



CENTURY IRON MINES CORPORATION

**NOTICE OF ANNUAL AND SPECIAL MEETING AND
INFORMATION CIRCULAR**

August 23, 2013

SHAREHOLDERS OF CENTURY IRON MINES CORPORATION: These materials are important and require your immediate attention. They require you to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, or other professional advisors. **If you have any questions or require more information with regard to voting your shares of Century Iron Mines Corporation, please contact Michael Skutezky, General Counsel and Secretary, at 416-977-3188.**



CENTURY IRON MINES CORPORATION

Suite 1301, 200 University Avenue
Toronto, Ontario, Canada M5H 3C6
Telephone: 416-977-3188 / Facsimile: 416-977-8002

August 23, 2013

Dear Shareholders:

You are cordially invited to attend the annual general and special meeting (the “**Meeting**”) of Century Iron Mines Corporation (the “**Company**”) to be held at The Albany Club, 91 King Street East, Toronto, Ontario, Canada on Thursday, September 26, 2013 at 4:30 p.m. (Toronto time).

The items of business to be considered and voted upon at the Meeting are described in the accompanying Notice of Annual and Special Meeting of Shareholders and Information Circular. One of the business items is the election of Directors.

Your participation in the affairs of the Company is very important to the Company. Whether or not you plan to attend the Meeting, I encourage you to exercise your right to vote, which can easily be done by completing and submitting your enclosed proxy in accordance with the instructions set forth in the accompanying form of proxy and Information Circular.

You will also have the opportunity to ask questions and to meet several of the Directors and members of the executive management of the Company.

All of our public documents are available under the Company’s profile on SEDAR at www.sedar.com. We also encourage you to access either SEDAR or our website at www.centuryiron.com during the year for continuous disclosure items, including news releases and investor presentations.

We look forward to seeing you at the Meeting.

Yours sincerely,

(signed) “*Sandy Chim*”

Sandy Chim
President and Chief Executive Officer



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NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of shareholders of Century Iron Mines Corporation (the “**Company**”) will be held at The Albany Club, 91 King Street East, Toronto, Ontario, Canada on Thursday, September 26, 2013 at 4:30 p.m. (Toronto time) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the latest completed financial year, together with the report of the auditors (the “**Financial Statements**”);
2. to elect the Directors of the Company for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Company for the ensuing year at a remuneration to be fixed by the Directors;
4. to consider, and if deemed advisable, to pass resolutions to approve amendments to the Company’s stock option plan, which would be renamed the Century Iron Mines Corporation Equity Incentive Plan;
5. to consider, and if deemed advisable, to pass resolutions approving the removal of the “insider participation limit” in the Century Iron Mines Corporation Equity Incentive Plan;
6. to consider, and if deemed advisable, to pass resolutions ratifying amendments to the Company’s By-Law No. 1 so as to modify the rule regarding quorum for meetings of the Board of Directors;
7. to consider any permitted amendment to or variation of any matter identified in this Notice; and
8. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The Financial Statements have been filed under the Company’s profile on SEDAR at www.sedar.com in accordance with the Company’s continuous disclosure obligations and will be presented to shareholders at the Meeting.

The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice. The Company does not anticipate that any other matters will be addressed; however, any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting or any adjournment thereof. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

Registered shareholders are entitled to vote at the Meeting either in person or by proxy. Regardless of whether a shareholder plans to attend the Meeting in person, each shareholder is encouraged to please complete, date, and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and Information Circular.

All non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the Voting Instruction Form and in the Information Circular to ensure that such shareholders' shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are not a registered shareholder.

DATED at Toronto, Ontario this 23rd day of August, 2013.

BY ORDER OF THE BOARD

(signed) "*Sandy Chim*"

Sandy Chim
President and Chief Executive Officer

GENERAL PROXY INFORMATION	1	SECURITIES AUTHORIZED FOR ISSUANCE	
Solicitation of Proxies	1	UNDER EQUITY COMPENSATION PLANS	33
Appointment of Proxyholders	1	Stock Option Plan	33
Voting by Proxyholder	2	INDEBTEDNESS OF DIRECTORS AND	
Registered Shareholders	2	EXECUTIVE OFFICERS	35
INTEREST OF CERTAIN PERSONS OR		INTEREST OF MANAGEMENT AND OTHERS IN	
COMPANIES IN MATTERS TO BE ACTED		MATERIAL TRANSACTIONS	36
UPON	4	WISCO Investment Agreement	36
RECORD DATE AND PRINCIPAL HOLDERS OF		WISCO Shareholders Agreement	36
VOTING SECURITIES	4	The WISCO Attikamagen Shareholders	
Record Date and Outstanding Shares	4	Agreement	37
Principal Holders of Common Shares of the		The Sunny Lake Joint Venture	37
Company	5	Minmetals Off-take Agreement	37
FINANCIAL STATEMENTS	5	PIHL Off-take Agreement	37
VOTES NECESSARY TO PASS RESOLUTIONS .5		Augyva Mining Resources Inc.	38
		Champion Iron Mines Limited (formerly known as	
		Champion Minerals Inc.)	38
		Chim and Seto Consulting Services Inc.	38
MATTER #1-ELECTION OF DIRECTORS	5	MANAGEMENT CONTRACTS	39
Nominees for Election	6		
Principal Occupation, Business or Employment of		MATTER #2-APPOINTMENT OF AUDITOR	39
Nominees	9		
Conflicts of Interest	12	MATTER #3-AMENDMENTS TO STOCK	
CORPORATE GOVERNANCE	12	OPTION PLAN	39
Corporate Governance	12		
Board of Directors	13	MATTER #4-REMOVAL OF INSIDER	
Directorships	15	PARTICIPATION LIMIT FROM EQUITY	
Mandate and Charters	16	INCENTIVE PLAN	41
Disclosure Committee	19		
Corporate Social Responsibility Committee	19	MATTER #5-AMENDMENT OF BY-LAW NO.1	43
Position Descriptions	19		
Nomination of Directors	21	ADDITIONAL INFORMATION	43
Compensation	21	OTHER MATTERS	44
Corporate Disclosure Policy	22	APPROVAL OF INFORMATION CIRCULAR	44
Assessments	22		
AUDIT COMMITTEE	22	SCHEDULE "A" MANDATE OF THE BOARD OF	
EXECUTIVE COMPENSATION	22	DIRECTORS	45
Summary Compensation Table	22	SCHEDULE "B" CHARTER OF THE AUDIT	
Fair Value of Options	24	COMMITTEE	48
Compensation Discussion and Analysis	25	SCHEDULE "C" CENTURY IRON MINES	
DIRECTOR COMPENSATION	30	COPORATION EQUITY INCENTIVE PLAN	54
Director Compensation	30		
Director Incentive Plan Awards - Outstanding			
Option-based Awards as at March 31, 2013	31		



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INFORMATION CIRCULAR

(unless otherwise specified, information is as of August 9, 2013)

This Information Circular is furnished in connection with the solicitation of proxies by the management of Century Iron Mines Corporation (the “**Company**”) for use at the annual and special meeting (the “**Meeting**”) of the Company (and any adjournment thereof) to be held on September 26, 2013 at the time and place and for the purposes set forth in the accompanying Notice of Meeting.

In this Information Circular, references to the “**Company**”, “**we**” and “**our**” refer to the Company. “**Shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

The Board of Directors of the Company (the “**Board**”) has approved the contents and the sending of this Information Circular. All dollar amounts referred to herein are expressed in Canadian dollars unless otherwise indicated.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by Directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to Beneficial Shareholders whose shares are held as of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

Sandy Chim and Michael Skutezky, the individuals named in the accompanying form of proxy (the “**Proxy**”) as proxyholders, are officers and/or Directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

- a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of Directors;
- b) any amendment to or variation of any matter identified therein; and
- c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the shares represented by the Proxy in favour of each matter identified on the Proxy and for the nominees of management for Directors and auditors as identified in the Proxy, as applicable.

Registered Shareholders

If you are a registered shareholder, you are encouraged to vote by proxy whether or not you attend the Meeting in person. If you submit a proxy, you must complete, date and sign the Proxy and return it to the Company's transfer agent, Equity Financial Trust Company ("**Equity**"). Registered shareholders who elect to submit a Proxy may do so online at www.voteproxyonline.com by entering the control number printed on the form of proxy, by fax at 416-595-9593, or by mail to 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, in all cases in accordance with the instructions provided by Equity in the enclosed proxy materials and ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment thereof at which the Proxy is to be used.

Beneficial Shareholders

The information in this section is of significant importance to shareholders who do not hold shares registered in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of shares) or as set out in the following disclosure.

If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Company. Those shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "**intermediary**"). 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), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: those who object to their name being made known to the issuers of securities which they own (referred to as "**OBOs**" or "**Objecting Beneficial Owners**") and those who do not object to the issuers of the securities they own knowing who they are (referred to as "**NOBOs**" or "**Non-Objecting Beneficial Owners**").

NOBOs-Non-Objecting Beneficial Owners

The Company is taking advantage of provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators permitting the Company to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a Voting

Instruction Form (“**VIF**”) from Equity. NOBOs should completed and return these VIFs in accordance with the instructions provided by Equity on the VIF. Those instructions will include options for submitting VIFs by mail, by fax at 416-595-9593 or online at www.voteproxyonline.com by entering the control number printed on the VIF. Equity will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting as to the instructions provided by NOBOs on their VIFs.

This Information Circular, with related material, is being sent to both registered and non-registered owners of the shares of the Company. For any shareholder who is a NOBO, if the Company or its agent has sent the Meeting materials directly to that shareholder, the shareholder’s name and address, as well as the information about Company shares held by NOBO, been obtained in accordance with applicable securities rules from the intermediary who holds those shares on behalf of the NOBO.

By choosing to send these materials to NOBOs directly, the Company (and not the intermediary holding shares on behalf of a NOBO) has assumed responsibility for (i) delivering Meeting materials to each NOBO, and (ii) executing the NOBO’s proper voting instructions.

OBOs-Objecting Beneficial Owners

The VIF that will be supplied to OBOs by their brokers will be similar to the Proxy provided to registered shareholders by the Company, and to the VIF provided to NOBOs. However, its purpose is limited to instructing the intermediary how to vote the shares of an OBO.

The Company cannot directly or through an agent send Meeting materials to OBOs, as the identity of OBOs is not known to the Company. Most brokers delegate responsibility for sending shareholder meeting materials to OBOs, and for obtaining instructions from OBOs, to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge and any other intermediary sending Meeting materials to OBOs will mail their own form of VIF in lieu of the Proxy provided by the Company. The persons named in the VIF to represent the shares if OBOs at the Meeting will be the same as those named in the Company’s Proxy to represent the registered shareholders.

To ensure that their shares are voted at the Meeting, OBOs should carefully follow the instructions of their broker or intermediary as to how to communicate their voting and related instructions with respect to their shares for the Meeting. In most cases, those instructions will provide the ability to vote by mail, by fax or online.

Each OBO has the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent an OBOs’s shares at the Meeting, and that person may even be the Beneficial Shareholder representing himself, herself or itself. To exercise this right, OBOs are asked to insert the name of a desired representative (which may be the Beneficial Shareholder) in the blank space provided in the VIF.

Completed VIFs must be submitted in accordance with the instructions for the VIF. Those completed VIFs will then be tabulated, and appropriate instructions regarding the votes submitted by OBOs (and any appointments of parties to represent OBOs) will then be submitted for the Meeting.

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the *United States Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Canada Business Corporations Act* (“**CBCA**”),

as amended, certain of its Directors and its executive officers are residents of Canada and countries other than the United States, and all of the assets of the Company and a substantial portion of the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or Directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and Directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Equity or at the offices of the Company at Suite 300, 200 University Avenue, Toronto, Ontario, Canada M5H 4H1, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

To the best of our knowledge, except as otherwise disclosed herein, no Director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a Director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of Directors or the appointment of auditors and the approval of amendments to the Company's stock option plan, all as set out herein.

RECORD DATE AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Record Date and Outstanding Shares

The Board has fixed August 2, 2013 as the record date (the "**Record Date**") for determining the shareholders entitled to receive notice of and to vote at the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their shares voted at the Meeting.

