



**ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS**

**TO BE HELD ON JUNE 25, 2015**

**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, 2015.*

**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 10, 2015

**NEW MILLENNIUM IRON CORP.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL  
MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 25, 2015**

NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL AND SPECIAL MEETING (the “**Meeting**”) of holders of common shares of New Millennium Iron Corp. (the “**Company**”) 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 Thursday, June 25, 2015 for the following purposes:

1. to receive and consider the consolidated financial statements of the Company for the financial years ended December 31, 2014 and 2013, and the report of the auditor thereon;
2. to fix the number of directors of the Company to be elected at the Meeting at ten (10);
3. to elect the Board of Directors of the Company for the ensuing year;
4. to appoint the auditor of the Company for the ensuing year and to authorize the Board of Directors to fix the auditor’s remuneration;
5. to approve the ordinary resolution, as more particularly set forth in the accompanying Management Information Circular prepared for the purpose of the Meeting to approve the unallocated options of the stock option plan of the Company;
6. to approve the special resolution, as more particularly set forth in the accompanying Management Information Circular prepared for the purposes of the Meeting to approve certain amendments to the Articles of the Company;
7. 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 Company to support the Direct Registration System (“DRS”) for the Company’s securities; and
8. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

DATED this 10th day of May, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

*“Robert Patzelt”*

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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 "COMPANY")** of proxies from the holders of common shares (the **"Common Shares"**) for the annual general and special meeting of the shareholders of the Company (the **"Meeting"**) to be held on June 25, 2015 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 Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Company.

**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 Company 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 Company. 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 their shares.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Company'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 Company 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 Company’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 Company. 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 their 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 their proxy how to vote their 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 Company 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 Company.

#### **Voting by Internet**

Shareholders of the Company may use the internet site at [www.valianttrust.com](http://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 Company provide that a quorum of shareholders is present at a meeting of shareholders of the Company 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 Company entitled to vote at the Meeting.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company 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 10, 2015, the Company 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, 2015 (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 their 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 Company, 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 Company, 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 Chanakya Chaudhary, directors of the Company, are employees of Tata Steel Limited, the Company'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 Company is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Company'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 Company. The compensation program is designed to reward management performance by aligning a component of the compensation with the Company's business performance and share value. The philosophy of the Company 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 Company 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 Company. The Company provides long term incentives to its management and directors through grants of stock options under the Company's stock option plan. This incentive closely aligns the interests of the NEOs and directors to shareholders of the Company.

**Robert Patzelt, President and Chief Executive Officer:** The Company 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 Company. Under the terms of the Patzelt Employment Agreement, in the event of termination by the Company 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 Company 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.

**Dean Journeaux, Executive Vice-Chairman:** Effective January 13, 2014, the Company entered into an independent consulting agreement with 1301738 Ontario Inc., a wholly owned company of Dean Journeaux (the "**Journeaux Consulting Agreement**"). Whereby 1301738 Ontario Inc. will supply the services of Dean Journeaux to act as Executive Vice-Chairman of the Company. The contract may be terminated by either party, at any time, for any reason, upon 90 days written notice, immediately upon death of the Consultant, or should the Consultant fail to meet the professional standards or ethical requirements expected by a competent consultant in the exercise of his/her duties. In the event of a breach of the Journeaux Consulting Agreement, provided such a breach has not been remedied within 10 days after written notice of same has been provided the Journeaux Consulting Agreement will be terminated.

Previously, The Company 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 Company. Mr. Journeaux resigned as President and Chief Executive Officer of the Company effective January 13, 2014.

**Mark Freedman, Chief Financial Officer:** The Company 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 Company. The Freedman Consulting Agreement may be terminated by the Company 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, 2015, with additional one year terms as may be agreed upon by the Company and Balance Consultants Inc., and may be terminated by either party, as set forth above.

**Rock Gagnon, Vice President Operations and Taconite Project Leader:** The Company entered into an employment agreement (the “**Gagnon Employment Agreement**”) dated October 1, 2012 with Rock Gagnon. The Gagnon Employment Contract does not contain any termination conditions.

**Bish Chanda, Senior Vice President Marketing and Strategy:** The Company entered into a consulting agreement (the “**Chanda Consulting Agreement**”) effective January 1, 2008. The Chanda Consulting Agreement may be terminated by the Company 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 Company and Mr. Chanda.

**Ernest Dempsey, Vice President Investor Relations & Corporate Affairs:** The Company entered into an employment agreement (the “**Dempsey Employment Agreement**”) dated April 21, 2011 with Ernest Dempsey. The Dempsey Employment Contract does not contain any termination conditions.

### **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, 2014.

### **Relevant Education and Experience**

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

Mr. Hudson is a partner in the Calgary office of DLA Piper (Canada) 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.

