014	N/A N/A N/A N/A 28,000	N/A	N/A	N/A
John Schindler	100,000 150,000 125,000 150,000 50,000	0.89 1.35 3.36 0.90 0.37	April 24, 2018 July 27, 2017 April 1, 2016 June 30, 2015 Jan. 20, 2014	N/A N/A N/A N/A 14,000	N/A	N/A	N/A
Roy Hudson	100,000 150,000 125,000 150,000	0.89 1.35 3.36 0.90	April 24, 2018 July 27, 2017 April 1, 2016 June 30, 2015	N/A N/A N/A N/A	N/A	N/A	N/A
Pierre Seccareccia	150,000 175,000 125,000 75,000	0.89 1.35 3.36 0.90	April 24, 2014 July 27, 2017 April 1, 2016 June 30, 2015	N/A N/A N/A N/A	N/A	N/A	N/A
General (Ret) Rick Hillier	100,000 150,000 350,000	0.89 1.35 1.43	April 24, 2014 July 27, 2017 Dec 6, 2016	N/A N/A N/A	N/A	N/A	N/A
Partha Sengupta ⁽³⁾	75,000	1.35	July 27, 2017	N/A	N/A	N/A	N/A
H.M. Nerurkar ⁽⁴⁾	75,000	1.35	July 27, 2017	N/A	N/A	N/A	N/A
Sandip Biswas	100,000 150,000	0.89 1.35	April 24, 2018 July 27, 2017	N/A N/A	N/A	N/A	N/A
Cathy Bennett ⁽⁵⁾	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Koushik Chatterjee ⁽⁶⁾	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Dibyendu Bose ⁽⁷⁾	Nil	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Unexercised “in-the-money” options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.
- (2) The aggregate of the difference between the market value of the Common Shares as at December 31, 2013, being \$0.65 per Common Share, and the exercise price of the options.

- (3) Mr. Sengupta resigned as a Director of NML on December 6, 2013.
- (4) Mr. Nerurkar resigned as Director of NML on December 3, 2013.
- (5) Ms. Bennett was appointed as a director on February 5, 2013 and resigned as a director on July 2, 2013.
- (6) Mr. Chatterjee was appointed as a director on December 3, 2013.
- (7) Mr. Bose was appointed as a director on December 6, 2013.

None of the awards disclosed in the table above have been transferred at other than fair market value.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the values of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for Outside Directors of the Corporation.

Name	Option-Based Awards - Value vested during the year (\$)⁽¹⁾	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
Lee Nichols	Nil	Nil	Nil
John Schindler	Nil	Nil	Nil
Roy Hudson	Nil	Nil	Nil
Pierre Seccareccia	Nil	Nil	Nil
General (Ret) Rick Hillier	Nil	Nil	Nil
Partha Sengupta ⁽²⁾	Nil	Nil	Nil
H.M. Nerurkar ⁽³⁾	Nil	Nil	Nil
Sandip Biswas	Nil	Nil	Nil
Cathy Bennett ⁽⁴⁾	Nil	Nil	Nil
Koushik Chatterjee ⁽⁵⁾	Nil	Nil	Nil
Dibyendu Bose ⁽⁶⁾	Nil	Nil	Nil

Notes:

- (1) Amounts referred to in this column represent the aggregate dollar value that would have been realized by the Directors if the stock options had been exercised on the vesting date. Where the share price on the vesting date is lower than the exercise price of the stock options a nil value is noted.
- (2) Mr. Sengupta resigned as a Director of NML on December 6, 2013.
- (3) Mr. Nerurkar resigned as Director of NML on December 3, 2013.
- (4) Ms. Bennett was appointed as a director on February 5, 2013 and resigned as a director on July 2, 2013.
- (5) Mr. Chatterjee was appointed as a director on December 3, 2013.
- (6) Mr. Bose was appointed as a director on December 6, 2013.

Other Compensation

Other than as set forth herein, the Corporation did not pay any other compensation to executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed financial year other than benefits and perquisites which did not amount to \$10,000 or greater per individual.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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

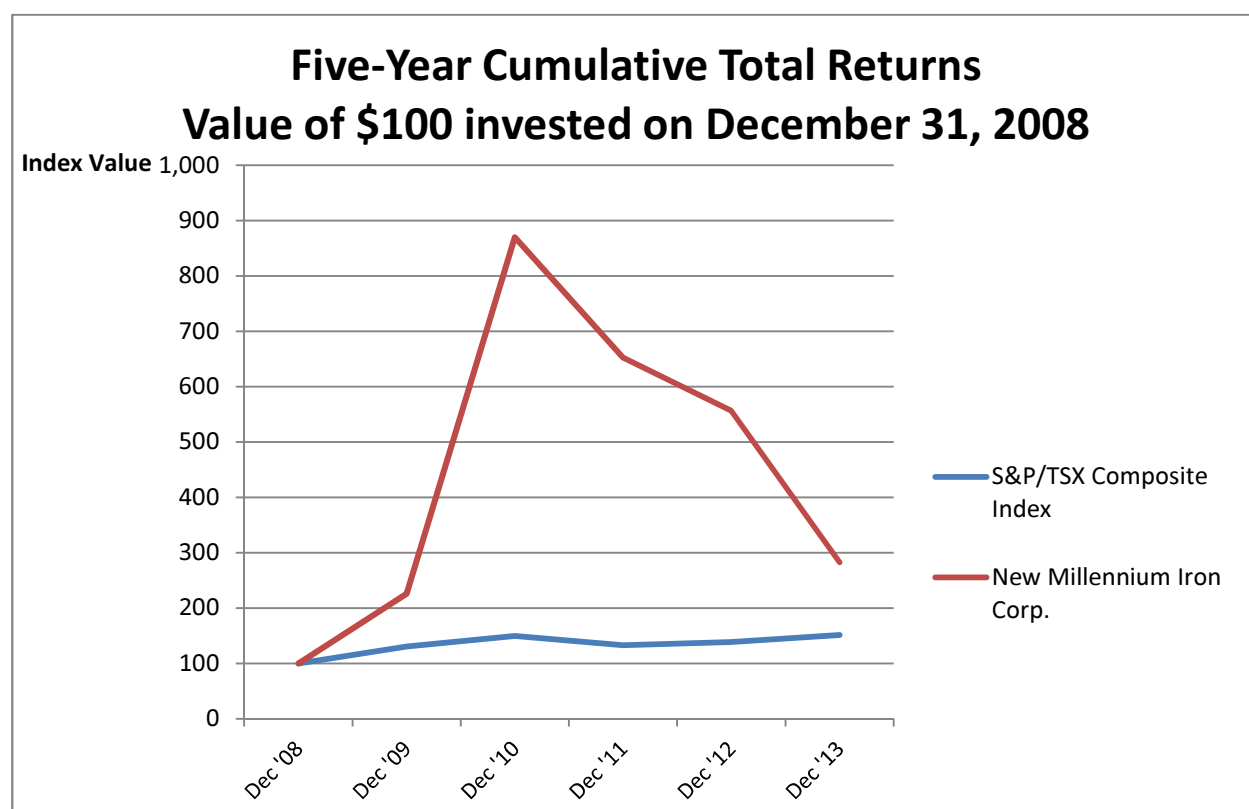
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding outstanding securities reflected in Column 1) ⁽¹⁾
Equity compensation plans approved by security holders	15,559,500 Common Shares	\$1.51 per Common Share	2,441,414 Common Shares
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	15,559,500 Common Shares	\$1.51 per Common Share	2,441,414 Common Shares