As of the date of this Information Circular, the common shares of the Company are listed for trading on the Toronto Stock Exchange (the "**TSX**"). The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, there were 94,230,571 common shares without par value issued and outstanding, each carrying the right to one vote. The Company is also authorized to issue an unlimited number of preferred shares without par value in one or more series on such terms as may be determined by the Board for each series. There were no preferred shares issued and outstanding as at August 9, 2013. No group of shareholders has the right to elect a specified number of Directors, nor are there cumulative or similar voting rights attached to the shares.

Principal Holders of Common Shares of the Company

To the knowledge of the Directors and executive officers of the Company, the only persons or companies that beneficially own, or control or direct, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company as at August 9, 2013 are:

<u>Shareholder name</u>	<u>Number of shares held ⁽¹⁾</u>	<u>Percentage of issued shares ⁽²⁾</u>
WISCO International Resources Development & Investment Limited	23,197,768	24.6%
Century (Netherlands) Enterprises Coöperatie U.A. ⁽³⁾	49,781,316	52.8%

Notes:

- (1) Information obtained from the insider reports available under the Company's profile on SEDI at www.sedi.ca.
- (2) Based on 94,226,071 common shares of the Company outstanding at August 9, 2013.
- (3) Century (Netherlands) Enterprises Coöperatie U.A. ("**Century Coop**") is a cooperative with exclusion of liability incorporated under the laws of the Netherlands and domiciled in the Netherlands. Purple Star Holdings Limited, a BVI holding company of which Ben Koon (David) Wong, a Director of the Company, is a controlling shareholder, indirectly owns approximately 49.5% of the shares of Century Coop. Thriving Century Limited, a BVI holding company of which Sandy Chim, President and Chief Executive Officer and a Director of the Company, is a controlling shareholder, indirectly owns approximately 30.6% of the shares of Century Coop. Earnlead Investments Ltd., a BVI holding company of which Hua Bai, a Director of the Company, is a controlling shareholder, indirectly owns approximately 10% of the shares of Century Coop.

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the most recently completed financial year and the report of the auditor thereon will be placed before shareholders at the Meeting for their consideration. No formal action will be taken at the Meeting to approve the financial statements. If any shareholder has questions regarding such financial statements, such questions may be brought forward at the Meeting.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as Directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

MATTER #1-ELECTION OF DIRECTORS

The Articles of the Company currently provide that the number of Directors of the Company will be a minimum of three and a maximum of fifteen. The Board has fixed the number of Directors at nine in accordance with the By-laws of the Company.

The term of office of each of the current Directors will end at the conclusion of the Meeting. Unless a Director's office is vacated earlier in accordance with the provisions of the CBCA, each Director elected at the Meeting will hold office until the conclusion of the next annual meeting of the Company, or if no Director is then elected, until a successor is elected.

Majority Voting Policy

The Proxy or VIF that shareholders of the Company will receive for the Meeting permits Shareholders to: (i) vote “for” all Director nominees; or (ii) vote “for” or “withhold” their vote for each Director nominee.

The Board recently adopted a majority voting policy stipulating that, in an uncontested election of Directors, in the event that a Director nominee is elected but receives a greater number of “withhold” votes than “for” votes, that Director will tender his or her resignation to the Board, and the Board will then confer to consider whether or not it wishes to accept that resignation. (The Board will generally accept the resignation, absent exceptional circumstances.) The Board will then advise shareholders of the Board’s decision whether or not to accept the tendered resignation.

Shareholders should note that, as a result of the majority voting policy, a “withhold” vote is effectively a vote against a Director nominee in an uncontested election.

Under applicable corporate law, shareholders can only vote “for” or “withhold” their vote for Directors, but may not vote “against” them. As a result, a single “for” vote can result in the election of a Director, irrespective of the number of “withhold” votes. In connection with the Meeting, the proxy forms used for the election of Directors will enable shareholders to vote in favour of, or withhold their vote for, each Director nominee separately. As a result of the majority voting policy adopted by the Board, a Director would be required to submit his or her resignation in circumstances (excluding contested elections) where the number of shareholder votes withheld in respect of his her election is greater than the number of votes cast for his or her election. This policy became effective in respect of the elections taking place at the Meeting.

In the event of a contested election, where the number of nominees for Director exceeds the number of Directors to be elected, subject to applicable law, the voting method to be applied for purposes of electing Directors at the meeting will be determined by the chair of the meeting in his or her sole discretion, including slate voting.

Nominees for Election

The Directors of the Company have determined that the number of Directors for the ensuing year will be nine. With the exception of Yi Jun Kuang, all of the nominees for election at the Meeting are currently Directors of the Company. All nominees have agreed to stand for election. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated for election at the Meeting.

In connection with the closing of the Qualifying Transaction of the Company on May 18, 2011 (the “**Qualifying Transaction**”), and further to the concurrent equity investment in the Company by WISCO International Resources Development & Investment Limited (“**WISCO**”), the Company entered into an investment agreement with WISCO (the “**Investment Agreement**”) which provides that, if WISCO owns 10% or more of the outstanding shares of the Company on a non-diluted basis, WISCO will have the right to nominate, after consultation with the Company, a number of Directors of the Company at each meeting of shareholders of the Company at which Directors are to be elected. The number of Directors that may be nominated by WISCO pursuant to the terms of the Investment Agreement will be determined from time to time based on (a) the percentage of the common shares of the Company held by WISCO, and (b) the number of Directors comprising the Board of the Company from time to time, with the product rounded down to the nearest whole number of Directors. On the basis of WISCO’s current equity interest in the Company and the number of Directors proposed for election at the Meeting, WISCO currently has the right to designate two individuals as nominees. Yi Jun Kuang and Wei Ke Peng, are proposed by WISCO for election at the Meeting. Mr. Peng is currently a director of the Company.

The following disclosure sets out (a) the names of management’s nine nominees for election as Directors, (b) their major offices and positions with the Company and any significant, including service on committees of the Board since the last annual and special meeting of shareholders, (c) their principal occupation, business or employment, (d) the period of time during which each has been a Director of the Company, and (e) the number of shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at

August 9, 2013. For each nominee's principal occupation, business or employment for the five preceding years, see "Election of Directors – Principal Occupation, Business or Employment of Nominees".

Unless authority to do so with respect to one or more Directors is withheld, the persons designated as proxyholders in the accompanying Proxy intend to vote the Shares represented by such Proxy, properly executed **FOR** the election of each of the nominees set forth in the following disclosure. The Company's management does not contemplate that any of the nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority will be exercised by the persons named in the accompanying Proxy to vote any proxy for the election of any other person or persons in place of any nominee or nominees unable to serve.

Nominee name, position with the Company and residency	Occupation, business or employment	Director Since	Common shares beneficially owned, controlled or directed ⁽¹⁾
Sandy Chim, C.A. ⁽¹⁶⁾ Director, President and Chief Executive Officer Hong Kong, PRC	President and Chief Executive Officer of the Company	May 18, 2011	604,162 ⁽³⁾
Paul Murphy ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹⁴⁾ Director Toronto, Ontario, Canada	Chief Financial Officer of Guyana Goldfields Inc. and of Guyana Precious Metals Inc., Director of Alamos Gold Inc. and Continental Gold Inc.; Retired Partner of PricewaterhouseCoopers LLP	May 18, 2011	Nil ⁽⁴⁾
Ben Koon (David) Wong Director Hong Kong, PRC	Director of Prosperity Minerals Holdings Limited since May, 2004	May 18, 2011	500,000 ⁽²⁾
Hua Bai Director British Columbia, Canada	Chair of Northern Star Minerals Ltd., CEO of Deep Sea Capital Inc.	May 18, 2011	Nil ⁽⁵⁾
Maurice Strong ⁽¹⁴⁾⁽¹⁵⁾ Director and Vice-Chair Toronto, Ontario, Canada	Chair of Strovest Holdings Inc.	May 18, 2011	Nil ⁽⁶⁾
Howard Bernier ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹⁴⁾⁽¹⁵⁾⁽¹⁶⁾ Director Repentigny, Québec, Canada	Consultant	May 18, 2011	Nil ⁽⁷⁾
Yi Jun Kuang ⁽¹¹⁾ Proposed Director Wuhan, PRC	Vice-Head of the Financial Department, WISCO Overseas Mineral Resources	n/a	Nil ⁽¹¹⁾
Wei Ke Peng Director Wuhan, PRC	Chief Executive Officer of WISCO Brazil Metallurgy Investment Ltd.; Deputy Director of Overseas Mineral Resources Department, WISCO Group	May 18, 2011	Nil ⁽¹²⁾
Jionghui Wang ⁽¹⁶⁾ Director Beijing, PRC	Assistant President, China Minmetals Corporation, General Manager, Minmetals Exploration & Development Co., Ltd.	Sept. 29, 2011	Nil ⁽¹³⁾

Notes:

- (1) The number of shares beneficially owned, controlled or directed, directly or indirectly, by the above nominees for Directors, is based on information furnished by the nominees and from insider reports available under the Company's profile on SEDI at www.sedi.ca.
- (2) Purple Star Holdings Limited, a privately-held BVI company of which Mr. Wong is a controlling shareholder, owns approximately 49.5% of the shares of Century Coop which owns 49,781,316 common shares of the Company representing approximately 52.8% of the issued and outstanding common shares of the Company. The shares of the Company owned by Century Coop are excluded from the shareholdings reported in this table. Mr. Wong also holds options to purchase 260,000 common shares of the Company at an exercise price of \$2.92 per common share and expiring on May 17, 2016. See "*Director Compensation – Director Incentive Plan Awards*." In addition Mr. Wong holds options to purchase 60,000 common shares of the Company at an exercise price of \$2.92 per common share that expire on July 17, 2017, two thirds of which have vested with the remaining one third vesting on July 18, 2014.
- (3) Includes shares owned by Century Resources Capital Corporation, a private BVI company owned by Mr. Chim, which owns 100,762 common shares of the Company. Thriving Century Limited, a privately-held BVI company of which Mr. Chim is a controlling shareholder, indirectly owns approximately 30.6% of the shares of Century Coop which owns 49,781,316 common shares of the Company representing approximately 52.8% of the issued and outstanding common shares of the Company. The shares of the Company owned by Century Coop are excluded from the shareholdings reported in this table. In addition, Mr. Chim holds options to purchase 900,000 common shares of the Company at an exercise price of \$2.92 per common share and expiring on May 17, 2016. See "*Director Compensation – Director Incentive Plan Awards*". In addition Mr. Chim holds options to purchase 400,000 common shares of the Company at an exercise price of \$2.92 per common share that expire on July 17, 2017, two thirds of which have vested with the remaining one third vesting on July 18, 2014.
- (4) Mr. Murphy holds options to purchase 220,000 common shares of the Company at an exercise price of \$2.92 per common share and expiring on May 17, 2016. See "*Director Compensation – Director Incentive Plan Awards*". In addition Mr. Murphy holds options to purchase 85,000 common shares of the Company at an exercise price of \$2.92 per common share that expire on July 17, 2017, two thirds of which have vested with the remaining one third vesting on July 18, 2014.
- (5) Earnlead Investments Ltd., a privately-held BVI company of which Mr. Bai is a controlling shareholder, indirectly owns approximately 10% of the shares of Century Coop which owns 49,781,316 common shares of the Company representing approximately 52.8% of the issued and outstanding common shares of the Company. The shares of the Company owned by Century Coop are excluded from the shareholdings reported in this table. Mr. Bai also holds options to purchase 180,000 common shares of the Company at an exercise price of \$2.92 per common share and expiring on May 17, 2016. See "*Director Compensation – Director Incentive Plan Awards*". In addition Mr. Bai holds options to purchase 200,000 common shares of the Company at an exercise price of \$2.92 per common share that expire on July 17, 2017, two thirds of which have vested with the remaining one third vesting on July 18, 2014.
- (6) Mr. Strong, P.C. holds options to purchase 220,000 common shares of the Company at an exercise price of \$2.92 per common share and expiring on May 17, 2016. See "*Director Compensation – Director Incentive Plan Awards*". In addition Mr. Strong holds options to purchase 60,000 common shares of the Company at an exercise price of \$2.92 per common share that expire on July 17, 2017, two thirds of which have vested with the remaining one third vesting on July 18, 2014.
- (7) Mr. Bernier holds options to purchase 180,000 common shares of the Company at an exercise price of \$2.92 per common share and expiring on May 17, 2016. See "*Director Compensation – Director Incentive Plan Awards*". In addition Mr. Bernier holds options to purchase 60,000 common shares of the Company at an exercise price of \$2.92 per common share that expire on July 17, 2017, two thirds of which have vested with the remaining one third vesting on July 18, 2014.
- (8) Member of Governance and Nominating Committee in 2012-2013.
- (9) Member of the Audit Committee in 2012-2013.
- (10) Member of the Compensation Committee in 2012-2013.
- (11) Mr. Kuang is Vice-Head of the Financial Department, WISCO Overseas Mineral Resources and a nominee of WISCO. WISCO holds 23,197,768 common shares of the Company representing approximately 24.6% of the issued and outstanding shares of the Company.
- (12) Mr. Peng is Deputy General Manager of the Overseas Mineral Resources Division of Wuhan Iron & Steel (Group) Corporation, the parent of WISCO and a nominee of WISCO. WISCO holds 23,197,768 common shares of the Company representing approximately 24.6% of the issued and outstanding shares of the Company. Mr. Peng holds options to purchase 180,000 common shares at an exercise price of \$2.92 per common share and expiring on May 17, 2016. See "*Director Compensation – Director Incentive Plan Awards*". In addition Mr. Peng holds options to purchase

60,000 common shares of the Company at an exercise price of \$2.92 per common share that expire on July 17, 2017, two thirds of which have vested with the remaining one third vesting on July 18, 2014.