He is a director of DualEx Energy International Inc. and Tata Steel Minerals Canada Ltd.

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

**John Schindler**

Mr. Schindler is the President of Summit Natural Rock Inc. since 2003 and Schindler Exploration Consultants Ltd. since 1981.

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.

He is a director of Summit Natural Rock Inc., Schindler Exploration Consultants Ltd. and Mountain Lode Mines Ltd.

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. He is a director of numerous companies, including Ovivo Inc.(TSX: OVI.A-Y), Boralex Inc. (TSX: BLX-T), WSP Global Inc. (TSX: WSP-T), Ivanhoe Cambridge Inc., Maison du père Fondation de la maison du père, Angèle Dubeau & la Pietà, and Fondation Québécoise du cancer.

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.

**Compensation Plan and Policies**

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 Company and such other members of executive management as it is designated to consider. Management of the Company is charged with establishing compensation for the other non-executive employees of the Company.

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.

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

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

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

- base salaries;
- annual bonuses;
- option based awards;
- defined contribution pension plan; and
- insurance benefit plan.

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 Company, 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 2014 within ranges paid by comparable Canadian junior mining companies.

### ***Annual Bonuses***

The Company paid annual bonuses to NEOs in 2012 and 2013, but none were paid in 2014. The annual bonuses are a short-term variable compensation element, designed to reward executives on an annual basis for achieving the Company's business objectives. The Company'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 Company 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 Company'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 Company is of the view that stock options, if used as incentive compensation properly, align the interests of the NEOs to those of the Company and its shareholders.

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 Company 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 2014, 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 Company 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 Company’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 Company, and encourages a long term commitment to the Company.

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.

### ***Defined Contribution Pension Plan***

The Company sponsors an obligatory Direct Contribution Pension Plan for its employees. Employees and the Company 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 Company’s NEOs who are also employees are members of the Company’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 Company’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 Company and considering the possible risk implications of the Company’s compensation policies and practices and any proposed changes to them.

The Compensation Committee periodically reviews and assesses the Company’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 as potentially encouraging executive officers to expose the Company to inappropriate or excessive risks. It is the Committee’s view that the Company’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 Company 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 Company) reflect the Company’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 Company'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 Company 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 Company, 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 Company's total compensation policy.

For 2014, increases in salary varied between 2.1% per cent and 5.1% 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 Company, in terms of financial results, challenges, achievements and strategic positioning, and specific individual contributions, among others, rather than adhering to a formulaic approach.

### **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 Company 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 (\$) <sup>(1)</sup>	Option-Based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(3)</sup>		Pension Value (\$) <sup>(4)</sup>	All Other Compensation (\$) <sup>(5)</sup>	Total Compensation (\$)
					Annual Incentive Plans <sup>(3)</sup>	Long-Term Incentive Plans			
Robert Patzelt <sup>(6)(7)</sup> President and Chief Executive Officer	2014	345,083	Nil	108,000	Nil	Nil	10,673	6,003	469,759
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dean Journeaux <sup>(6)(8)</sup> Executive Vice-Chairman	2014	224,273	Nil	77,000	Nil	Nil	Nil	168	301,441
	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
Mark Freedman <sup>(9)</sup> Chief Financial Officer	2014	226,770	Nil	60,200	Nil	Nil	Nil	Nil	286,970
	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
Rock Gagnon <sup>(10)</sup> Vice President Operations and Taconite Project Leader	2014	266,646	Nil	43,680	Nil	Nil	8,247	6,234	324,807
	2013	253,674	Nil	47,250	Nil	Nil	4,529	17,063	322,516
	2012	205,515	Nil	274,500	Nil	Nil	Nil	6,250	486,265
Bish Chanda <sup>(11)</sup> Senior Vice-President, Marketing and Strategy	2014	218,833	Nil	36,400	Nil	Nil	Nil	Nil	255,233
	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
Ernest Dempsey Vice President, Investor Relations and Corporate Affairs	2014	208,524	Nil	40,320	Nil	Nil	6,449	3,251	258,544
	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

**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 Company's payments to the individual's defined contribution plan which the Company 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 Company 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 Company on behalf of the individual.
- (6) The Named Executive Officers did not receive any additional compensation for serving as a director of the Company. Messrs. Patzelt and Journeaux were the only Named Executive Officer who also were directors during 2014.
- (7) Mr. Patzelt was appointed President and Chief Executive Officer on January 13, 2014.
- (8) Mr. Journeaux resigned as President and Chief Executive Officer effective January 13, 2014. Effective January 13, 2014, Mr. Journeaux was appointed Executive Vice-Chairman of the Company and provides consulting services for the Company with his compensation paid to 1301738 Ontario Inc., a company which is wholly-owned by Mr. Journeaux.
- (9) The Company 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 Company, as per the Freedman Consulting Agreement.