Note:

- (1) The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed 10% of the Corporation's issued and outstanding shares. Accordingly, the number of Common Shares remaining available for future issuance will increase as the outstanding number of Common Shares increases. At December 31, 2013, 180,009,146 Common Shares were issued and outstanding.

PERFORMANCE GRAPH

The following graph compares the yearly change in cumulative shareholder return over the periods indicated (assuming a \$100 investment was made on December 31, 2008) on the Common Shares of the Corporation with the cumulative total return of the S&P/TSX Composite Index from December 31, 2008 to December 31, 2013. The Common Shares of the Corporation began trading on the TSX on October 19, 2011.



The trend in the performance graph does not correlate to the trend of the compensation paid to the Named Executive Officers. The Corporation has concluded that management must be compensated based on competitive market conditions and the value of the services provided, irrespective of Common Share price movements. The trading price of the Common Shares directly impacts the benefits enjoyed by the Named Executive Officers from the equity incentive plans.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation or its subsidiaries nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation or its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below, management of the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

Mr. Biswas, Mr. Chatterjee and Mr. Bose are employees of Tata Steel Limited, the Corporation's strategic partner and indirect holder, through Tata Steel Global Minerals Holdings Pte Ltd. ("TSG"), of approximately 26.2% of the total issued Common Shares. On December 30, 2011 the closing of the transfer of assets into Tata Steel Mineral Canada Ltd. ("TSMC") was completed which resulted in TSG owning 80% of TSMC and the Corporation owning the remaining 20%. The Corporation was also paid 80% of the DSO Project costs incurred to closing. TSG has also entered into a binding heads of agreement dated March 6, 2011 (the "Taconite HOA") with the Corporation pursuant to which TSG has exercised its exclusive right to negotiate and settle a proposed transaction in respect of the Corporation's LabMag and KéMag Projects (collectively, the "Taconite Project").

MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, no director or executive officer of the Corporation or any proposed nominee of management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

AUDIT COMMITTEE

Information regarding the Corporation's Audit Committee can be found under the heading "Audit Committee" in the Corporation's Annual Information Form dated March 24, 2014, for the year ended December 31, 2013, and filed on SEDAR at www.sedar.com.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day to day management of the Corporation. The Board of Directors is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making.

National Instrument 58-101 “*Disclosure of Corporate Governance Practices*” (“**NI 58-101**”) requires that if management of an issuer solicits proxies from its security holders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSX also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

Board of Directors

The Board of Directors is currently comprised of ten members. All of these individuals are nominated for re-election at the Meeting. Messrs. Nichols, Schindler, Hillier and Seccareccia are the independent directors of the Corporation.

Mr. Patzelt, the President and Chief Executive Officer of the Corporation, is a member of management and, as a result, not an independent director under NI 58-101.

Mr. Journeaux, the Executive Vice-Chairman of the Corporation, is a member of management and the Former President and Chief Executive Officer of the Corporation and, as a result, not an independent director under NI 58-101.

A professional corporation controlled by Mr. Hudson is a partner of Davis LLP, legal counsel to the Corporation. As a result, Mr. Hudson is not an independent director under NI 58-101.

Mr. Biswas, Mr. Chatterjee and Mr. Bose are employees of Tata Steel Limited, the Corporation’s strategic partner and indirect holder, through TSG of approximately 26.2% of the total issued Common Shares. On December 30, 2011, the closing of the transfer of assets into TSMC was completed which resulted in TSG owning 80% of TSMC and the Corporation owning the remaining 20%. TSG has also entered into the Taconite HOA with the Corporation pursuant to which TSG has exercised its exclusive right to negotiate and settle a proposed transaction in respect of the Taconite Project. As a result, Mr. Biswas, Mr. Chatterjee and Mr. Bose are not independent directors under NI 58-101.

NI 58-101 suggests that the Board of Directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a director’s independent judgment. As disclosed above, the Board of Directors is not comprised of a majority of independent directors. During the ensuing year, the Board may consider to seek one or more suitable candidates for appointment to the Board of Directors who meet the independence criteria in NI 58-101 to increase the number of independent directors. The independent judgment of the Board of Directors in carrying out its responsibilities is the responsibility of all directors. The Board of Directors of the Corporation facilitates independent supervision of management through meetings of the Board of Directors. In addition, the Board of Directors have free access to the Corporation’s external auditors, legal counsel and to any of the Corporation’s officers.