- (13) Mr. Wang is the Assistant President of China Minmetals Corporation and the General Manager of Minmetals Exploration & Development Co., Ltd. Minmetals Exploration & Development (Luxembourg) Limited S.à r.l., an affiliate of China Minmetals Corporation, holds 4,641,410 common shares of the Company representing approximately 4.9% of the issued and outstanding shares of the Company. In addition Mr. Wang holds options to purchase 60,000 common shares of the Company at an exercise price of \$2.92 per common share that expire on July 17, 2017, two thirds of which have vested with the remaining one third vesting on July 18, 2014.
- (14) Member of the Health & Safety Committee in 2012-2013.
- (15) Member of the Environmental Sustainability Committee in 2012-2013.
- (16) Member of the Technical Committee in 2012-2013.

Principal Occupation, Business or Employment of Nominees

Sandy Chim – Director, President and Chief Executive Officer

Sandy Chim, CPA, CA, is the founder, a Director and the President and Chief Executive Officer of the Company. His principal focus, since 2007, has been the development of the Company (and its predecessor companies). He is also currently a Director of Prosperity Minerals Holdings Limited (listed on AIM in London), an iron ore trader and real estate developer based primarily in China, and a Director of Augyva Mining Resources Inc. and Sage Gold Inc., both of which are publicly traded mineral resource exploration companies listed on the TSXV. Mr. Chim is also a member of the Supervisory Board of Anhui Chaodong Cement Co. Limited, a public company listed on the Shanghai Stock Exchange. His investments and involvement in developing iron ore assets in Canada started in 2005 as a substantial shareholder in Consolidated Thompson Iron Mines Limited and a joint venture partner, through an affiliated company, of the Bloom Lake mine. Over the course of his career, Mr. Chim has raised substantial capital from, and taken companies of various industries public on, various international capital markets, including in Australia, London and Hong Kong as well as Canada. This capital was raised for businesses involved in industries ranging from resource exploration, mining, building materials, manufacturing, and the financial markets. Mr. Chim received a Bachelor of Commerce degree from the University of New South Wales, Australia and an M.B.A. from York University, Canada. Mr. Chim is a Member of the Institute of Chartered Accountants of Ontario and the Institute of Chartered Secretaries and Administrators in Canada, and a Fellow Member of the Hong Kong Institute of Certified Public Accountants.

Paul Murphy – Lead Director

Paul Murphy has significant industry experience gained as a former Audit and Assurance Group Partner and former national leader for the Canadian mining industry group of PricewaterhouseCoopers LLP. After working for over thirty years with the firm, Mr. Murphy retired from PricewaterhouseCoopers LLP in May 2010. Mr. Murphy is the former Leader for the Western Hemisphere Mining Centre of Excellence and has worked almost exclusively in the resource industries for the past thirty years. His professional experience includes financial reporting controls, operational effectiveness, International Financial Reporting Standards and SEC reporting issues, financing, valuation and taxation as they pertain to the mining sector. For several years, Mr. Murphy oversaw a technical mining practice which certified financial completion tests and reviewed ore reserves for mines financed by Canadian and foreign banking syndicates. Mr. Murphy currently holds the position of Chief Financial Officer of Guyana Goldfields Inc. and of GPM Inc. He is also a Director of Alamos Gold Inc. and of Continental Gold Inc. Mr. Murphy has been qualified as a Chartered Accountant since 1975 and has a Bachelor of Commerce degree from Queen's University.

Jionghui Wang – Director

Jionghui Wang is Assistant President of China Minmetals Corporation, a state-owned diversified metals and mining company based in Beijing, and General Manager of Minmetals Exploration & Development Co., Ltd. Mr. Wang is also the President of the Presidium of China Mining Association, an executive Director of the China Association of Mining Right Appraisers, and an executive Director of the China Association of Mining Economy.

Previously, Mr. Wang was the Deputy General Manager of the China National Geological Mining Corporation and worked for the Changchun Institute of Geology and a number of companies. Mr. Wang graduated from the Changchun Institute of Geology and holds a master's degree and title of Research Fellow.

Ben Koon (David) Wong – Director

Ben Koon (David) Wong is Chair and Chief Executive Officer of Prosperity Minerals Holdings Limited (“**Prosperity Minerals**”), an iron ore operator, real estate developer, and cement investment holding company operating in China and listed on the AIM market of the London Stock Exchange. Mr. Wong is also Chair of Prosperity International Holdings (H.K.) Limited, the parent company of Prosperity Minerals, which is listed on the Hong Kong Stock Exchange. He is also a legal representative of Anhui Chaodong Cement Co. Limited, listed on the Shanghai Stock Exchange, in which Prosperity Minerals is the single largest shareholder with a holding of 33.1% interest. Mr. Wong's professional career spans over thirty years and includes more than twenty years of experience in cement and iron ore trading specifically.

Hon. Maurice Strong, P.C. – Director

The Honourable Maurice Strong, P.C. has over thirty years of experience at higher levels in business, and with government and international organizations. Mr. Strong has held numerous positions with international organizations. His past appointments include Under Secretary General and Special Advisor to the Secretary General of the United Nations; Senior Advisor to the President, World Bank; President, Power Corporation of Canada; Chair and Chief Executive Officer, Ontario Hydro and Member, International Advisory Board, Toyota Motor Corporation. Mr. Strong is a Member of the Queen's Privy Council of Canada, has received Honorary Doctorates from 53 universities in Canada, the United States, Europe and Asia, and has held numerous academic appointments, including visiting professorship at the University of Ottawa (2004) and honorary professorship at the University of Peking (Beijing) 2006.

Howard Bernier – Director

Howard Bernier is a former professional Metallurgical Engineer and a consultant to entities involved in the iron ore industry focused on developing iron ore properties in the Province of Québec and Brazil. He has served as a consultant and officer to various public companies, as the resident manager of Wabush Mines in Sept-Îles, Québec, and most recently as Chief Operating Officer of Consolidated Thompson Iron Mines Limited. Mr. Bernier's professional career, spanning some thirty-five years, has included all aspects of copper smelting and refining and iron pellet production, shipping and international metal sales. Mr. Bernier is a past member of the American Institute of Mining and Metallurgical and Petroleum Engineers and the Canadian Institute of Mining and Metallurgy. Mr. Bernier holds a B.Sc. (Engineering) from the École Polytechnique de Montréal, Québec. Mr. Bernier is a former member of the Order of Engineers of Québec.

Hua Bai – Director

Hua Bai is a businessman in China who has over twenty years of investment and commercial experience gained through his worked with various enterprises in China. Mr. Bai is currently a Director of Sage Gold Inc. (TSXV: SGX), the Chair of Northern Star Minerals Ltd., and also the President and Chief Executive Officer of Deep Sea Capital Inc. Mr. Bai has a degree in architecture.

Yi Jun Kuang – Proposed Director

Yi Jun Kuang currently serves as CFO of Labec Century Iron Ore Inc., and the executive position of Vice-Head of the Financial Department, WISCO Overseas Mineral Resources. He is a senior accountant with more than seven years of experience in the iron and steel industry. Prior to this, Mr. Kuang worked in China University of Geoscience. Mr. Kuang holds a Ph.D. in Management Science from Fudan University and also holds a Master's Degree in Systematic Engineering and a Bachelor's Degree in Industrial and Engineering Management from the China University of Geoscience.

Wei Ke Peng – Director

Wei Ke Peng currently serves as Deputy Director of the Overseas Mineral Resources Department of Wuhan Iron & Steel (Group) Corporation, and the Chief Executive Officer of WISCO Brazil Metallurgy Investment Ltd. He is a senior engineer and has over 20 years of experience in the iron and steel industry. From 1987 to 1990, Mr. Peng attended at the Chongqing University of Science and Technology majoring in steelmaking and from 2002 to 2006, he attended at the Huazhong University of Science and Technology majoring in computer and application. Mr. Peng also holds a Master of Business Administration degree from Wright State University.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

To the Company's knowledge, except as set out below, no proposed Director is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a Director, chief executive officer, or chief financial officer of any company (including the Company) that was subject to a cease trade order or an order similar to a cease trade order, or an order that denied the Company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days:

- a) that was issued while the proposed Director was acting in the capacity as Director, chief executive officer or chief financial officer; or
- b) 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.

To the Company's knowledge, except as set out below, no proposed Director is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a Director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of 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.

To the Company's knowledge, except as disclosed below, as of the date of this Information Circular, 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 shareholder in deciding whether to vote for a proposed Director.

Mr. Strong was a Director of Kinetex Resources Corporation when it was subjected to cease trade orders on July 22, 2010 and November 3, 2010 for failure to file continuous disclosure documents prescribed by securities regulations.

On August 8, 2005, Prosperity International Holdings (H.K.) Limited, a company of which Ben Koon (David) Wong is a Director and Chair, was found by The Stock Exchange of Hong Kong Limited to have breached its rules by failing to despatch and publish its annual accounts for the year ended March 31, 2003 in time, for failing to announce and publish a circular on time and failing to obtain prior independent shareholder approval for certain transactions conducted during the period from September 12, 2002 to November 26, 2002.

To the Company's knowledge, no proposed Director has, within ten years before the date of this 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 the proposed Director.

Except as set out below, no Director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company 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 investor in making an investment decision.

Ricky Chan was subject to disciplinary penalties imposed by the Investment Dealers Association of Canada in June 1999 for conduct unbecoming a registered representative by misleading his compliance officer and firm, for failing to have sales literature approved by his firm before publication and for failing to have appropriate documentation in place when conducting an options trade on behalf of a client.

Maurice Strong was one of seven named defendants in a class action lawsuit filed in the United States District Court of Massachusetts in 1997 involving alleged violations of Sections 10(b), 20(b), and 20A of the *United States Securities Exchange Act of 1934* by the named officers and Directors of Molten Metal Technology Inc. The action was ultimately settled pursuant to a settlement agreement among the parties which did not provide for any payment nor any admission of liability by Mr. Strong.

Conflicts of Interest

Conflicts of interest may arise as a result of the Directors of the Company also holding positions as Directors or officers of other companies. Some of the Directors and proposed Directors of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the Directors and officers of the Company are involved with companies in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under the CBCA. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting matter.

CORPORATE GOVERNANCE

Corporate Governance

Corporate governance refers to the policies and structure of the board of Directors of a company, whose members are elected by and accountable to the shareholders of the Company. Corporate governance encourages establishing a reasonable degree of independence of the board of Directors from executive management and the adoption of policies to ensure the board of Directors recognizes the principles of good management. The Board believes that good corporate governance improves corporate performance and benefits all shareholders and is committed to sound corporate governance practices.

As of the date of this Information Circular, the Company has adopted the following corporate governance policies:

- Code of Business Conducts and Ethics;
- Disclosure Policy;
- Corporate Governance Guidelines;
- Insider Trading Policy; and
- Disclosure Controls and Procedure Policy.