- (10) Mr. Gagnon was Vice President Process Plant and Engineering until his appointment as Vice President Operations and Taconite Project Leader on October 28, 2014.
- (11) The Company paid no salary directly to Mr. Chanda. The amounts disclosed represent compensation paid to Mr. Chanda for consulting services provided to the Company, as per the Chanda Consulting Agreement.

### **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 Company, 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 was approved by shareholders of the Company on June 5, 2012. The Plan permits the granting of stock options (“**Options**”) to purchase Common Shares to directors, officers, employees of, and consultants to, the Company, 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 Company in any 12 month period unless the Company 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 Company, 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 Company;
- 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 Company (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 ¼ of the Options vesting in any three month period.

As of the Effective Date, 15,787,000 Options (representing 8.72%% of the issued and outstanding Common Shares) are granted to directors, officers, employees of, and consultants to, the Company (the “**Granted Options**”), leaving 2,318,415 Options (1.28%) 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 Company 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 Company'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 Company, 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 Company. 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 Company or another Company 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 Board of Directors may terminate or discontinue the Plan at any time without the consent of the option holders provided that such termination or discontinuance shall not alter or impair any option previously granted under the Plan. In addition, the Board of Directors may by resolution amend the Plan any options granted under it without further shareholder approval, to the extent that such amendments relate to among other things:

- (a) altering, extending or accelerating the terms of vesting applicable to any Option or group of Options;
- (b) altering the terms and conditions of vesting applicable to any Option or groups of Options;
- (c) changing the termination provisions of an option, provided that the change does not entail an extension beyond the original expiry date of such Option;
- (d) accelerating the expiry date in respect of an Option;
- (e) determining the adjustment provisions pursuant to the Plan;
- (f) amending the definitions contained in within the Plan and other amendments of a "housekeeping" nature; and
- (g) amending or modifying the mechanics of exercise of the Options.

Under the Plan the Board of Directors will also not be entitled, in the absence of shareholder approval, to:

- (h) reduce the exercise price of an Option held by an insider of the Company;
- (i) extend the expiry date of an option held by an insider of the Company;

- (g) amend the limitations on the maximum number of Common Shares reserved or issued to insiders of the Company under the Plan;
- (k) increase the maximum number of Common Shares issuable pursuant to the Plan; or
- (l) amend the amendment provisions of the Plan.

Where shareholder approval is sought for amendments under items (h), (i) and (j) above, disinterested shareholder approval would be required.

The Plan also includes a provision that provides the Company with authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by an option holder to the Company, of any taxes or other required source deductions which the Company 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 Company 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 <sup>(1)(2)</sup> (\$)	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 (\$)
Robert Patzelt President and Chief Executive Officer	400,000	0.42	March 31, 2019	N/A	N/A	N/A	N/A
Dean Journeaux Executive Vice-Chairman	275,000 250,000 400,000 270,000 360,000	0.44 0.89 1.35 3.36 0.90	May 21, 2019 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	N/A
Mark Freedman Chief Financial Officer	215,000 200,000 300,000 125,000 150,000	0.44 0.89 1.35 3.36 0.90	May 21, 2019 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	N/A
Rock Gagnon Vice President Operations and Taconite Project Leader	156,000 75,000 200,000 50,000 130,000 70,000	0.44 0.89 1.57 1.35 3.36 0.90	May 21, 2019 April 24, 2018 October 4, 2017 July 27, 2017 April 1, 2016 June 30, 2015	N/A N/A N/A N/A N/A N/A	N/A	N/A	N/A

	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 <sup>(1)(2)</sup> (\$)	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 (\$)
Bish Chanda Senior Vice-President, Marketing and Strategy	130,000	0.44	May 21, 2019	N/A	N/A	N/A	N/A
	100,000	0.89	April 24, 2018	N/A			
	200,000	1.35	July 27, 2017	N/A			
	185,000	3.36	April 1, 2016	N/A			
	220,000	0.90	June 30, 2015	N/A			
Ernest Dempsey Vice President, Investor Relations and Corporate Affairs	144,000	0.44	May 21, 2019	N/A	N/A	N/A	N/A
	125,000	0.89	April 24, 2018	N/A			
	250,000	1.35	July 27, 2017	N/A			
	175,000	3.16	April 29, 2016	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, 2014, being \$0.175 per Common Share and the exercise price of the options.