The independent directors held three meetings during the year ended December 31, 2013. The Board ensures open and candid discussion among its independent directors by continuously monitoring situations where a conflict of interest or perceived conflict of interest with respect to a director may exist. In cases where such a conflict of interest or perceived conflict of interest is identified, it is addressed in accordance with the Business Corporations Act (Alberta). The Board may determine that it is appropriate to hold an in camera session excluding a director with a conflict of interest or perceived conflict of interest or such director may consider that it is appropriate to recuse himself from considering and voting with respect to the matter under consideration.

Lee C.G. Nichols is the current Chairman of the Board of Directors and is independent. In accordance with the mandate of the Chairman, the Chairman presides at all meetings of the Board of Directors and, unless otherwise determined and at all meetings of shareholders. Among other things, the Chairman is to ensure that the Board of Directors has adequate resources, especially by way of full, timely and relevant information to support its decision-making requirements. The Chairman is also to meet periodically with the Chief Executive Officer and Corporate Secretary to review governance issues including the level of communication between management and the Board of Directors. The Chairman is also to endeavour to ensure that reasonable procedures are in place to allow directors to engage outside advisors at the expense of the Corporation in appropriate circumstances.

Directorships and Meeting Attendance

The following table sets forth: (i) the name of each reporting issuer, other than the Corporation, of which a director of the Corporation is also a director; and (ii) the attendance record for each director for the 10 meetings of the Board of Directors held during the year ended December 31, 2013.

Name	Name of Reporting Issuers	Attendance Record at the Corporation's 2013 Board Meetings
Lee C.G. Nichols	Poplar Creek Resources Inc.	9/10 (90%)
Robert Patzelt ⁽¹⁾	None	N/A
Dean Journeaux	None	10/10 (100%)
John Schindler	None	10/10 (100%)
Roy Hudson	DualEx Energy International Inc.	10/10 (100%)
Pierre Seccareccia	WSP Global Inc.	10/10 (100%)
	Boralex Inc.	
	GLV Inc.	
General Rick Hillier	Atlantis System Corporation	8/10 (80%)
Koushik Chatterjee ⁽²⁾	The Tinplate Company of India Limited	2/2 (100%)
	Tata Metalinks Limited	
	Tata Steel Odisha Limited	
	Tata Steel Limited	
	Tata Steel (Thailand) Public Company Limited, Thailand	
Dibyendu Bose ⁽³⁾	None	1/1 (100%)
Sandip Biswas	None	6/10 (60%)
Partha Sengupta ⁽⁴⁾	None	4/9 (44%)

Name	Name of Reporting Issuers	Attendance Record at the Corporation's 2013 Board Meetings
H.M. Nerurkar ⁽⁵⁾	Tata Steel Limited, India	4/8 (50%)
Cathy Bennett ⁽⁶⁾	Bell Aliant Inc. Bell Aliant Preferred Equity Inc. Bell Aliant Regional Communications Inc.	3/5 (60%)

Notes:

- (1) Mr. Patzelt was appointed President, Chief Executive Officer and a director of the Corporation on January 13, 2014.
- (2) Mr. Chatterjee was appointed a director of the Corporation on December 3, 2013.
- (3) Mr. Bose was appointed a director of the Corporation on December 6, 2013.
- (4) Mr. Sengupta resigned as a director effective December 6, 2013.
- (5) Mr. Nerurkar resigned as a director effective December 3, 2013.
- (6) Ms. Bennett was appointed as a director on February 5, 2013 and resigned as a director on July 2, 2013.

Board Mandate

The mandate of the Board of Directors is attached hereto as Exhibit 1.

Position Descriptions

The Board of Directors has developed written position descriptions for the Chairman.

The Corporation also has a written description for its committee chair positions.

The Board of Directors, with the input from the Corporate Governance and Compensation Committee, has developed a written position description for the President and Chief Executive Officer.

Orientation and Continuing Education

The Corporation has prepared a Board Policy Manual which provides a comprehensive introduction to the Board and its committees. New directors are also expected to meet with management of the Corporation to discuss and better understand the Corporation's business and will be advised by counsel to the Corporation of their legal obligations as directors of the Corporation.

The Board Policy Manual is expected to be reviewed on an annual basis and a revised copy will be given to each director.

The orientation and education process will be reviewed on an annual basis by the Corporate Governance and Compensation Committee, with suitable recommendations made to the Board of Directors, and will be revised as necessary.

Ethical Business Conduct

The Board of Directors has adopted a written code of business conduct and ethics which affirms that the Corporation will adhere to the highest ethical standards in all of their business activities, and all of the Corporation's directors and officers and Corporation's employees and consultants are expected to maintain these standards. The Corporation's directors, officers, employees and consultants are expected to strive to deal fairly with the Corporation's security holders, customers, suppliers and competitors.

The Board of Directors has established a Whistle Blower Policy and established the complaint procedure for concerns about any aspect of the Corporation's activities and operations. A toll free anonymous

hotline number, fax number, and email address has been established as part of the complaint procedure. An independent firm has been engaged to receive all confidential communication and provide the Corporation's representative with a transcript of any complaint.

The Board of Directors has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act* (Alberta), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

Nomination of Directors

The Board of Directors have not appointed a nominating committee. The Board of Directors determine new nominees to the Board of Directors although no formal process has been adopted. The nominees are generally the result of recruitment efforts by current members of the Board of Directors including both formal and informal discussions among Board members and officers.