The Canadian Securities Administrators (the “CSA”) have adopted National Policy 58-201 – *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 –

Disclosure of Corporate Governance Practices, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with Form 58-101F1 – *Corporate Governance Disclosure*.

Board of Directors

The Board of the Company facilitates its exercise of independent supervision over management by ensuring representation on the Board by Directors who are independent of management and by promoting frequent interaction and feedback.

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Director’s independent judgment.

The Board has reviewed the relationship between each Director and the Company with a view to determining independence. The following table sets out the Company’s independent and non-independent Directors and the basis upon which the determination of independence was made:

Name	Independence	Basis for determination of non-independence
Marcel Aubut, Chair of the Board	Non-Independent	Mr. Aubut is considered to have a material relationship with the Company because he is a senior partner of Heenan Blaikie LLP, a law firm providing legal services to the Company.
Sandy Chim ⁽¹²⁾	Non-Independent	Mr. Chim is considered to have a material relationship with the Company because he currently serves as the President and Chief Executive Officer of the Company. Mr. Chim is also considered to have a material relationship with the Company because he is a controlling shareholder of Thriving Century Limited, a privately-held BVI company which indirectly owns approximately 30.6% of the common shares of Century Coop, which owns approximately 52.8% of the outstanding common shares of the Company.
Paul Murphy ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁶⁾⁽¹⁰⁾ Lead Director	Independent	Not applicable – no material relationship.
Ben Koon (David) Wong	Non-Independent	Mr. Wong is considered to have a material relationship with the Company because he is a controlling shareholder of Purple Star Holdings Limited, a privately-held BVI company which indirectly owns approximately 49.5% of the common shares of Century Coop which owns approximately 52.8% of the issued and outstanding shares of the Company.
Jacques Gauthier ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁸⁾	Independent	Not applicable – no material relationship.
Howard Bernier ⁽²⁾⁽⁴⁾⁽⁶⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹²⁾	Independent	Not applicable – no material relationship.
Hon. Maurice Strong, P.C. ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Independent	Not applicable – no material relationship.
Hua Bai	Non-Independent	Mr. Bai is considered to have a material relationship with the Company because he is a controlling shareholder of Earnlead Investments Ltd., a privately-held BVI company which indirectly owns approximately 10% of the common shares of Century Coop which owns approximately 52.8% of the issued and outstanding common shares of the Company.

Name	Independence	Basis for determination of non-independence
Zhong Xiang Kuang	Non-Independent	Mr. Kuang is not considered independent of the Company as he is a Director and General Manager of WISCO and is one of the nominees of WISCO on the Board. WISCO owns approximately 24.6% of the issued and outstanding shares of the Company.
Wei Ke Peng	Non-Independent	Mr. Peng is not considered independent of the Company as he is the Chief Executive Officer of an affiliate of WISCO and is one of the nominees of WISCO on the Board. WISCO owns approximately 24.6% of the issued and outstanding shares of the Company.
Jionghui Wang ⁽¹¹⁾	Independent	Not applicable – no material relationship.

Notes:

- | | |
|--|---|
| (1) Chair of Audit Committee. | (7) Chair of Environmental Sustainability Committee. |
| (2) Member of the Audit Committee. | (8) Member of Environmental Sustainability Committee. |
| (3) Chair of Governance and Nominating Committee. | (9) Chair of Health and Safety Committee. |
| (4) Member of Governance and Nominating Committee. | (10) Member of Health and Safety Committee. |
| (5) Chair of Compensation Committee. | (11) Chair of the Technical Committee. |
| (6) Member of Compensation Committee. | (12) Member of Technical Committee. |

As noted above, the Board is not comprised of a majority of independent Directors. However, the exercise of independent judgment by the Board is fostered in a number of ways. For example, the independent Directors meet periodically without the non-independent Directors and members of management. Also, the Board considers the independence of Directors in determining which Directors are to serve on committees, taking into account the roles of the committees and the likelihood that the independence of Directors will be important to the committee in discharging its responsibilities. Furthermore, the Board encourages independent Board members to discuss all matters with other independent Directors and non-independent Directors and management in order that they are fully informed and apprised of all matters necessary to make objective decisions as Directors. Finally, as discussed below, the independence of the Board Chair and the Lead Director are also important in fostering the independent exercise of judgment by the Board.

Exercise of Independence by the Board-the Board Chair and the Lead Director

As disclosed above, management is of the opinion that the Chair of the Board, Marcel Aubut, is non-independent.

To provide leadership to the independent Directors, the Board has also appointed from among the independent Directors Paul Murphy as the Lead Director. Mr. Murphy's most recent appointment as Lead Director in September 2012 obtained unanimous approval from the independent Directors.

The Lead Director's primary role is to provide leadership for the independent Directors, assist in managing any conflicts between the Company and any controlling shareholder, to focus on enhancing the effectiveness of the Board and to help ensure that the Board functions in an independent and cohesive fashion. In addition, the Lead Director, through consultation with the Chair of the Board, prepares agendas for meetings of the independent Directors, ensures meetings of the independent Directors are scheduled regularly, chairs such meetings and reports the results of such meetings to the Chair of the Board, and where necessary, to the Chief Executive Officer. The Lead Director is responsible for ensuring that Directors and management understand the independent role of the Board and the boundaries between the responsibilities of the Board and of management and for identifying and addressing impediments to the Board's ability to function independently of management. In circumstances of conflict by reason of the lack of independence of the Chair of the Board, the Lead Director acts as the liaison between management and the Board to ensure the relationship between management and the Board are conducted in a professional and constructive manner. This includes ensuring that the boundaries between the Board and management are clearly understood and respected by both management and Directors.

When warranted, the independent Directors plan to meet, in the absence of management and non-independent Directors, at the conclusion of scheduled Board meetings. In addition, where a matter under consideration at a

Board meeting warrants it and to ensure that free and candid discussions can take place, the Chair of the Board or Lead Director may request one or more members of management or non-independent Directors to withdraw during the discussions of that matter. The Lead Director may also call meetings of independent Directors at the request of any independent Director or on his own initiative.

Directorships

Certain of the Directors of the Company are also Directors of other reporting issuers. Other than as set out below and under “*Corporate Governance – Inter-Locking Directorships*”, none of the Directors of the Company serves on the board of Directors of any other reporting issuer with any other Director of the Company. The following table indicates which Directors are also Directors of other reporting issuers (or equivalent) in a Canadian jurisdiction or a foreign jurisdiction:

Name	Name of reporting issuer	Name of Exchange or Market	Position
Ben Koon (David) Wong	Prosperity International Holdings (H.K.) Limited	HKSE	Chair and Executive Director
	Prosperity Minerals Holdings Limited	AIM	Chair and Executive Director
Sandy Chim, C.A.	Sage Gold Inc.	TSXV	Director
	Augyva Mining Resources Inc.	TSXV	Director
	Prosperity Minerals Holdings Limited	AIM	Director
Paul Murphy	Continental Gold Limited	TSX	Director
	Alamos Gold Inc.	TSX	Director
Marcel Aubut	Aeterna Zentaris Inc.	TSX/ NASDAQ	Director
	Sama Resources Inc.	TSXV	Director
Jacques Gauthier	Atrium Innovations Inc.	TSX	Director
	Conporec Inc	TSXV	Director

Inter-Locking Directorships

Mr. Chim and Ben Koon (David) Wong are also Directors of Prosperity Minerals Holdings Limited.

Record of Meeting Attendance

Directors are expected to attend all meetings of the Board and the Board Committees of which they are members, to attend such meetings fully prepared, and to remain in attendance for the duration of the meeting. Where a Director’s absence from a meeting is unavoidable, the Director is responsible for contacting the Chair, the Chief Executive Officer or the General Counsel and Secretary of the Company as soon as possible for a briefing on the substantive elements of the meeting.

The Company completed its Qualifying Transaction on May 18, 2011, and each of the current members of the Board, except for Marcel Aubut, Jionghui Wang and Jacques Gauthier, have been Directors of the Company since that time. Mr. Aubut and Mr. Wang were first elected Directors of the Company on September 29, 2011. Jacques Gauthier was elected a Director on September 26, 2012. The Company held 6 Board meetings in the financial year ended March 31, 2013, not including meetings of the committees of the Board, meetings of the independent Directors and written consent resolutions adopted by the Board. The record of attendance of Directors at the meetings is as follows:

Name	Board meetings attended	Percentage of Board meetings attended (%)
Ben Koon (David) Wong	6	100%
Sandy Chim	6	100%
Paul Murphy ⁽¹⁾	5	83%
Jacques Gauthier ⁽¹⁾⁽²⁾	4	100%
Howard Bernier ⁽¹⁾	6	100%
Hon. Maurice Strong, P.C. ⁽¹⁾	5	83%
Hua Bai	5	83%
Wei Ke Peng	5	83%
Zhong Xiang Kuang	5	83%
Marcel Aubut	6	100%
Jionghui Wang	6	100%

Notes:

- (1) In addition to the 6 meetings of the full Board, 6 meetings of the independent Directors were held, with all independent Directors in attendance.
- (2) Mr. Gauthier was elected Director on September 26, 2012 and attended all Board Meetings in 2012-13 that were held after his election.

Mandate and Charters

In August 2013, after a review of the various charters, policies, terms of reference and other documents or guidelines adopted by the Board with respect to the corporate governance of the Company, the Board of the Company revised its corporate governance documents and guidelines such that they are now principally comprised of the following:

- Mandates describing the responsibilities of the Board, the Board Chair, the Lead Director of the Board and the Chief Executive Officer;
- Corporate Governance Guidelines;
- a Code of Business Conduct and Ethics;
- an Insider Trading Policy;
- a Disclosure Policy;
- a Disclosure Controls and Procedures Policy; and
- Charters for the following committees of the Board: the Governance and Nominating Committee, the Audit Committee, the Compensation Committee, the Disclosure Committee and the Corporate Social Responsibility Committee.

These mandates, policies and charters incorporate updates and revisions to the mandates, terms of reference, charters and policies previously adopted with respect to the Company's corporate governance. The updated instruments were developed pursuant to requirements under the pre-existing governance documents that the Board and its committees periodically review and update the various governance policies in light of the current needs of the Company, the nature of its operations and the experience of management and the Board.

Set out below is a summary of the Mandate of the Board of Directors and the responsibilities of each Board committee.

Mandate of the Board of Directors

As noted, the Board of the Company has adopted a written Mandate of the Board of Directors (the “**Board Mandate**”), a copy of which is reproduced in Schedule “A” to this Information Circular. This Board Mandate replaces the Terms of Reference for the Board of Directors which previously expressed the mandate of the Board. Under the Board Mandate, the Board of the Company is responsible for the stewardship and overall management and direction of the Company. Under the Board Mandate, the Board is also responsible for management, which is responsible for the day-to-day operation of the Company, and to act with a view towards the best interests of the Company.

Under the Board Mandate, the duties and responsibilities of the Board include the following:

- with respect to integrity and ethics, the Board is responsible for:
 - promoting a culture of integrity at the Company;
 - approving and monitoring compliance with, receiving reports under, and administering certain aspects of, the Company’s Code of Business Conduct and Ethics;
 - approving matters such as conflicts of interest, related party transactions and the treatment of confidential information;
 - directing management to ensure Company operations in compliance with applicable laws;
 - satisfying itself as to the integrity of the CEO and the other officers of the Company;
- in the area of corporate governance, the Board is responsible for:
 - overseeing the development of the Company’s approach to corporate governance and the review, approval and any updates to the Company’s Corporate Governance Guidelines and the Board Mandate;
 - overseeing the effectiveness, skills and experience of the Board, its committees and individual Directors;
 - assessing the form and adequacy of Director compensation;
 - receiving management reports and input so as to Company business;
 - establishing committees of the Board;
 - establishing position descriptions for the Board Chair, Lead Director and CEO, as well as others, and assess their performance;
 - considering the need for, and if appropriate establishing, new Director orientation and ongoing Director education processes;
 - fostering within the Board an understanding of expectations as to the involvement of Directors;
- with respect the Company’s human resources, the Board is responsible for:
 - approving the Company’s compensation strategy and philosophy;
 - all matters regarding the appointment of the CEO, monitoring his or her performance, setting CEO compensation;
 - receiving the CEO’s report as to performance and compensation of senior management and acting thereon;
 - monitoring corporate social responsibility commitments and obligations relating to matters that include to community relations, First Nations, and environmental and health and safety issues;
 - overseeing the selection, appointment, training, and monitoring of the Directors and officers;
 - review the succession plans for key senior management positions;
- with respect to strategic planning, the Board is responsible for:
 - strategic planning processes;
 - directing management with respect to reporting systems to measure the Company’s performance;
 - approving annual budgets;
- with respect to financial oversight, the Board is responsible for:
 - reviewing and approving major acquisitions, dispositions, investments, significant financings and other significant matters;

- approving financings and similar transactions;
- general responsibility for risk management;
- general responsibility for the oversight of Company communications and public disclosure; and
- general responsibility for internal controls and related financial matters, including oversight over the reliability and integrity of accounting matters, the implementation and integrity of internal control and the integrity of such systems; and
- review and approval of financial statements and related disclosure of financial performance.