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 <sup>(1)</sup> (\$)	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
Robert Patzelt President and Chief Executive Officer	Nil	Nil	Nil
Dean Journeaux Executive Vice-Chairman	Nil	Nil	Nil
Mark Freedman Chief Financial Officer	Nil	Nil	Nil
Rock Gagnon Vice President Operations and Taconite Project Leader	Nil	Nil	Nil
Bish Chanda Senior Vice-President, Marketing and Strategy	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 Company sponsors an obligatory defined contribution retirement plan for all its employees, including the NEOs. Under the defined contribution pension plan, the Company 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 Company.

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.

<b>Name and Title</b>	<b>Accumulated value at start of year (\$)</b>	<b>Compensatory (\$)<sup>(1)</sup></b>	<b>Accumulated value at year end (\$)</b>
Robert Patzelt President and Chief Executive Officer	Nil	\$10,673	\$10,673
Dean Journeaux Executive Vice- Chairman	Nil	Nil	Nil
Mark Freedman Chief Financial Officer	Nil	Nil	Nil
Rock Gagnon Vice President Operations and Taconite Project Leader	\$4,529	\$8,247	\$12,776
Bish Chanda Senior Vice President, Marketing and Strategy	Nil	Nil	Nil
Ernest Dempsey Vice President, Investor Relations and Corporate Affairs	\$3,642	\$6,449	\$10,091

**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 Company 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 Company 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 Company, 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 Company 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 Company 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.

The Freedman Consulting Agreement may be terminated by the Company 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, 2014, the Company had ten (10) directors, two (2) of which, Robert Patzelt, President and Chief Executive Officer and Dean Journeaux, Executive Vice-Chairman (Former President and Chief Executive), were also Named Executive Officers. For a description of the compensation paid to the Named Executive Officers of the Company who also acted as directors of the Company, 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 Company for the financial year ended December 31, 2014.

<b>Name</b>	<b>Fees Earned (\$)</b>	<b>Share-Based Awards (\$) <sup>(1)</sup></b>	<b>Option-Based Awards (\$) <sup>(2)</sup></b>	<b>Non-Equity Incentive Plan Compensation (\$)</b>	<b>Pension Value (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Lee Nichols	30,000	Nil	34,300	Nil	Nil	Nil	64,300
John Schindler	30,000	Nil	19,600	Nil	Nil	Nil	49,600
Roy Hudson	30,000	Nil	19,600	Nil	Nil	Nil	49,600
Pierre Seccareccia	30,000	Nil	29,400	Nil	Nil	Nil	59,400
General (Ret) Rick Hillier	78,000 <sup>(3)</sup>	Nil	19,600	Nil	Nil	Nil	97,600
Sandip Biswas	30,000	Nil	19,600	Nil	Nil	Nil	49,600
Koushik Chatterjee <sup>(4)</sup>	27,386	Nil	19,600	Nil	Nil	Nil	46,986
Dibyendu Bose	30,000	Nil	19,400	Nil	Nil	Nil	49,600

**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.
- (3) General (Ret.) Hillier fees earned including consulting fees in addition to his director’s fees.
- (4) Mr. Koushik Chatterjee resigned as a Director of the Company on February 4, 2015.

#### **Narrative Discussion**

During the financial year ended December 31, 2014, directors of the Company, other than the President and Chief Executive Officer and Executive Vice-Chairman, each received annual retainer fees for Board and Board Committee representation, as listed above. In 2014, the total aggregate cash compensation (which includes director’s fees and consulting fees for non-executive services) to the directors for services rendered in their capacity as directors and consultants was \$255,386. In addition, directors are reimbursed for reasonable expenses incurred in respect of their activities as directors.

The Company 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 Company.

### **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 Company 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 <sup>(1)(2)</sup> (\$)	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	122,500 175,000 200,000 125,000 150,000	0.44 0.89 1.35 3.36 0.90	May 21, 2019 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	N/A
John Schindler	70,000 100,000 150,000 125,000 150,000	0.44 0.89 1.35 3.36 0.90	May 21, 2019 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	N/A
Roy Hudson	70,000 100,000 150,000 125,000 150,000	0.44 0.89 1.35 3.36 0.90	May 21, 2019 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	N/A
Pierre Seccareccia	105,000 150,000 175,000 125,000 75,000	0.44 0.89 1.35 3.36 0.90	May 21, 2019 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	N/A
General (Ret) Rick Hillier	70,000 100,000 150,000 350,000	0.44 0.89 1.35 1.43	May 21, 2019 April 24, 2018 July 27, 2017 Dec 6, 2016	N/A N/A N/A N/A	N/A	N/A	N/A
Sandip Biswas	70,000 100,000 150,000	0.44 0.89 1.35	May 21, 2019 April 24, 2018 July 27, 2017	N/A N/A N/A	N/A	N/A	N/A
Koushik Chatterjee <sup>(3)</sup>	70,000	0.44	May 21, 2019	N/A	N/A	N/A	N/A
Dibyendu Bose	70,000	0.44	May 21, 2019	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, 2014, being \$0.175 per Common Share and the exercise price of the options.
- (3) Mr. Chatterjee resigned as a Director of the Company on February 4, 2015.