Compensation

The Corporation has a Corporate Governance and Compensation Committee. See "*EXECUTIVE COMPENSATION*" above. The responsibilities of the Corporate Governance and Compensation Committee in respect of corporate governance matters include reviewing and providing recommendations to the Board on the following matters:

1. Preparing the Corporation's response to applicable securities laws or stock exchange rules when required, and explaining as required any differences between the Corporation's governance system and policies and the recommended governance standards by securities regulators;
2. Developing and monitoring the Corporation's general approach to corporate governance issues as they may arise;
3. Proposing changes as necessary from time to time to respond to particular governance recommendations or guidelines from regulatory authorities and ensuring that all appropriate or necessary governance systems remain in place and are periodically reviewed for effectiveness;
4. Ensuring that all members of the Board have been informed of and are aware of their duties and responsibilities as a director of the Corporation;
5. Ensuring that the Corporation has in effect adequate policies and procedures to allow the Corporation to meet all of its continuous disclosure requirements;
6. Ensuring that the Corporation has in effect adequate policies and procedures to identify and manage the principal risks of the Corporation's business;

7. Developing and monitoring the Corporation's policies relating to trading in securities of the Corporation by insiders as well as communication and confidentiality;
8. Annually reviewing areas of potential personal liability of directors and ensuring reasonable protective measures are in place;
9. Causing the Board to annually review its definition of an "independent" director;
10. Developing written corporate governance guidelines and mandate for the Board in which it explicitly acknowledges responsibility for the stewardship of the Corporation and considers (i) measures for receiving feedback from stakeholders and (ii) expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials;
11. Developing clear position descriptions for the Chairman of the Board and the Chair of each Board Committee, and together with the CEO, developing a clear position description for the CEO, which includes delineating management's responsibilities and developing the corporate goals and objectives that the CEO is responsible for meeting;
12. Assessment of the Board, its committees and each individual director in respect of effectiveness and contribution;
13. Developing a comprehensive orientation and continuing education program for all directors;
14. Developing a written code of business conduct and ethics that is applicable to all directors, officers and employees of the Corporation;
15. Considering the appointment of a nominating committee in respect of the recruitment of prospective directors (or the establishment of a nominating function within an existing Board Committee) and if thought appropriate, developing a written charter or terms of reference for such committee in developing a process for selecting, recruiting and evaluating the performance of new directors; and
16. Periodically considering the need for special policies of the Corporation, initiated by the Board, in unique or emerging policy areas such as corporate ethics, gender equality and sexual harassment.

The Corporate Governance and Compensation Committee has unrestricted access to the Corporation's personnel and documents and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities.

Other Board Committees

The Corporation has one other standing Board committee at this time (other than the Audit Committee, as described in the Corporation's Annual Information Form dated March 24, 2014 for the year ended December 31, 2013 filed on SEDAR at www.sedar.com, and the Corporate Governance and Compensation Committee discussed above), as follows:

Environment, Health and Safety Committee

This Committee is responsible for the duties delegated to it by the Board of Directors to enable the Board to fulfill its oversight responsibilities in relation to proposing policies to ensure environmental "best practices" and due diligence in the development and implementation of systems and programs for management of health, safety and environmental matters and to ensure the Corporation's compliance with

applicable laws. The committee is also responsible for reviewing, reporting and making recommendations to the Board about the Corporation's policies, standards, practices and performance with respect to its corporate responsibility in relation to health, safety and environment. The Environment, Health and Safety Committee is comprised of Messrs. Nichols, Journeaux and Schindler, with Mr. Schindler as Chair.

Assessments

The Board of Directors has implemented a process for assessing its effectiveness, including an annual performance assessment survey for the Board, Board Committees and individual directors. As a result of the Corporation's size, its stage of development and the limited number of individuals on the Board of Directors, the Board of Directors considers this assessment procedure to be appropriate at this time. The Board of Directors, upon recommendation of the Corporate Governance and Compensation Committee, will consider and make necessary changes to the assessment procedure as required.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board of Directors of the Corporation, the only matters to be brought before the meeting are those matters set forth in the accompanying Notice of Meeting.

1. Report and Financial Statements

The Board of Directors of the Corporation has approved all of the information in the audited consolidated financial statements of the Corporation for the years ended December 31, 2013 and 2012 and the report of the auditor thereon.

2. Fix Number of Directors to be Elected at the Meeting

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that ten (10) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at ten (10).**

3. Election of Directors

The Corporation currently has ten (10) directors and all of these directors are being nominated for re-election. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Corporation that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Effective Date.

On March 28, 2013, the Board of Directors approved an amendment to the Corporate Governance Guidelines to include a majority voting policy for the election of directors for non-contested shareholder meetings. Pursuant to the majority voting policy, any director nominee who receives from the votes cast a greater number of votes "withheld" from his or her election than votes "for" his or her election must

submit his or her resignation, to take effect upon acceptance by the Board. The Board is then required to publicly disclose in a press release its decision whether or not to accept a director's offer of resignation.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table 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 held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* to which the Corporation is subject.