Audit Committee

In connection with the corporate governance review undertaken by the Board in August 2013, the Board adopted a revised Charter of the Audit Committee, which is reproduced in Schedule “B” to this Information Circular. The Audit Committee is currently comprised of three Directors, Paul Murphy (Chair), Jacques Gauthier, and Howard Bernier. The Board has determined that all members of the Audit Committee are considered to be independent under the applicable TSX policies and National Instrument 52-110 – *Audit Committees*.

The Board has adopted a Charter of the Audit Committee. The Audit Committee is responsible for overseeing of the Company’s financial reporting process, on behalf of the Board. In this regard, the Audit Committee is responsible for, among other things, supervising the Company’s financial reporting and continuous disclosure, external audit activities, financial risk and financial management control, and general compliance with applicable laws and complaint procedures. The Audit Committee has full access to the external auditor and is responsible for approving the nomination, and establishing the independence, of the external auditor.

Governance and Nominating Committee

In connection with the corporate governance review undertaken by the Board in August 2013, the Board adopted a revised Charter for the Governance and Nominating Committee. This Committee is currently comprised entirely of Directors who are considered independent by the Board, namely Jacques Gauthier, Paul Murphy and Howard Bernier.

The Governance and Nominating Committee assists the Board with its oversight of corporate governance policies and practices, its assessment of the Board’s effectiveness and its review of the Board’s relationship with management in the area of independence. Among its other duties, this Committee is also responsible for most aspects relating to the composition of the Board and its committees, including nominations to the Board, recommendations for who should serve as committee chairs. As part of its mandate, the Governance and Nominating Committee reviews and assesses the Company’s corporate governance policies and procedures, mandates adopted by the Board for certain positions and the charters of committees of the Board.

Compensation Committee

In connection with the corporate governance review undertaken by the Board in August 2013, the Board also adopted a revised Charter for the Compensation Committee. The Company’s Compensation Committee is currently comprised of three Directors, Jacques Gauthier (Chair), Paul Murphy and Howard Bernier. All three members are considered to be independent members of the Board.

All Compensation Committee members have direct experience that is relevant to their responsibilities in executive compensation as a result of their positions with other public companies and their experience in the resource industry. Mr. Gauthier has been a member of the National Energy Board of Canada since December 2012. From 2010 to November 2012, Mr. Gauthier was Senior Vice President of Dessau Inc. and President and Chief Executive Officer at LVM, a soil and materials engineering subsidiary of Dessau Inc. that employs 1,500 people. From 2004 to 2009, Mr. Gauthier was Senior Vice President and Chief Operating Officer of Kruger Energy Inc., where he led the establishment of a new division dedicated to the development of renewable energy. Mr. Murphy has worked almost exclusively in the resource industries for the past thirty years and has served on the board of other public companies. Mr. Bernier has served as a consultant and officer to various public companies, as the resident manager of Wabush Mines in Sept-Îles, Québec, and most recently as Chief Operating

Officer of Consolidated Thompson Iron Mines Limited. Mr. Bernier's professional career, spanning some thirty-five years, has included all aspects of copper smelting and refining and iron pellet production, shipping and international metal sales.

Under the Company's corporate governance policies, the Compensation Committee's role is to establish a plan of continuity for management of the Company and to fulfill the Board's responsibilities relating to human resource and compensation matters for the Directors, the CEO and the other officers and members of senior management of the Company. In this regard, among its other duties the Compensation Committee reviews and makes recommendations to the Board regarding the compensation philosophy and guidelines for the Directors, officers and senior management of the Company, as well as the goals and objectives of officers and senior management. The Compensation Committee leads periodic reviews of the CEO's compensation, and is responsible for reporting the results of such review to the Board, and for reviewing the CEO's reports and recommendations as to the performance and compensation of officers other than the CEO (and ultimately reporting to the Board on such review). In addition, the Compensation Committee makes recommendations to the Board regarding equity incentive plans, other incentive compensation, and other benefit plans, as well as for specific equity incentive awards.

Disclosure Committee

In connection with the corporate governance review undertaken by the Board in August 2013, the Board also adopted a revised Charter for the Disclosure Committee. The Board has also Disclosure Committee is composed of Sandy Chim, Chief Executive Officer, Ivan Wong, Chief Financial Officer, and Michael Skutezky, General Counsel and Secretary. The Disclosure Committee is responsible for, among other things, monitoring the effectiveness of, and compliance with, the Disclosure Policy adopted by the Board, to oversee the education of Directors, officers and others about disclosure issues and the Disclosure Policy, and to review the Company's disclosure in public reports and filings, as well as on its website.

Corporate Social Responsibility Committee

In connection with the corporate governance review undertaken by the Board in August 2013, the Board determined to create a Corporate Social Responsibility Committee and adopted that Committee's charter. The Corporate Social Responsibility Committee has been assigned responsibility for overseeing and managing consultations with First Nations and the implementation of business activities that involve or impact First Nations communities. In addition, under its Charter this Committee will assume responsibility over the areas previously assigned to the Environmental Sustainability and the Health and Safety Committee. These include the review and approval of policies and monitoring of activities of the Company as they relate to environmental issues, reporting to the Board on environmental matters relating to the Company, reviewing and approving health and safety policies, monitor Company activities as they relate to health, safety and social issues affecting communities affected by the Company, and reporting to the Board on health and safety issues.

The members of the Corporate Social Responsibility Committee will be appointed by the Board after the Meeting. Currently, the Environmental Sustainability Committee is comprised of Maurice Strong, P.C. (Chair), Howard Bernier and Jacques Gauthier, and the Health and Safety Committee is currently comprised of Howard Bernier (Chair), Maurice Strong, P.C. and Paul Murphy.

Position Descriptions

Set out below are brief descriptions of the responsibilities assigned to the Board Chair, the Lead Director, the CEO and the chairs of each committee of the Board under the Mandates and committee charters adopted by the Board. These descriptions reflect those elaborated in the Mandates, policies and committee charters adopted in the context of the governance review undertaken by the Board in August 2013. Previously, the responsibilities of the positions described below were also included in terms of reference, policies, charters and other documents adopted by the Board.

The Chair of the Board

The Chair's general mandate is to oversee management of the Board's affairs, to monitor the Board's effectiveness, to foster effective relations among Board members, shareholders, other stakeholders and the public, to provide leadership on the Board by setting agendas and managing meetings of the Board, and to assist the CEO in executing his mandate with respect to Company affairs.

The Lead Director

The Lead Director's general mandate is to plan and chair meetings of the independent Directors, to identify and address impediments to the independent functioning of the Board and to liaise between the Board and management of the Company.

The Chief Executive Officer

The Chief Executive Officer's general mandate is to implement the Company's strategic and operating plans with a view to enhancing shareholder value, as well as to manage the Company on a day-to-day basis reporting to the Board. In the context of directing and overseeing the management of the Company's operations, under the current Mandate of the Chief Executive Officer as adopted by the Board, the CEO is asked to promote a culture of integrity, manage business strategies and plans, manage key members of senior management, oversee financial performance and work with the Board in the Board's exercise of its oversight role.

Committee Chairs

Under the Charters adopted for each of the Committees of the Board, the Chair of each Committee is responsible for leading the Committee in discharging the Committee's duties, facilitating communications to and within the Committee, facilitating access to management as necessary, organizing and chairing Committee meetings, leading the Committee in its review and assessment of its mandate and effectiveness, working to address continuous education needs and reporting to the Board on Committee matters.

Orientation and Continuing Education

The Governance and Nominating Committee, in conjunction with the Chair of the Board and the Chief Executive Officer, is responsible for reviewing, monitoring and making recommendations to the Board regarding the orientation and education of Directors. In addition, the Chairs of each Committee are also asked to canvass Committee members for continuous education needs.

The Board recognizes the importance of ongoing Director education. In order to ensure that our Directors maintain the skill and knowledge necessary to meet their obligations as Directors, the Governance and Nominating Committee will periodically canvas the Directors to determine their training and education and needs and interests, and facilitate the presentation by outside experts to the Board or committees on matters of particular import or emerging significance. In addition, since the shareholder meeting on September 26, 2012, the Board has met for three information sessions (in addition to regular Board and Committee meetings), and memoranda and other materials have been provided to the Board relating to various legal and regulatory issues concerning the Company's operations and governance.

Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics that governs the behaviour of its Directors, officers and employees. The Code sets out expectations for the conduct of the Company's business in accordance with all applicable laws, rules and regulations and the highest ethical standards. When new Directors or employees are engaged, they are provided a copy of the Code and required to sign an acknowledgement of having read the Code. This procedure is to be repeated if any significant amendments are made to the Code. The Code will also be circulated annually within the Company. Shareholders may obtain a copy of the Code of Business Conduct and Ethics by contacting Michael Skutezky, General Counsel and Secretary, at 416-977-3188.

The Code of Business Conduct and Ethics includes procedures and mechanisms for Directors, officers, and employees of the Company to report violations of, or concerns regarding, various matters (including financial statement disclosure issues, accounting matters, internal controls, fraud and misrepresentations) in relation to the Code. Where the reporting person does not wish to, or is not able to, discuss a concern with his or her immediate supervisor, reports may be submitted to the General Counsel and Secretary in Canada or to the Company's Chief Financial Officer in China, and with respect to financial matters directly to the Chair of the Audit Committee. Reports may be made anonymously. After an investigation of a report of non-compliance with the Code is completed, the matter is reported to the Audit Committee for consideration and appropriate action.

In addition to the procedure for complaints to be made (as described above), among the other measures taken to monitor compliance with the Code, in 2012 and 2013 the Company commissioned an independent review as to compliance with the Code.

The Board has in place a number of procedures designed to ensure that Directors exercise independent judgment in a matter where a Director or officer has a material interest, including the assessment made by the Board as to the independence of its Directors, which assessment provides the Board with a current understanding of the areas in which a Director may have a material interest in business of the Company, or matters under consideration by the Board. A Director who has a conflict of interest regarding any particular matter under consideration is required to advise the Board, refrain from debate on the matter and abstain from any vote regarding that matter.

Nomination of Directors

The Governance and Nominating Committee oversees the general and specific criteria for candidates to be considered for nomination as Directors with a view to ensuring the composition of the Board provides the necessary mix of skills and experience required to guide the long-term strategy and business operations of the Company. As part of this process, the Governance and Nominating Committee considers the competencies and skills required by the Board as a whole, and the particular competencies and skills that each Director possesses.

The review will take into account the diversity of background, skills and experience of the Directors, being the key characteristics that the Committee believes are required for effective Board participation. All Directors are encouraged to identify potential candidates for nomination.

The Committee will screen all prospective nominees and review their particular characteristics and skills against the identified criteria bearing in mind competencies and skills that may be lacking in the composition of the Board from time to time. Consideration will also be given to the perceived ability of a nominee to devote the time and effort needed to fulfilling his or her duties as a member of the Board.

Compensation

The compensation offered by the Company to its Directors, officers and senior management is designed to be motivational and to enable the Company to attract, retain and inspire performance of management of a quality and nature that will enhance the sustainable profitability and growth of the Company. The Compensation Committee is responsible for reviewing and recommending the compensation philosophy and guidelines for the Directors and officers of the Company. The Compensation Committee periodically reviews compensation matters and makes recommendations to the Board for consideration and approval when it believes changes in compensation are warranted.