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 Company.

Name	Option-Based Awards - Value vested during the year (\$) <sup>(1)</sup>	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
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
Sandip Biswas	Nil	Nil	Nil
Koushik Chatterjee <sup>(2)</sup>	Nil	Nil	Nil
Dibyendu Bose	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. Chatterjee resigned as a Director of the Company on February 4, 2015.

**Other Compensation**

Other than as set forth herein, the Company 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 Company that are authorized for issuance under equity compensation plans as at the end of the Company's most recently completed financial year.

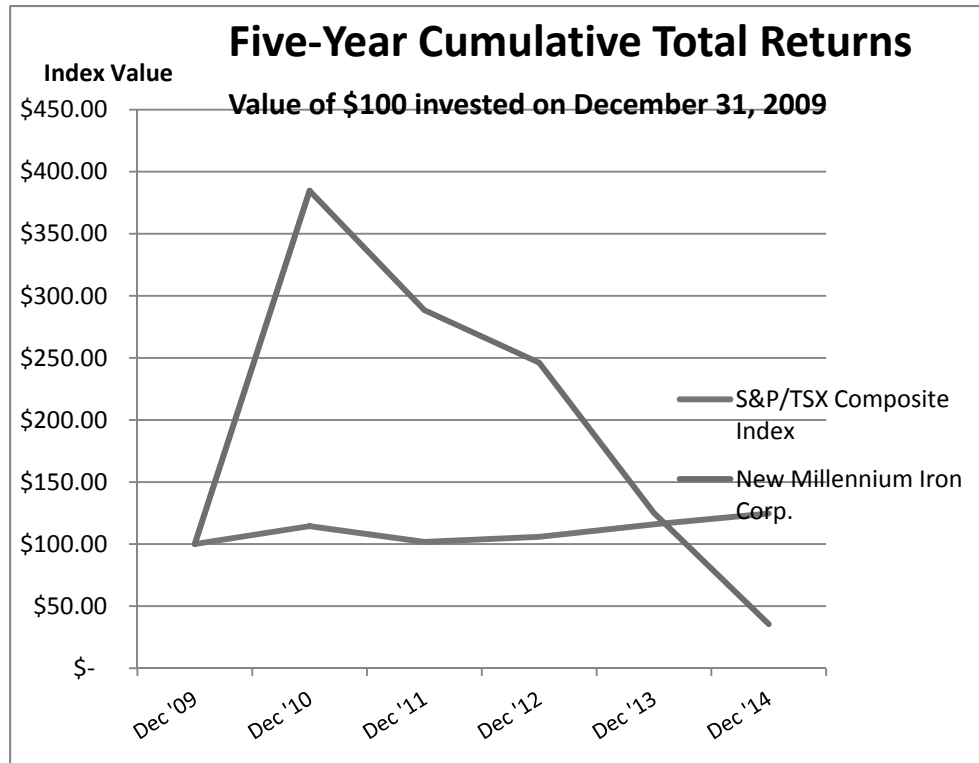
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding outstanding securities reflected in Column 1) <sup>(1)</sup>
Equity compensation plans approved by security holders	16,466,500 Common Shares	\$1.42 per Common Share	1,638,914 Common Shares
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	16,466,500 Common Shares	\$1.42 per Common Share	1,638,914 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 Company'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, 2014, 181,054,146 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 Company with the cumulative total return of the S&P/TSX Composite Index from December 31, 2009 to December 31, 2014. The Common Shares of the Company 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 Company 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 Company 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 Company 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 Company.

### **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed below, management of the Company 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 Company which has or will materially affect the Company.

Mr. Biswas, Mr. Chaudhary and Mr. Bose are employees of Tata Steel Limited, the Company'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 Company owning the remaining 20%. The Company 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 Company pursuant to which TSG has exercised its exclusive right to negotiate and settle a proposed transaction in respect of the Company's LabMag and KéMag Projects (collectively, the "Taconite Project").

### **MANAGEMENT CONTRACTS**

During the most recently completed financial year, no management functions of the Company 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 Company.

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

Except as otherwise set out herein, no director or executive officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, 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 Company's Audit Committee can be found under the heading "Audit Committee" in the Company's Annual Information Form dated March 24, 2015, for the year ended December 31, 2014, and filed on SEDAR at [www.sedar.com](http://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 Company. 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 Company.

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

A professional corporation controlled by Mr. Hudson is a partner of DLA Piper (Canada) LLP, legal counsel to the Company. As a result, Mr. Hudson is not an independent director under NI 58-101.