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five Years	Number and Percentage of Common Shares Held or Controlled as at the Effective Date⁽¹⁾⁽²⁾
Lee C.G. Nichols⁽³⁾⁽⁵⁾ Sherwood Park, Alberta Non-Executive Chairman. Director since August 8, 2003	Professional engineer, consulting engineer and President of Terracon Geotechnique Ltd. from 1983 to present.	1,890,974 (1.04%)
Robert Patzelt, Q.C. Halifax, Nova Scotia President and Chief Executive Officer. Director since January 13, 2014	President and Chief Executive Officer of the Corporation. Prior thereto, Senior Vice-President, Corporate Development of Scotia Investments Limited from 1988 to January 2014.	Nil
Dean Journeaux Rockland, Ontario Executive Vice-Chairman. Director since August 8, 2003	Executive Vice-Chairman of the Corporation. President and Chief Executive Officer of the Corporation from July 1, 2011 to January 13, 2014, Chief Executive Officer of the Corporation from August 8, 2003 to July 2011. Principal and owner of 1301738 Ontario Inc. (Journeaux International) from 2002 to present.	3,020,038 ⁽⁶⁾ (1.7%)
John Schindler⁽³⁾⁽⁴⁾⁽⁵⁾ Calgary, Alberta Director since August 8, 2003	Consulting Geologist and President of Schindler Exploration Consultants Ltd. from 1981 to present. President of Summit Natural Rock Inc. from 2003 to present.	104,005 (<1%)
Roy Hudson⁽⁴⁾ Calgary, Alberta Director since September 4, 2004	Lawyer with the national law firm, Davis LLP since September 2004.	250,000 (<1%)
Pierre Seccareccia, FCPA, FCA⁽³⁾⁽⁴⁾ Montreal, Quebec Director since November 13, 2007	Corporate director. Fellow of the Ordre des comptables professionnels agréés du Québec with over 35 years' experience in various areas of financial consulting and management. Until 2002, he was the Managing Partner of the Montreal office of PricewaterhouseCoopers LLP.	30,000 (<1%)
General (Ret.) Rick Hillier Ottawa, Ontario Director since December 6, 2011	Businessman and consultant since July 1, 2008. Former Chief of the Defense Staff of the Canadian Forces from February 4, 2005 until his retirement on July 1, 2008 with over 30 years' experience with the Canadian Forces.	Nil
Koushik Chatterjee Mumbai, India Director since December 3, 2013	Group Executive Director – Finance and Corporate of Tata Steel Limited. Has held various positions within Tata Steel Limited since 1995.	Nil

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five Years	Number and Percentage of Common Shares Held or Controlled as at the Effective Date ⁽¹⁾⁽²⁾
Sandip Biswas Mumbai, India Director since October 27, 2011	Group Director of Corporate Finance and M&A of Tata Steel Limited. Has held various positions within Tata Steel Limited since 2005.	Nil
Dibyendu Bose Kolkata, India Director since December 6, 2013	Group Director (Investments & New Ventures) of Tata Steel Limited. Has held various positions within Tata Steel Limited since 1986.	Nil

Notes:

- (1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Effective Date, based upon information furnished to the Corporation by the above individuals and/or management.
- (2) Assumes a total of 181,054,146 Common Shares issued and outstanding as of the Effective Date.
- (3) Member of the Audit Committee (Messrs. Seccareccia, Nichols and Schindler).
- (4) Member of the Corporate Governance and Compensation Committee (Messrs. Hudson, Schindler, and Seccareccia).
- (5) Member of the Environment, Health & Safety Committee (Messrs. Nichols, Journeaux and Schindler).
- (6) Includes 1,200,000 shares owned indirectly through 6333621 Canada Inc. and 135,000 shares owned indirectly through 1301738 Ontario Inc.

Cease Trade Orders

No proposed director, within 10 years before the date of this Management Information Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

No proposed director, within 10 years before the date of this Management Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

Personal Bankruptcies

No proposed director has, within 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director.

Penalties and Sanctions

No proposed director has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director,

other than a settlement agreement entered into before December 31, 2000 that would likely not be important to a reasonable security holder in deciding whether to vote for a proposed director.

4. Appointment of Auditor

The shareholders of the Corporation will be asked to vote for the re-appointment of Raymond Chabot Grant Thornton LLP, Partnership of Chartered Professional Accountants, Montreal, Quebec (“**RCGT LLP**”), as auditor of the Corporation. **Unless directed otherwise by a proxy holder, or such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing RCGT LLP, as auditor of the Corporation for the next ensuing year,** to hold office until the close of the next annual general meeting of shareholders or until RCGT LLP is removed from office or resigns as provided by the Corporation's by-laws, and the Management Designees also intend to vote the Common Shares represented by any such proxy in favour of a resolution authorizing the Board of Directors to fix the compensation of the auditor.

5. Adoption of Advance Notice By-Law

The Corporation wishes to ratify and confirm By-law No. 1A, a copy of which is attached as Exhibit 2 to this Management Information Circular, which will amend the by-laws of the Corporation (being By-law No. 1). By-law No. 1A is being presented for approval to provide for advance notice of nominations of directors (the “**Advance Notice Provisions**”) in circumstances where nominations of persons for election to the Board are made by shareholders other than pursuant to a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (Alberta) (“**ABCA**”) or a shareholder proposal made pursuant to the provisions of the ABCA. The Advance Notice Provisions were approved by the Board of Directors on May 1, 2014, which must be ratified by the shareholders at the Meeting to continue to have effect after the Meeting.

The purpose of the Advance Notice Provisions is to foster a variety of interests of the shareholders and the Corporation by ensuring that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. In addition, the Advance Notice Provisions are intended to provide a reasonable framework for shareholders to nominate directors and should assist in facilitating an orderly and efficient meeting process.

In order for the resolution approving, adopting and ratifying By-Law No. 1A to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution.**

At the Meeting, shareholders will be asked to consider, and if thought appropriate, pass an ordinary resolution substantially in the form noted below to approve, adopt and ratify By-law No. 1A. The complete text of the resolution is as follows:

“BE IT RESOLVED as an ordinary resolution of the Corporation that:

- 1. By-law No.1A substantially in the form attached as Exhibit 2 to the Management Information Circular of the Corporation dated May 8, 2014 be and is hereby approved, ratified and confirmed as a by-law of the Corporation;**
- 2. the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and**
- 3. any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”**

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

GENERAL

Unless otherwise directed, it is management’s intention to vote proxies in favor of the resolutions set forth herein. All special resolutions to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested shareholders require the approval of the shareholders not affected by, or interested in, the matter to be approved.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information of the Corporation’s most recently completed financial year is provided in the Corporation’s comparative financial statements and management discussion and analysis available on SEDAR. A shareholder may contact the Corporation at 800, 734 7 Avenue SW, Calgary, Alberta T2P 3P8, Attention: Chairman or 1303 Greene Avenue, 2nd floor, Montreal, Quebec H3Z 2A7, Attention: President and CEO, to obtain a copy of the Corporation’s most recent financial statements and management discussion and analysis.