Currently, the principal components of the executive compensation awarded by the Company are a base salary, a potential short term annual incentive award, and long term incentives in the form of stock options. This Information Circular discusses proposed amendments to the Company's stock option plan. If those amendments are approved, the compensation offered to Directors, officers and senior management, as well as other employees could include other form of equity-based compensation as a component of long term incentive compensation. Furthermore, the Board has specifically approved that, should the proposed amendments to the stock option plan be approved, share units would be issued to complement stock options as a component of long term incentive compensation.

For a discussion of the compensation structure, see “Executive Compensation – Compensation Discussion and Analysis”.

Corporate Disclosure Policy

The Board has adopted Disclosure Policy which is intended to ensure that all material information relating to the Company is communicated appropriately and in a timely manner to the public and shareholders. The policy also applies to the dissemination of annual and quarterly reports, press releases and other reports. In addition to annual general meetings, meetings between management of the Company and various investors and investment analysts occur occasionally, all of which will be governed by the Disclosure Policy.

Assessments

In accordance with its Charter, the Governance and Nominating Committee, with input from the Board Chair and the Lead Director, assesses the performance of the Board and its Directors. This Committee also reviews the performance of the Board Chair, the Lead Director, Committee Chairs and each Committee. These assessments are taken into account when the Governance and Nominating Committee makes its recommendations to the Board regarding Director nominations, as well as regarding specific positions on the Board and its Committees.

AUDIT COMMITTEE

For information regarding the Audit Committee, please refer to the Company’s Annual Information Form dated June 27, 2013 (the “AIF”) under “Additional Information – Audit Committee”. A copy of the Audit Committee Charter in effect until August 9, 2013 is attached as Schedule “A” to the AIF. The AIF is available under the Company’s profile on SEDAR at www.sedar.com and a copy of the AIF is available upon request from Michael Skutezky, General Counsel and Secretary, free of charge to shareholders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a shareholder of the Company, who requests a copy of the AIF.

A copy of the revised Charter of the Audit Committee adopted on August 9, 2013 is reproduced in Schedule “B” to this Information Circular.

EXECUTIVE COMPENSATION

In this section, “named executive officer” means each of the following individuals: (i) an individual who acted as chief executive officer of the Company for any part of the most recently completed financial year; (ii) an individual who acted as chief financial officer of the Company for any part of the most recently completed financial year; (iii) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, other than an individual under (i) or (ii), at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, and (iv) each individual who would be a named executive officer under (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Summary Compensation Table

The table below sets out information concerning the compensation earned or awarded to the Company Named Executive Officers during the financial years ended March 31, 2013, 2012 and 2011.

SUMMARY COMPENSATION TABLE

Non-equity incentive plan compensation (\$)

Name and principal position	Year	Salary (\$)	Share based awards	Option-based awards ⁽¹⁾ (\$)	Annual incentive plans	Long-term incentive plans	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Sandy Chim Chief Executive Officer	2013	395,000	Nil	654,367	210,000	Nil	Nil	Nil	1,259,367
	2012	280,000	Nil	1,168,200	Nil	Nil	Nil	Nil	1,448,200
	2011 ⁽²⁾	70,000	Nil	Nil	Nil	Nil	Nil	Nil	70,000
Hubert Vallée Senior VP of Logistics, Mine Development and Operations	2013	350,000	Nil	213,800	Nil	Nil	Nil	Nil	563,800
Ivan Wong Chief Financial Officer	2013	200,000	Nil	291,220	40,000	Nil	Nil	Nil	531,220
	2012	120,000	Nil	519,200	Nil	Nil	Nil	Nil	639,200
	2011 ⁽³⁾	30,000	Nil	Nil	Nil	Nil	Nil	Nil	30,000
Hua Bai VP, China Operations	2013	150,000	Nil	151,953	50,000	Nil	Nil	Nil	351,953
	2012	100,000	Nil	233,640	Nil	Nil	Nil	Nil	333,640
	2011 ⁽⁴⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ricky Chan Vice-President Planning and Operations	2013	180,000	Nil	234,030	30,000	Nil	Nil	Nil	444,030
	2012	125,000	Nil	415,360	Nil	Nil	Nil	Nil	540,360
	2011 ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael Skutezky General Counsel and Secretary	2013	144,000	Nil	216,658	24,000	Nil	Nil	Nil	384,658
	2012	100,000	Nil	389,400	Nil	Nil	Nil	Nil	489,400
	2011 ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) See the discussion below regarding fair value of options.
- (2) Mr. Chim was appointed Chief Executive Officer of the Company upon completion of the Company's Qualifying Transaction on May 18, 2011. Accordingly, the amounts for 2011 for Mr. Chim relate to the compensation Mr. Chim received from Century Holdings or its subsidiaries. As Century Holdings was incorporated on September 22, 2010, figures reflect compensation provided to Mr. Chim by Century Holdings from the date of incorporation until the end of its most recently completed financial year ended March 31, 2011. Mr. Chim did not receive any compensation from Century Holdings or its subsidiaries prior to September 22, 2010.
- (3) Mr. Wong was appointed Chief Financial Officer of the Company upon completion of the Company's Qualifying Transaction on May 18, 2011. Accordingly, the amounts for 2011 for Mr. Wong relate to the compensation Mr. Wong received from Century Holdings or its subsidiaries. As Century Holdings was incorporated on September 22, 2010, figures reflect compensation provided to Mr. Wong by Century Holdings from the date of incorporation until the end of its most recently completed financial year ended March 31, 2011. Mr. Wong did not receive any compensation from Century Holdings or its subsidiaries prior to September 22, 2010.
- (4) Mr. Bai was appointed Vice President, China Operations of the Company upon completion of the Company's Qualifying Transaction on May 18, 2011.
- (5) Mr. Chan was appointed Vice President, Planning and Operations of the Company upon completion of the Company's Qualifying Transaction on May 18, 2011.
- (6) Mr. Skutezky was appointed General Counsel and Secretary of the Company upon completion of the Company's Qualifying Transaction on May 18, 2011.

Fair Value of Options

The fair value of the options granted in the year ended March 31, 2013 has been estimated as at the date of grant using the Black-Scholes option pricing model, using the following assumptions:

Options granted on April 26, 2012:

- an average risk free interest rate of 1.04%, dividend yield of 0%, volatility of 94% and an expected life of 4 years;
- per option fair value = \$1.069
- per option fair value recognized for the year ended March 31, 2013 = \$0.853

Options granted on July 18, 2012:

- an average risk free interest rate of 1.04%, dividend yield of 0%, volatility of 94% and an expected life of 4 years;
- per option fair value = \$0.527
- per option fair value recognized for the year ended March 31, 2013 = \$0.361

The weighted average option pricing assumptions and the resultant fair values are as follows: expected average option term of years is 3, zero dividend yield; weighted average expected volatility of 50%, and weighted average risk-free interest rate of 2.24%.

Executive Incentive Plan Awards – Outstanding Share-based Awards and Option-based Awards

For a discussion of the Company's Stock Option Plan, see "Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan", below.

The following table sets out all share-based and option-based awards outstanding as at March 31, 2013 for each Named Executive Officer. This table includes awards granted prior to the most recently completed financial year ended March 31, 2013.

Name	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾	Number of shares that have not vested	Market or payout value of share-based awards that have not vested
		(\$)		(\$)	(#)	(\$)
Sandy Chim President and Chief Executive Officer	900,000	2.92	May 17, 2016	Nil	N/A	N/A
	400,000	2.92	July 17, 2017	Nil	N/A	N/A
Hubert Vallée Senior VP of Logistics, Mine Development and Operations	600,000	2.92	April 25, 2017	Nil	N/A	N/A
	400,000	2.92	May 17, 2016	Nil	N/A	N/A
Ivan Wong Chief Financial Officer	180,000	2.92	July 17, 2017	Nil	N/A	N/A
	180,000	2.92	May 17, 2016	Nil	N/A	N/A
Hua Bai VP. China Operations	200,000	2.92	July 17, 2017	Nil	N/A	N/A
	180,000	2.92	May 17, 2016	Nil	N/A	N/A
Ricky Chan Vice-President Planning and Operations	320,000	2.92	May 17, 2016	Nil	N/A	N/A
	150,000	2.92	July 17, 2017	Nil	N/A	N/A
Michael Skutezky General Counsel and Secretary	300,000	2.92	May 17, 2016	Nil	N/A	N/A
	125,000	2.92	July 17, 2017	Nil	N/A	N/A

Notes:

- (1) The value of unexercised "in-the-money options" is the difference between the option exercise price and the market value of the underlying stock on the TSX as at March 31, 2013 of \$0.41 per share.

Executive Incentive Plan Awards – Value Vested During the Year

The following table summarizes for each Named Executive Officer the value of share-based and option-based awards vested, and the value earned of non-equity incentive plan compensation, during the financial year ended March 31, 2013:

Name	Option-based awards – value vested during the period (\$)	Share-based awards – value vested during the period (\$)	Non-equity incentive plan compensation – value earned during the period (\$)
Sandy Chim	654,367	Nil	Nil
Hubert Vallée	213,800	Nil	Nil
Ivan Wong	291,220	Nil	Nil
Hua Bai	151,953	Nil	Nil
Ricky Chan	234,030	Nil	Nil
Michael Skutezky	216,658	Nil	Nil

Compensation Discussion and Analysis

This section provides information about the Company's compensation-related objectives and procedures. It also includes a discussion of the compensation decisions relating to the Company NEOs listed in the summary compensation table above.

The Company currently has no revenues from operations. Consequently, in determining executive compensation, the Board considers the Company's financial circumstances at the time decisions are made regarding executive compensation, and also the mid and long-term forecasted financial position of the Company. Since the Company's operations do not currently earn revenue, equity incentives such as stock options and share units are considered by the Company and its Board as an important component of executive compensation, insofar as these forms of compensation do not necessarily require cash disbursements by the Company.

The Company has entered into employment agreements with each of its NEOs. For a description of the employment agreements entered into between the Company and certain of its NEOs, see "*Executive Compensation – Employment Agreements and Termination and Change of Control Benefits*" below.

Additional information about the Company and its operations is available in the Company's audited consolidated financial statements, which are available under the Company's profile on SEDAR at www.sedar.com.

Principles, Components and Policies

The Compensation Committee is responsible for recommending the compensation of the Company's executive officers to the Board. In establishing compensation levels for executive officers, the committee seeks to accomplish the following goals:

- to recruit and subsequently retain highly qualified executive officers by offering overall compensation which is competitive with that offered for comparable positions in other mineral exploration companies of a similar size and overall stage of business development;
- to motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and
- to align the interests of executive officers with the long-term interests of shareholders through participation in the Company's stock option plan.

Currently, the Company's executive compensation package consists of a base salary, discretionary annual cash bonus and long-term incentives in the form of share options. This Information Circular discusses proposed amendments to the Company's stock option plan. If those amendments are approved, the compensation offered to Directors, officers and senior management, as well as other employees could include other form of equity-

based compensation as a component of long term incentive compensation. Furthermore, the Board has specifically approved that, should the proposed amendments to the stock option plan be approved, share units would be issued to complement stock options as a component of long term incentive compensation.

The components of long term incentive compensation offered by the Company have been established for the Company's executive compensation package, on basis that a competitive base salary and opportunity for annual cash bonuses are required in order to retain key executives, and participation in the Company's equity-based incentive compensation awards should align the interests of management with those of the Company's shareholders, as well as contribute to the ongoing success of the Company.

In considering compensation offered to management, the Compensation Committee considered the risks associated with the Company's compensation policies and practices and concluded that, given the nature of the Company's business and the role of the Compensation Committee in overseeing the Company's executive compensation practices, the compensation policies and practices do not serve to encourage any NEO or individual at a principal business unit or division to take inappropriate or excessive risks, and no risks were identified as arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Although the Company has not adopted a policy disallowing insiders from purchasing financial instruments designed to hedge or offset any decrease in market value of Shares or any other securities of the Company, the Company is not aware of any insiders having purchases such instruments.