Mr. Biswas, Mr. Chaudhary and Mr. Bose are employees of Tata Steel Limited, the Company'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 Company owning the remaining 20%. TSG has also entered into the Taconite HOA with the Company 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. Chaudhary 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 Company. 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 Company facilitates independent supervision of management through meetings of the Board of Directors. In addition, the Board of Directors have free access to the Company's external auditors, legal counsel and to any of the Company's officers.

The independent directors held three meetings during the year ended December 31, 2014. 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 Company in appropriate circumstances.

### **Directorships and Meeting Attendance**

The following table sets forth: (i) the name of each reporting issuer, other than the Company, of which a director of the Company 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, 2014.

<b>Name</b>	<b>Name of Reporting Issuers</b>	<b>Attendance Record at the Company's 2014 Board Meetings</b>
Lee C.G. Nichols	Poplar Creek Resources Inc.	10/10 (100%)
Robert Patzelt <sup>(1)</sup>	None	10/10 (100%)
Dean Journeaux	None	10/10 (100%)
John Schindler	None	10/10 (100%)
Roy Hudson	DualEx Energy International Inc.	10/10 (100%)

Name	Name of Reporting Issuers	Attendance Record at the Company's 2014 Board Meetings
Pierre Seccareccia	WSP Global Inc.	7/10 (70%)
	Boralex Inc.	
	Ovivo Inc.	
General Rick Hillier	None	8/10 (80%)
Koushik Chatterjee <sup>(2)</sup>	The Tinplate Company of India Limited	2/10 (20%)
	Tata Metalinks Limited	
	Tata Steel Odisha Limited	
	Tata Steel Limited	
	Tata Steel (Thailand) Public Company Limited, Thailand	
Dibyendu Bose	None	7/10 (70%)
Sandip Biswas	None	4/10 (40%)

**Notes:**

- (1) Mr. Patzelt was appointed President, Chief Executive Officer and a director of the Company on January 13, 2014.  
 (2) Mr. Chatterjee resigned as director effective February 4, 2015.

**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 Company 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 Company 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 Company to discuss and better understand the Company's business and will be advised by counsel to the Company of their legal obligations as directors of the Company.

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 Company will adhere to the highest ethical standards in all of their business activities, and all of the Company's directors and officers and Company's employees and consultants are expected to maintain these standards. The Company's directors, officers, employees and consultants are expected to strive to deal fairly with the Company'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 Company'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 Company's representative with a transcript of any complaint.

The Board of Directors has found that the fiduciary duties placed on individual directors by the Company'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 Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company 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 Company 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 Company 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 Company's response to applicable securities laws or stock exchange rules when required, and explaining as required any differences between the Company's governance system and policies and the recommended governance standards by securities regulators;
2. Developing and monitoring the Company'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 Company;
5. Ensuring that the Company has in effect adequate policies and procedures to allow the Company to meet all of its continuous disclosure requirements;
6. Ensuring that the Company has in effect adequate policies and procedures to identify and manage the principal risks of the Company's business;
7. Developing and monitoring the Company's policies relating to trading in securities of the Company 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 Company 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 Company;
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 Company, 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 Company'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 Company has one other standing Board committee at this time (other than the Audit Committee, as described in the Company's Annual Information Form dated March 24, 2015 for the year ended December 31, 2014 filed on SEDAR at [www.sedar.com](http://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 Company's compliance with applicable laws. The committee is also responsible for reviewing, reporting and making recommendations to the Board about the Company'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, Patzelt, 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 Company'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 Company, 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 Company has approved all of the information in the audited consolidated financial statements of the Company for the years ended December 31, 2014 and 2013 and the report of the auditor thereon.

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

Shareholders of the Company 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 Company 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 Company 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 Company 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 Company or the provisions of the *Business Corporations Act* to which the Company is subject.