BOARD APPROVAL

The contents and the sending of this Management Information Circular have been approved by the Board of Directors of the Corporation.

EXHIBIT 1

BOARD MANDATE CORPORATE GOVERNANCE GUIDELINES AND BOARD MANDATE

The following Corporate Governance Guidelines and Board Mandate (the “**Guidelines**”) have been developed and adopted by the Board of Directors (the “**Board**”) of New Millennium Iron Corp. (the “**Company**”), acting on the recommendations of its Corporate Governance and Compensation Committee (the “**Governance Committee**”), to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions. These Guidelines should be read and applied in conjunction with the Code of Ethics of the Company, if and when adopted, and the respective terms of reference of each of the committees of the Board.

These Guidelines are intended to serve as a flexible framework within which the Board may conduct its business, and not as a set of legally binding obligations, and are subject to modification from time to time by the Board as it considers appropriate in the best interests of the Company and as may be required by applicable laws and regulations.

1. **Board Composition**

(a) **General**

The composition of the Board should balance the following goals:

- (i) The size of the Board should facilitate substantive discussions of the whole Board in which each director can participate meaningfully;
- (ii) The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Company's business; and
- (iii) Membership on the Board shall include an appropriate number of directors whom the Board has determined have no material relationship with the Company or its principal shareholders and who are otherwise considered independent as contemplated by the corporate governance guidelines published by the Canadian Securities Administrators (the “**CSA Guidelines**”).

To consider a director independent, the Board determines as a factual matter that a director is independent of management and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with his or her ability to act with a view to the best interests of the Company. When assessing the materiality of the relationship between a director and the Company, the Board examines a range of types of relationships such as legal, accounting, consulting, commercial, banking, charitable and familial relationships from both the perspective of the individual director and that of any organization with which he or she is associated. The Board specifically applies the definition of independence in the CSA Guidelines when considering the independent status of each director or potential director.

(b) Selection of Directors

- (i) Nominations. The Governance Committee is responsible for recommending to the Board, from time to time, a list of potential directors meeting the Company's general criteria for Board membership, as well as suitable nominees to fill specific vacancies occurring between annual meetings of shareholders. The Board is responsible for selecting nominees for election to membership on the Board for presentation at annual meetings of shareholders.
- (ii) Criteria. Based on the recommendations of the Governance Committee, the Board selects director nominees considering criteria which include the following:
 - (A) Personal qualities and characteristics, accomplishments and reputation in the business community;
 - (B) Current knowledge and contacts in the communities in which the Company does business and in the Company's industry sectors or other industries relevant to the Company's business;
 - (C) Ability and willingness to commit adequate time to Board and Board committee matters;
 - (D) The fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company; and
 - (E) Diversity of viewpoints, background, experience and other demographics.
- (iii) Invitation. The invitation to join the Board is extended by the Board itself by way of the Chairman of the Board and any other director as determined by the Board.
- (iv) Orientation and Continuing Education. Management, working with the Board, provides an orientation process for new directors, including background material on the Company, its business plan and risk profile, and meetings with senior management. Periodically, management prepares additional educational sessions for directors on matters relevant to the Company and its business plan and risk profile, and to the statutory and other regulatory regimes having jurisdiction over the Company, its business and operations, its continuous disclosure compliance and its corporate governance structure.

(c) Terms Limits and Retirement

The Board does not believe that it should establish a limit on the number of times a director may stand for election. While such a limit could help in creating an environment where fresh ideas and viewpoints are available to the Board, on the other hand, a director term limit can also disadvantage the Company through losing the beneficial contribution of directors who have developed, over a period of time, increasing knowledge of, and insight into, the Company and its operations and who could therefore provide increasing contributions to the Board as a whole.

(d) Election and Resignation of Directors

In any election of Directors, the form of proxy shall provide the shareholders with the opportunity to vote for, or withhold their vote from, each nominee for Director.

In an uncontested election of Directors, any nominee who receives from the votes cast a greater number of votes “withheld” from his or her election than votes “for” his or her election shall promptly following the certification of the shareholder vote submit his or her resignation, to take effect upon acceptance by the Board.

The Governance Committee shall consider the offer of resignation and make a recommendation to the Board as to whether or not to accept it.

The Board shall act on the recommendation of the Governance Committee within 90 days of the certification of the shareholder vote. The Board shall immediately publicly disclose its decision whether to accept a Director’s offer of resignation in a press release disseminated in the same manner as press releases of material announcements of the Corporation.

The resigning Director(s) shall not participate in the Governance Committee or Board deliberations concerning his or her offer of resignation. Directors who are not independent shall not participate in the Board deliberations concerning an offer of resignation.

If a sufficient number of Directors receive “withheld” votes to prevent a quorum of the Board or the Board having a majority of Independent Directors, the offer of resignation of the number of Directors required to constitute a quorum and meet the independence requirements shall be refused. Resignations will be refused of the resigning Independent Directors who receive the greatest number of affirmative votes from the shareholders until there is a quorum of the Board and the independence requirements are met.

If a majority of the members of the Governance Committee fail to receive a majority of affirmative votes from the shareholders voting, a special committee of the members of the Governance Committee receiving a majority affirmative vote shall be formed to consider the offers of resignation of the Directors who failed to receive a majority of affirmative votes.

The Board may fill any vacancy among the Directors resulting from the acceptance of the offer of resignation of a Director who has failed to receive a majority affirmative vote of the shareholders.

2. Board Committees

(a) Committees

The Company has at least the committees required by the CSA Guidelines. Currently, these committees of the Board are the Audit Committee, the Corporate Governance and Compensation Committee and the Health, Safety and Environmental Committee. Each of these three committees has written terms of reference (acting as a form of committee charter) satisfying, at a minimum, applicable legislative and stock exchange rules.

All directors, whether members of a committee or not, are invited to make suggestions to a committee chair for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chair will give a periodic report of his or her committee's activities to the Board.