Base Salary

The Named Executive Officers are paid a salary that is designed to ensure that the compensation package offered by the Company is competitive with that offered by others in the mineral exploration industry, and that fairly compensates the Named Executive Officer for efforts behalf of the Company. Base salaries for executive officers are evaluated against the responsibilities inherent in their positions with the Company, as well as each individual's experience and past performance. Compensation levels are also compared to the competitive marketplace for management talent at other mineral exploration companies that are at similar stages of development, market capitalization and size.

Annual Incentive Cash Bonuses

The Named Executive Officers are entitled to be considered for a discretionary annual incentive cash bonus at the end of each year. The Company has not established any defined performance measures on which these bonuses are based. In general, the Compensation Committee will evaluate the granting of the discretionary bonus following the end of each year based on the Company's overall financial circumstances, together with the performance of the Named Executive Officer. For the financial years ended March 31, 2012 and March 31, 2011, the Company awarded discretionary bonuses to the Named Executive Officers as reflected in the *Summary Compensation Table* provided above under the heading "Annual Incentive Plans". For the financial year ended March 31, 2013, discretionary bonuses to the Named Executive Officers have not yet been paid. The Company's objectives in granting annual incentive cash bonuses generally include:

- attracting and retaining talented, qualified and effective executives,
- motivating the short and long-term performance of these executives, and
- better aligning their interests with those of the Company's shareholders.

Long-Term Incentives – Equity-based incentive compensation

Share options have been granted to reward individuals for current performance and to align the long-term interests of the Named Executive Officers (as well as other optionees) with shareholders. Share options are granted in accordance with the Company's stock option plan. The exercise price for options granted under the plan cannot be less than the market price of the securities at the time the option is granted, and must otherwise

comply with the policies of the TSX. See “*Securities Authorized for Issuance Under Equity Compensation Plans*” below.

As noted, this Information Circular discusses proposed amendments to the Company’s stock option plan to permit other forms of equity-based compensation arrangements in addition to stock options. If those amendments are approved, the resulting Equity Incentive Plan of the Company would allow for other types of equity incentive awards to Named Executive Officers, Directors, employees and others providing services to the Company. The objective of this amendment is to provide the Company with the ability to compensate its Directors, management and employees with forms of equity-based compensation other than stock options, while nonetheless linking the compensation of the recipients of those awards to Directors, executives, key employees and others providing services to the Company to the Company’s long term success, as well as to promote retention and motivation among these individuals.

If the proposed amendments to the Company’s stock option plan are approved, the Board has approved that share units tied both to continued service and to established performance objectives would then be granted under the resulting Equity Incentive Plan. These share units would become an additional component of compensation to officers (including the Named Executive Officers), Directors, key employees and others providing services to the Company. A portion of the share units granted would vest over time provided the unit holders continue to be employed by or provide services to the Company for the required vesting period, and the balance would vest if identified performance criteria are met and achieved. For vested share units, the holders would be entitled to payment in cash or in shares of the Company, at the election of the Company. Each share unit would be equivalent to one common share of the Company. If a unit holder is to receive payment of his or her share units in cash, the amount of the payment would be the fair market value of common shares of the Company. Generally, the Board will have discretion to determine the date as of which the fair market value of common shares is determined for these purposes, provided that the date cannot be earlier than the date when all pre-conditions to payment under a share unit have been satisfied. However, when a share unit is granted, the Board may specify in the applicable agreement another date or principle for determining the fair market value of common shares for purposes of share unit payments.

Compensation-Related Report

In March of 2012, the Company received a report from a compensation consultant, Roger Gurr & Associates, regarding the appropriateness of the Company’s executive (and Director) compensation structure. In preparing the report, the Company’s compensation structure was compared to the compensation offered by a group of 14 comparable companies. The report concluded that the Company’s executive compensation structure is reasonable with respect to salary, annual bonus opportunities and annual stock option issuances. The report also noted that in order to provide more attractive compensation packages, if capacity was available, larger annual issuances of stock options could be provided.

The Company did not commission a similar report from a compensation consultant in 2013.

On July 2, 2013, the Company retained Towers Watson to provide assistance in designing and implementing a long-term incentive plan for the Company’s executives, key employees, Directors and others. The amendments to the Company’s stock option plan proposed in this Information Circular will, if approved, allow the Company to implement revisions to its long-term incentive compensation plans that result from its work with Towers Watson.

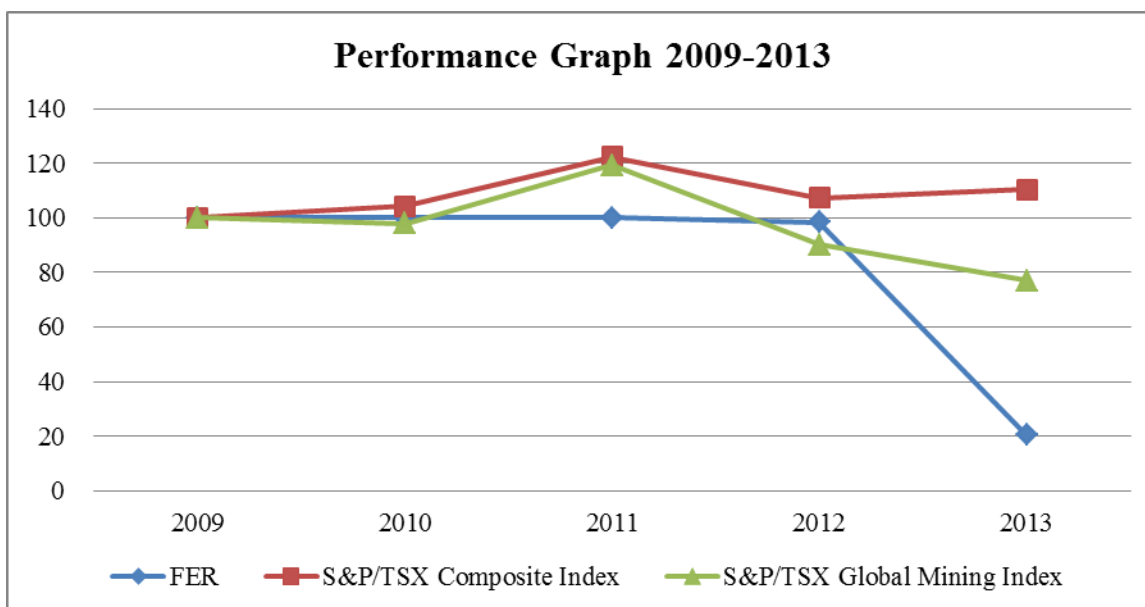
Executive Compensation-Related Fees and All Other Fees

For the financial years ended March 31, 2012 and March 31, 2013, and during the period since March 31, 2013, the aggregate fees billed to the Company by each consultant or advisor for services related to determining compensation for any of the Company’s Directors and executive officers were \$26,000, \$Nil and \$16,050, respectively. For the same periods, the aggregate fees billed to the Company by each consultant or advisor for all other services were \$5,900, \$Nil and \$Nil, respectively. These fees do not include fees of legal counsel incurred with respect to any assessment and implementation of the recommendations of these consultants.

Performance Graph

The following graph depicts the Company's cumulative total shareholders' return on March 31 of each year since November 24, 2009, the day when the Company completed its initial public offering and became listed on the TSX Venture Exchange (the "TSXV") under its former name of Red Rock Capital Corp., assuming a \$100 investment in the Company's common shares on its first day of listing, compared to an equal investment in the S&P/TSX Composite Index and the S&P/TSX Global Mining Index.

On May 18, 2011, the Company completed the Qualifying Transaction, whereby its common shares were consolidated on the basis of one post-consolidation share for each previous outstanding ten common shares of the Company effective May 16, 2011. On September 19, 2011, the Company graduated from the TSXV to the Toronto Stock Exchange. The shareholders' return in the graph has been adjusted for the effects of the share consolidation.



During the period shown on this graph, the Company increased its compensation to executive officers consistent with the increased activities of the Company. Since May 2011 when the Company began operating its current business, the operations and activities of the Company, and the corresponding responsibilities of, and demands imposed upon, executive officers have steadily increased. As a result, the compensation paid to executive officers has also increased over that period of time. Furthermore, under the direction of the executive officers the Company has achieved important milestones, including the completion of preliminary economic assessments on two of its properties in the Spring of 2013, and the additional of significant iron ore resources as confirmed in reports prepared under *National Instrument 43-101*. During the same period, the Company's share price declined, particularly since December 2012, and the decline was greater than the decline of the S&P/TSX Composite Index and the S&P/TSX Global Mining Index. However, the Board feels that the decline in share price does not relate to the performance of management of the Company, but is instead related to overall macroeconomic conditions and conditions specific to iron ore exploration.

The Company does not currently issue dividends. The common share performance as set out in the graph does not necessarily indicate future price performance. There is no correlation between the trend of the Company's stock price and the Company's executive compensation.

Employment Agreements and Termination and Change of Control Benefits

The Company has entered into Executive Employment Agreements with five of its Named Executive Officers of the Company, namely Sandy Chim, Hubert Vallée, Ivan Wong, Ricky Chan, and Michael Skutezky. Pursuant to

the terms of the Executive Employment Agreements, each of those Named Executive Officers receive an annual base salary, are entitled to (i) participate in the Company's stock option plan, (ii) receive discretionary annual cash bonuses and other standard benefits made available by the Company to its employees, and (iii) are reimbursed for all reasonable expenses incurred in connection with their duties on behalf of the Company. The base salary of each executive will be reviewed annually and any adjustment will be based on the performance of the executive. All of these Named Executive Officers, under their respective Executive Employment Agreements, are subject to non-competition provisions during the term of their respective agreement and for a period of 12 months thereafter, and confidentiality provisions.

If the Company terminates or declines to renew the Executive Employment Agreement with the applicable Named Executive Officer less than 12 months after a Change of Control (as defined below), or if the Named Executive Officer determines to resign from his engagement with the Company during the first 12 months following a Change of Control of the Company, the Company is required to pay to the applicable Named Executive Officer listed below a lump sum of money equal to the amount set opposite his name:

Sandy Chim – 36 months of base salary at the time of termination, plus all cash bonuses paid in the 12 months prior to the termination or resignation

Hubert Vallée – 24 months of base salary at the time of termination, plus all cash bonuses paid in the 24 months prior to the termination or resignation

Ivan Wong – 24 months of base salary, plus an amount equal to all cash bonuses paid in the 12 months prior to the termination or resignation

Ricky Chan – 24 months of base salary, plus an amount equal to all cash bonuses paid in the 12 months prior to the termination or resignation

Michael Skutezky – 24 months of base salary, plus an amount equal to all cash bonuses paid in the 12 months prior to the termination or resignation

Under the Executive Employment Agreements, a “**Change of Control**” shall have occurred if:

- a) there is any sale of all or substantially all of the Company's assets or business to another person or persons pursuant to one or a series of transactions;
- b) at any time any person or persons, other than the current control persons of the Company, acting jointly or in concert directly or indirectly acquire beneficial ownership of an aggregate of more than 30% of the outstanding voting securities of the Company;
- c) a majority of the Board consists of individuals which management of the Company has not nominated for election or appointment as Directors; or
- d) the Company completes an acquisition, share exchange, amalgamation, consolidation, merger, arrangement or other business combination and the shareholders of the Company immediately prior to the completion of such transaction hold in the aggregate less than 60% of the votes attaching to the equity securities of the resulting or remaining parent company immediately after completion of such transaction.