<b>Name, Municipality of Residence, Office and Date Became a Director</b>	<b>Present Occupation and Positions Held During the Last Five Years</b>	<b>Number and Percentage of Common Shares Held or Controlled as at the Effective Date<sup>(1)(2)</sup></b>
<b>Lee C.G. Nichols</b> <sup>(3)(5)</sup> Leduc County, 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%)
<b>Robert Patzelt, Q.C.</b> <sup>(5)</sup> Halifax, Nova Scotia President and Chief Executive Officer. Director since January 13, 2014	President and Chief Executive Officer of the Company. Prior thereto, Senior Vice-President, Corporate Development of Scotia Investments Limited from 1988 to January 2014.	Nil
<b>Dean Journeaux</b> <sup>(5)</sup> Rockland, Ontario Executive Vice-Chairman. Director since August 8, 2003	Executive Vice-Chairman of the Company. President and Chief Executive Officer of the Company from July 1, 2011 to January 13, 2014, Chief Executive Officer of the Company from August 8, 2003 to July 2011. Principal and owner of 1301738 Ontario Inc. (Journeaux International) from 2002 to present.	3,020,038 <sup>(6)</sup> (1.7%)
<b>John Schindler</b> <sup>(3)(4)(5)</sup> 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%)
<b>Roy Hudson</b> <sup>(4)</sup> Calgary, Alberta Director since September 4, 2004	Lawyer with the national law firm, DLA Piper (Canada) LLP since September 2004.	250,000 (<1%)
<b>Pierre Seccareccia, FCPA, FCA</b> <sup>(3)(4)</sup> 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%)
<b>General (Ret.) Rick Hillier</b> 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
<b>Sandip Biswas</b> Mumbai, India Director since October 27, 2011	Group Executive Vice President Finance of Tata Steel Limited. Has held various positions within Tata Steel Limited since 2005.	Nil
<b>Dibyendu Bose</b> 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
<b>Chanakya Chaudhary</b> New Delhi, India Director since February 4, 2015	Group Director – Corporate Communications & Regulatory Affairs of Tata Steel Limited. Has held various positions within Tata Steel Limited since 1988.	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 Company 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. Patzelt, 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 Company 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 Company. **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 Company 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 Company'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. Approval of Unallocated Options Pursuant to the Company's Plan**

As described above under the heading "*Statement of Executive Compensation – Incentive Plan Awards – Share Option Plan*" the Company has a Plan, which was approved by the shareholders on June 5, 2012. At the Meeting, shareholders will also be asked to consider and, if thought fit, pass an ordinary resolution to approve and authorize unallocated Options issuable pursuant to the Plan.

When Options have been granted pursuant to the Plan, Common Shares that are reserved for issuance under an outstanding Option are referred to as allocated Options. The Company has additional Common Shares that may be issued under the Option Plan, but as they are not subject to current Option grants, they are referred to as unallocated Options.

As at May 10, 2015 the Company had Options to purchase 15,787,000 Common Shares (equal to approximately 8.72% of the outstanding Common Shares) outstanding under the Plan, leaving unallocated Options to purchase an aggregate of 2,318,415 Common Shares (equal to approximately 1.28% of the outstanding Common Shares) available for future grants based on the number of outstanding Common Shares.

Section 613(a) of the TSX Company Manual provides that every three years after the institution of a security based compensation arrangement, all unallocated rights, options or other entitlements under such arrangement which does not have a fixed maximum number of securities issuable must be approved by a majority of the issuer's directors and by the issuer's security holders. As the Plan is considered to be a security based compensation arrangement and as the maximum number of Common Shares issuable pursuant to the Plan is not a fixed number and instead is equal to 10% of the Common Shares outstanding from time to time, approval is being sought at this Meeting to approve the grant of unallocated Options under the Plan. If approval is obtained at the Meeting, pursuant to the requirements of the TSX, the Company will not be required to seek further approval of the grant of unallocated Options under the Plan until June 25, 2018.

If approval is not obtained at the Meeting, Options which have not been allocated as of June 5, 2015 (being the date that is three years from the date of the last shareholder meeting at which the unallocated options were approved by shareholders) and Options which are outstanding as of June 5, 2015 and which are subsequently cancelled, terminated or exercised will not be available for a new grant of Options under the Plan. The Board does not intend to grant options pursuant to the Plan between June 5, 2015 and the date upon which the Company receives shareholder approval and authorization of unallocated Options pursuant to the Plan.

In accordance with the requirements of the TSX, approval of the unallocated options under the Plan requires approval of a majority of the votes cast on the resolution at the Meeting. The Board has unanimously approved, subject to regulatory and shareholder approval, the grant of unallocated Options under the Plan.

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution to approve the grant of unallocated Options as follows:

**“BE IT RESOLVED, as an ordinary resolution of the Company that:**

- 1. All unallocated options issuable pursuant to the stock option plan of the Company, as amended from time to time, are approved and authorized until June 25, 2018;**
- 2. The Company has the ability to continue granting options pursuant to the stock option plan of the Company until June 25, 2018, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and**
- 3. Any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer be necessary or desirable to carry out the foregoing resolution.”**

In order for the resolution approving the unallocated options under the Plan 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 approving the unallocated options under the Plan.**

## **6. Amendment to the Company's Articles**

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to approve with or without variation, a special resolution to amend the Articles (the "**Amendment to Articles**") to: (i) provide that the number of directors of the Company shall be a minimum of one (1) and a maximum of fifteen (15); and (ii) permit meetings of shareholders of the Company to be held anywhere in Canada that the Board of Directors determine.