(b) Assignment of Committee Members

The Governance Committee is responsible, after consultation with the Chairman of the Board and giving consideration to the suggestions of individual Board members, for the assignment of Board members to various committees, including evaluating and selecting the chair of each Board committee. Consideration should be given to rotating committee members periodically at about a five year interval, but the Board does not have a firm policy mandating rotation of committee assignments since there may be reasons to maintain an individual director's committee membership for a longer period.

(c) Committee Member Qualifications

Each of the committees of the Board is comprised of a minimum of three directors. The required qualifications for the members of each committee are set out in the respective committees' terms of reference. A director may serve on more than one committee.

3. Chairman of the Board

(a) General Functions

The Chairman of the Board shall provide leadership to the Board with respect to its functions as described in these Guidelines and as otherwise may be appropriate. The Chairman of the Board shall act as chair of meetings of the Board and, for such purpose, shall determine the agenda for each meeting of the Board in consultation with the Chief Executive Officer ("CEO") and the Corporate Secretary.

The Chairman of the Board shall oversee the preparation for and management of, and he or she shall preside over, meetings of the shareholders of the Corporation.

(b) Additional Responsibilities

The duties and responsibilities for the position of Chairman of the Board shall also include the following:

- (A) establishing procedures to govern the Board's work including establishing the location and time of meetings of the Board and the procedures to be followed with respect to the conduct of meetings of the Board, including determining who may be present at such meetings in addition to the directors, the CEO and Corporate Secretary (if those officers are not directors);
- (B) ensuring the Board has adequate resources, especially by way of full, timely and relevant information to support its decision-making requirements;
- (C) working with the chairs of the Board committees to coordinate the schedule of meetings for such committees;
- (D) ensuring that delegated committee functions are carried out and reported to the Board;

- (E) attending, as required, as a non-voting participant at all meetings of Board committees (unless the Chairman is a voting member of such committee);
- (F) acting as a liaison between the Board and management through the CEO;
- (G) meeting periodically with the CEO and the Corporate Secretary to review governance issues including the level of communication between management and the Board; and
- (H) carrying out such other duties as may be reasonably requested by the Board as a whole, depending on its evolving needs and circumstances.

(c) **Appointment**

The Chairman shall be appointed by the Board for a term as determined by the Board. If no term is specified, he or she shall hold office until the first meeting of the directors held after the next Annual Meeting of Shareholders.

(d) **Resources**

The Chairman of the Board shall have sufficient resources to discharge the responsibilities of the Chair. The Chairman of the Board shall be empowered to engage advisers as may be appropriate from time to time to advise the Chairman of the Board with respect to duties and responsibilities.

4. Board Meeting Procedures

(a) **Frequency of Meetings**

The Board shall have a minimum of four regularly scheduled meetings per year. In addition, special meetings may be called from time to time as determined by the needs of the Company's business.

(b) **Selection of Agenda Items for Board Meetings**

The Chairman of the Board and the Corporate Secretary, in consultation with the CEO, establish the agendas for Board meetings. Any Board member, however, may recommend the inclusion of specific agenda items. The agenda is distributed in advance of a meeting to each director.

(c) **Board Materials Distributed in Advance**

Information, data and presentation materials that are important to the Board's understanding of the business are distributed in writing to the Board before the Board meets. Management should provide materials that are as concise as possible while giving directors sufficient information, and time for review (subject to availability of time sensitive materials), to make informed decisions. The Board acknowledges that, under certain circumstances, written materials may be unavailable to directors in advance of a meeting, and that certain items to be discussed at Board meetings may be of an extremely sensitive nature such that the distribution of materials on these matters prior to the Board meeting would not be appropriate.

The Board encourages senior management to bring into Board meetings, from time to time, those Company employees or consultants who (i) can provide additional insight into the various Company operations due to such person's personal involvement and substantial knowledge in those areas under periodic Board review and assessment, and/or (ii) are persons with future potential whom senior management believes should be given exposure to the Board.

5. Core Responsibilities

The mandate of the Board, as prescribed by law, is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. The core responsibilities of the Board include stewardship and oversight in the following areas:

(a) Strategic Plan

The Board meets annually, at the end of the year, and may also have special meetings as required, to review the Company's overall business strategies and its annual business plan, as well as major strategic initiatives, to allow for the Board to evaluate whether the Company's proposed actions generally accord with Company objectives.

(b) Identification of Principal Risks

The Board, directly and through the Audit Committee as well as the other committees of the Board, reviews the principal risks of the Company's business and the appropriateness of the systems management puts in place to manage these risks. A current report on risk management is presented to and reviewed by the Audit Committee each quarter.

(c) Communication Policy

The Disclosure and Confidentiality Policy established by the Board summarizes practices regarding disclosure of material information to investors, analysts and the media. The Board, in consultation with the Governance Committee, monitors and advises on compliance with this Policy.

(d) Internal Control and Management Information Systems

The Board, acting through the Audit Committee, monitors the implementation of appropriate internal control systems. The Audit Committee reports, at least quarterly, to the Board and periodically includes in its reports updates on the status of the Company's internal control systems.

(e) Shareholder Feedback

The Board monitors management in its ongoing development of appropriate investor relations programs and procedures to receive and respond to shareholder feedback.

6. Expectations of Directors

(a) Commitment and Attendance

All directors should make every effort to attend all meetings of the Board and meetings of committees of which they are members. Members may attend by telephone to mitigate conflicts.

(b) Participation in Meetings

Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management makes appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and Company advisors in advance of meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

(c) Other Directorships

The Company values the experience directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a director's time and availability, and may also present conflicts or legal issues. Directors should advise the Chair of the Governance Committee before accepting any new membership on other boards of directors or any other significant commitment involving an affiliation with other related businesses or governmental units.

(d) Contact with Management

All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of management. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.

(e) Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her services.

(f) Independent Director Sessions

To encourage free and open discussion and communication among the non-management directors of the Board, the independent directors should typically meet during or at the end of each Board meeting with no members of management present.

(g) Evaluating Board Performance

The Board, acting through the Governance Committee, and each of the committees of the Board conduct in each case a self-evaluation at least annually to assess their respective levels of effectiveness. In addition, the Governance Committee periodically considers the mix of skills and experience that directors bring to the Board to assess, on an ongoing basis, whether the Board has the necessary tools to perform its oversight function effectively.

7. Leadership Development

(a) Evaluating and Approving Salary for the CEO

The Board, acting through the Corporate Governance and Compensation Committee, evaluates the performance of the CEO in conjunction with the Company's goals and objectives and, acting through the Corporate Governance and Compensation Committee, approves the compensation level of the CEO.

(b) Evaluating and Approving the Compensation of Management

The Board, acting through the Corporate Governance and Compensation Committee, evaluates and approves proposals for overall compensation policies applicable to members of senior management.

(c) Management Succession

At least annually, the Board reviews a succession plan, developed by management, addressing the policies and principles for selecting a successor to the CEO, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO currently in Company senior management.

8. Board Compensation

The Board conducts a review, at least once a year, of the components and amount of Board compensation in relation to other similarly situated companies. Board compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity.

9. Reliance on Advisors

In executing their responsibilities, each of the members of the Board, and specifically the Chairman on behalf of the independent directors, is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors, such advice to be provided at the expense of the Company. The Board, as well as each of the committees of the Board, shall accordingly have the authority to retain and approve the fees and retention terms of such outside advisors engaged for this purpose.

SCHEDULE A**Examples of Material Information****Changes in Corporate Structure**

- changes in share ownership that may affect control of the company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in Capital Structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to rights of security holders

Changes in Financial Results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any periods
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policy

Changes in Business and Operations

- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies

- changes to the board of directors or executive management, including the departure of the company's CEO, CFO, COO or president (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another

Acquisitions and Dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

Changes in Credit Arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

EXHIBIT 2**ADVANCE NOTICE BY-LAW NO. 1A
NEW MILLENNIUM IRON CORP.
(the "Corporation")****INTRODUCTION**

The Corporation is committed to: (i) facilitating an orderly and efficient annual or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; (iii) allowing the Corporation and shareholders to evaluate all nominees' qualifications and suitability as a director of the Corporation; and (iv) allowing shareholders to cast an informed vote.

The purpose of this Advance Notice By-law (the "**By-law No. 1A**") is to provide shareholders, directors and management of the Corporation with guidance on the nomination of directors. This By-law No. 1A is the framework by which the Corporation seeks to fix a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form.

It is the position of the Corporation that this By-law No. 1A is beneficial to shareholders and other stakeholders.

This Bylaw No. 1A will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

BY-LAW NO. 1A

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of New Millennium Iron Corp. (hereinafter called the "**Corporation**") as follows:

**ADVANCE NOTICE OF
NOMINATION OF DIRECTORS**

1. Pursuant to Section 102(1) of the Business Corporations Act (Alberta) (the "Act"), By-law No. 1 of the by-laws of the Corporation is hereby amended by adding thereto, Section 10(26) as follows:

"Section 10(26) **Nomination of Directors.** – Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual general meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which a special meeting was called was the election of directors, (a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting of shareholders, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act or (c) by any person (a "**Nominating Shareholder**") (i) who, at the close of business on the date of the giving of the notice provided for below in this Section 10(26) and on the record date for the receipt of notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting, or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this Section 10(26):

- A. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form (the “**Notice**”) to the Chief Executive Officer of the Corporation at the principal executive offices of the Corporation, in accordance with this Section 10(26).
- B. To be timely, a Notice to the Chief Executive Officer of the Corporation must be given not less than 35 nor more than 65 days prior to the date of the annual general or special meeting of shareholders, as the case may be; provided, however, that in the event that the meeting of shareholders is called for at a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the meeting was made, the Notice must be given by the Nominating Shareholder not later than the close of business on the tenth (10th) day following the Notice Date. In no event shall any adjournment or postponement of a meeting of shareholders, or the public announcement thereof, commence a new time period for the giving of the Notice.
- C. To be in proper written form, the Notice to the Chief Executive Officer of the Corporation must set forth: (a) as to each person who the Nominating Shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person (A) as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred), and (B) as of the date of such Notice and (iv) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws; and (b) as to the Nominating Shareholder, any information relating to such Nominating Shareholder that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws.
- D. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 10(26); provided, however, that nothing herein shall be deemed to preclude discussions by a shareholder (as distinct from seeking to nominate directors) at a meeting of shareholders, on any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such nomination is invalid due to its non-compliance with this Section 10(26).
- E. For purposes of this Section 10(26), (i) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and (ii) “**applicable securities laws**” means the securities legislation in those provinces and territories of Canada to which the Corporation is subject, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the relevant provinces and territories of Canada.
- F. Notice given to the Chief Executive Officer of the Corporation pursuant to this Section 10(26) may only be given by personal delivery, facsimile transmission or by email (at

such email address as stipulated from time to time by the Chief Executive Officer of the Corporation for the purposes of such Notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Chief Executive Officer at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day, or later than 5:00 pm (Calgary time) on a day which is a business day, then such a delivery or electronic communication shall be deemed to have been made on the next following business day.

- G. Notwithstanding any of the foregoing, the board may, in its sole discretion, waive any requirement in this Section 10(26).

2. By-law No. 1 of the Corporation, shall henceforth be read as amended by this By-law No. 1A, pending confirmation by the shareholders of the Corporation at the next meeting of shareholders, in accordance with Section 102(2) of the Act. All terms contained in this By-law No. 1A which are defined in By-law No. 1, as amended from time to time, of the by-laws of the Corporation shall, for all purposes hereof, have the meanings given to such terms in the said By-law No.1, unless expressly stated otherwise or the context otherwise requires.