The Board of Directors is proposing the Company's Articles be amended, as noted above, for the following purposes:

- to allow the Company greater flexibility to potentially increase its board size if considered to be in the best interests of the Company;
- the Company's Articles currently require that meetings of shareholders of the Company be held in Toronto, Ontario or anywhere in Alberta that the Directors determine. To allow the Company greater flexibility in terms of locations to hold shareholders' meetings, management and the Board of Directors believe it is in the best interests of the Company to amend the Articles to permit meetings of shareholders of the Company to be held anywhere in Canada that the Directors determine.

The text of the special resolution to be voted on at the Meeting by the Shareholders is set forth below.

**"BE IT RESOLVED as a special resolution of the Company that:**

- 1. the Company's Articles be amended to: (i) provide that the number of directors of the Company shall be a minimum of one (1) and a maximum of fifteen (15); and (ii) permit meetings of shareholders of the Company to be held anywhere in Canada that the Directors determine.**
- 2. the Board of Directors may, at its sole discretion, decide to not act on this special resolution without further approval or authorization from the shareholders of the Company; and**
- 3. any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, 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 Company or otherwise) that may be necessary or desirable to give effect to this special resolution."**

In order to be effective, the special resolution in respect of the approval of the Amendment to Articles requires approval of not less than two thirds (2/3) of the votes cast by Shareholders who vote in respect of such special resolution. **Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the special resolution approving the Amendment to Articles.**

## 7. Adoption of Notice By-Law Amendment

The Company wishes to ratify and confirm By-law No. 1B, a copy of which is attached as Exhibit 2 to this Management Information Circular, which will amend the by-laws of the Company (being By-law No. 1). By-law No. 1B is being presented for approval to support the Direct Registration System (“**DRS**”) for the Company’s securities (the “**DRS Provisions**”). DRS provides for electronic direct registration of securities in an investor’s name on the books for the transfer agent or issuer, and allows shares to be transferred between a transfer agent and broker electronically. DRS provides investors with an alternate approach to holding their securities in certificate or “street” form. Under DRS, investors can elect to have their securities registered directly on the issuer’s records in book-entry form. An investor electing to hold a security in a DRS book-entry position will receive a statement from the issuer or its transfer agent evidencing ownership of the security. The investor can subsequently transfer electronically the DRS book-entry position to their bank or broker/dealer. The DRS Provisions must be ratified by the shareholders at the Meeting to continue to have effect after the Meeting.

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. 1B. The complete text of the resolution is as follows:

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

- 1. By-law No.1B substantially in the form attached as Exhibit 2 to the Management Information Circular of the Company dated May 10, 2015 be and is hereby approved, ratified and confirmed as a by-law of the Company;**
- 2. the shareholders of the Company 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 Company is authorized and directed, on behalf of the Company, 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 Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”**

In order for the resolution approving, adopting and ratifying By-Law No. 1B 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.**

## 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 Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information of the Company's most recently completed financial year is provided in the Company's comparative financial statements and management discussion and analysis available on SEDAR. A shareholder may contact the Company at 1303 Greene Avenue, 2nd floor, Montreal, Quebec H3Z 2A7, Attention: President and CEO, to obtain a copy of the Company'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 Company.

## **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 Company.

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 Company.

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****BY-LAW NO. 1B**

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

Pursuant to Section 102(1) of the Business Corporations Act (Alberta) (the “Act”), By-law No. 1 of the by-laws of the Company is hereby amended by deleting Section 9(11) in its entirety and replacing it with the following:

**“Section 9(11) Share Certificates, Acknowledgements and Direct Registration System** - Every shareholder of one or more shares of the Company shall be entitled, at the shareholder's option, to a share certificate that complies with the ABCA, or a non-transferable written acknowledgment that complies with the ABCA of the shareholder's right to obtain a share certificate from the Company in respect of the shares of the Company held by such shareholder in an amount as shown on the securities register of the Company. Any share certificate issued pursuant to this Section 9(11) shall be in such form as the Board may from time to time approve, shall be signed by the Company in accordance with Section 2(1) and need not be under the corporate seal.

For greater certainty, a registered shareholder may have his holdings of shares of the Company evidenced by an electronic, book-based, direct registration system or other non-certificated entry or position on the register of shareholders to be kept by the Company in place of a physical share certificate pursuant to such a registration system that may be adopted by the Company, in conjunction with its transfer agent. This by-law shall be read such that a registered holder of shares of the Company pursuant to any such electronic, book-based, direct registration service or other non-certificated entry or position shall be entitled to all of the same benefits, rights, entitlements and shall incur the same duties and obligations as a registered holder of shares evidenced by a physical share certificate. The Company and its transfer agent may adopt such policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a share registration system by electronic, book-based, direct registration system or other non-certificated means.”