The estimated incremental payments from the Company to each applicable Named Executive Officer upon a Change of Control, assuming the triggering event occurred on March 31, 2013, are as follows:

<u>Named Executive Officer</u>	<u>Element</u>	<u>Change in Control Payments</u>
Sandy Chim, President and CEO	Salary	\$1,185,000
	Cash Bonus	\$210,000
Hubert Vallée, Senior VP of Logistics, Mine Development and Operations	Salary	\$700,000
	Cash Bonus	Nil
Ivan Wong, CFO	Salary	\$400,000
	Cash Bonus	\$40,000
Ricky Chan Vice-President Planning and Operations	Salary	\$360,000
	Cash Bonus	\$30,000
Michael Skutezky General Counsel and Secretary	Salary	\$288,000
	Cash Bonus	\$24,000

DIRECTOR COMPENSATION

Director Compensation

Pursuant to the report of the Consultant and as recommended by the Compensation Committee, the Board adopted the following compensation structure in July 2012 for the services of members of the Board and its various committees. The Board is satisfied that the following compensation is reasonable and will assist the Company in attracting and retaining superior candidates for Board service:

<u>Services provided</u>	<u>Compensation payable</u>
Board Members (non-management Directors other than Chair)	\$30,000 per year
Chair	\$50,000 per year (in addition to annual Board retainer)
Lead Director	\$5,000 per year (in addition to annual Board retainer)
Board Meeting Fees (non-management Directors other than Chair)	\$1,000 per meeting
Chair, Audit Committee	\$10,000 per year (in addition to annual Board retainer)
Chair, Technical Committee	\$10,000 per year (in addition to annual Board retainer)
Chair, Compensation Committee	\$10,000 per year (in addition to annual Board retainer)
Chair, Other Committee	\$3,000 per year (in addition to annual Board retainer)
Board Committee Member (non-management Directors)	\$2,000 per year (in addition to annual Board retainer)
Board Committee Meeting Fees (non-management Directors)	\$1,000 per meeting
Chair, Compensation Committee	\$10,000 per year (in addition to annual Board retainer)
Chair, Other Committee	\$3,000 per year (in addition to annual Board retainer)

The following table discloses the compensation provided to the Directors of the Company (other than Directors who are also Named Executive Officers) for the Company's financial year ended March 31, 2013. Compensation of Directors who are also Named Executive Officers is disclosed under "Executive Compensation" above.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Ben Koon (David) Wong	Nil	Nil	179,280	Nil	Nil	Nil	179,280
Marcel Aubut ⁽²⁾	87,000	Nil	148,440	Nil	Nil	Nil	235,440
Maurice Strong, P.C.	52,000	Nil	153,320	Nil	Nil	Nil	205,320
Paul Murphy	70,000	Nil	157,712	Nil	Nil	Nil	227,712
Howard Bernier	62,000	Nil	127,360	Nil	Nil	Nil	189,360
Zhong Xiang Kuang	30,000	Nil	127,360	Nil	Nil	Nil	157,360
Wei Ke Peng	30,000	Nil	127,360	Nil	Nil	Nil	157,360
Jionghui Wang ⁽²⁾	30,000	Nil	127,360	Nil	Nil	Nil	157,360
Jacques Gauthier	19,750	Nil	28,440	Nil	Nil	Nil	48,190

Notes:

(1) The fair value of the options granted in the year ended March 31, 2013 has been estimated as at the date of grant using the Black-Scholes option pricing model, using the following assumptions:

Options granted on July 18, 2012:

- An average risk free interest rate of 1.04%, dividend yield of 0%, volatility of 94% and an expected life of 4 years.
- Per option fair value = \$0.527
- Per option fair value recognized for the year ended March 31, 2013 = \$0.361

Options granted on November 12, 2012:

- An average risk free interest rate of 1.04%, dividend yield of 0%, volatility of 94% and an expected life of 4 years.
- Per option fair value = \$0.474
- Per option fair value recognized for the year ended March 31, 2013 = \$0.248

(2) Mr. Aubut and Mr. Wang were first elected Directors of the Company on September 29, 2011.

Director Incentive Plan Awards - Outstanding Option-based Awards as at March 31, 2013

For a discussion of the Company's Stock Option Plan, see "Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan", below.

The following table sets out all share-based and option-based awards granted to the Company's Directors (other than Directors who are also Named Executive Officers) that are outstanding as at March 31, 2013. (Compensation of Directors who are also Named Executive Officers is disclosed under "Executive Compensation – Executive Incentive Plan Awards – Outstanding Share-based Awards and Option-based Awards" above.) This table includes awards granted prior to the most recently completed year ended March 31, 2013.

Name	Option-based awards			Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares that have not Vested (#)	Market or payout value of share-based awards that have not vested (\$)
Ben Koon (David)	260,000	2.92	May 17, 2016	Nil	N/A	N/A
Wong	60,000	2.92	July 17, 2017	Nil	N/A	N/A
Marcel Aubut	180,000	2.92	May 17, 2016	Nil	N/A	N/A
	180,000	2.92	July 17, 2017	Nil	N/A	N/A
Maurice Strong, P.C.	220,000	2.92	May 17, 2016	Nil	N/A	N/A
	60,000	2.92	July 17, 2017	Nil	N/A	N/A
Paul Murphy	220,000	2.92	May 17, 2016	Nil	N/A	N/A
	85,000	2.92	July 17, 2017	Nil	N/A	N/A
Howard Bernier	180,000	2.92	May 17, 2016	Nil	N/A	N/A
	60,000	2.92	July 17, 2017	Nil	N/A	N/A
Zhong Xiang Kuang	180,000	2.92	May 17, 2016	Nil	N/A	N/A
	60,000	2.92	July 17, 2017	Nil	N/A	N/A
Wei Ke Peng	180,000	2.92	May 17, 2016	Nil	N/A	N/A
	60,000	2.92	July 17, 2017	Nil	N/A	N/A
Jionghui Wang	180,000	2.92	May 17, 2016	Nil	N/A	N/A
	60,000	2.92	July 17, 2017	Nil	N/A	N/A
Jacques Gauthier	180,000	2.92	November 11, 2017	Nil	N/A	N/A

Notes:

- (1) The value of unexercised “in-the-money options” is the difference between the option exercise price and the market value of the underlying stock on the TSX as at March 31, 2013 of \$0.41 per share.

Director Incentive Plan Awards – Value Vested During the Year

The following table summarizes for each Director of the Company (other than Directors who are also Named Executive Officers) the value of share-based and option-based awards vested during the year ended March 31, 2013. (Compensation of Directors who are also Named Executive Officers is disclosed under “Executive Compensation – Executive Incentive Plan Awards – Value Vested During the Year” above.)

Name	Option-based awards – value vested during the period (\$)	Share-based awards – value vested during the period (\$)	Non-equity incentive plan compensation – value earned during the period (\$)
Ben Koon (David) Wong	179,280	Nil	Nil
Marcel Aubut	148,440	Nil	Nil
Maurice Strong, P.C.	153,320	Nil	Nil
Paul Murphy	157,712	Nil	Nil
Howard Bernier	127,360	Nil	Nil
Zhong Xiang Kuang	127,360	Nil	Nil
Wei Ke Peng	127,360	Nil	Nil
Jionghui Wang	127,360	Nil	Nil
Jacques Gauthier	28,440	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Stock Option Plan

The Company's stock option (the "**Stock Option Plan**") was approved by shareholders of the Company at the annual and special meeting of shareholders held on September 26, 2012. A copy of the Stock Option Plan is attached as Exhibit "B" to the information circular dated August 28, 2012 for that meeting. That document can be accessed on SEDAR at www.sedar.com. As noted in this Information Circular, the Company is proposing further amendments to the Stock Option Plan at the annual and special meeting to be held on September 26, 2013.

The following is a description of the material features of the Stock Option Plan, prior to the implementation of the amendments proposed in this Information Circular. Those amendments are discussed under "*Matter #3- Amendments to Stock Option Plan*" below.

The purpose of the Stock Option Plan is to provide Directors, officers and technical consultants of the Company with an opportunity to purchase common shares of the Company in order to provide an increased incentive for such persons to contribute to the future success of the Company in an effort to enhance the value of the common shares and also to increase the ability of the Company to attract, motivate and retain qualified individuals. The Stock Option Plan is administered by the Compensation Committee in conjunction with management. The Compensation Committee is responsible for recommending for approval to the Board the number of common shares subject to each option within the guidelines established by the TSX.

The following is a summary of the material terms of the Stock Option Plan (prior to the amendments proposed in this Information Circular):

Number of Securities Issuable. A maximum of 15% of the Company's issued and outstanding common shares at the time the shares are reserved for issuance, less any common shares reserved for issuance under other share compensation arrangements, may be reserved for issuance under the Stock Option Plan.

Insider Participation Limit. Currently, a maximum of 10% of the Company's issued and outstanding shares may be issued to insiders under the Stock Option Plan and under any other security based compensation arrangements of the Company within any one year period, and a maximum of 10% of the Company's issued and outstanding shares are issuable to insiders of the Company under the Stock Option Plan and under any other security based compensation arrangements of the Company at any time. "**Insiders**" are defined under TSX policies, and in the case of the Company those who currently qualify as insiders are the Company's Directors, its CEO, its CFO, WISCO, Century Coop and, as applicable, the CEO, CFO, COO and each director of WISCO or Century Coop. The definition of "insiders" under TSX policies also includes other categories of persons or companies, but to the Company's knowledge those are not currently relevant to the Company.

Eligible Persons. "Service Providers" are eligible to receive grants of options under the Stock Option Plan. "Service Providers" are bona fide Directors, officers, employees, management company employees and consultants and also include a company of which 100% of the share capital is beneficially owned by one or more individual Service Providers.

Exercise Price. During such time as the common shares of the Company are listed on the TSX, the exercise price of options granted under the plan will be the greater of the closing price for the Company's common shares on the TSX on the last trading day before the date of grant of the option and the weighted average of the trading prices for the common shares on the five trading days before the date of grant of the option.

Vesting. Vesting of options granted under the plan will be at the discretion of the Board. On a change of control or takeover bid, if provided for in the optionee's employment agreement, the options will fully vest and in all other cases may fully vest at the discretion of the Board. For the purposes of the Stock Option Plan, a change of control occurs in the circumstances set out in the optionee's employment agreement or, if not defined in the applicable employment agreement, on the acquisition of a number of the voting securities of the Company, which, including all the other voting securities of the Company held by the acquirer, results in such entity holding

for the first time at least 30% of the outstanding voting securities of the Company.

Termination of Exercise Right. No option may be exercised after an optionee has left the employ or service of the Company except as follows:

- in the event of an optionee's death, any vested option held by the optionee at the date of death will be exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of 12 months after the date of death and the date of expiration of the term otherwise applicable to such option; and
- if and to the extent provided in the optionee's employment agreement.

Generally speaking, vested options will expire 90 days after the date the optionee ceases to be employed by, provide services to, or be a Director or officer of, the Company, and any unvested options shall immediately terminate. In addition, if an optionee is dismissed for cause, such optionee's options, whether or not they are vested at the date of dismissal, will immediately terminate.

Term of Options. Options granted under the Stock Option Plan will have a maximum term of 10 years from their date of grant.

Extension of Expiry Period. If an option which has been previously granted is set to expire during a period in which trading in securities of the Company by the option holder is restricted by a black-out, or within 9 business days of the expiry of a black-out, the expiry date of the option will be extended to 10 business days after the trading restrictions are lifted.

No Assignment. Subject to the provisions of the Stock Option Plan, all options will be exercisable only by the optionee to whom they are granted and will not be assignable or transferable.

Administration. Subject to the requirements of applicable law and TSX policies requiring shareholder or other approval, the Stock Option Plan provides that the Board may amend, suspend, terminate, or discontinue the plan or any option, or revoke or alter any action taken under the plan or option, except that the Board may not undertake any such action if it were to adversely alter or impair an option unless it first obtains the written consent of the affected optionee.

Amendments Requiring Shareholder Approval. Shareholder approval is required for the following amendments to the Stock Option Plan:

- an increase to the aggregate percentage of securities issuable under the plan; and a reduction in the exercise price of an outstanding option;
- an extension of the term of any option beyond the expiry date;
- any amendment to permit assignments or exercises other than by the optionee other than as set out in the plan;
- amendment to the individuals eligible to receive options under the plan;
- an amendment to the plan to provide for other types of compensation through equity issuance, other than an amendment in the nature of a substitution and/or adjustment made by the Board in response to a change to, event affecting, exchange of, or corporate change or transaction affecting the common shares of the Company; and
- an amendment which is required to be approved by shareholders under applicable law (including, without limitation, the policies of the TSX).

Amendments Without Shareholder Approval. Subject to the policies of the TSX, the Stock Option Plan may be

amended without shareholder approval for the following:

- amendments of a “housekeeping” nature;
- amendments necessary to comply with the provisions of applicable law;
- amendments respecting the administration of the Stock Option Plan;
- any amendment to the vesting provisions of the plan or any option;
- any amendment to the early termination provisions of the plan or any option, whether or not such option is held by an insider, provided such amendment does not entail an extension beyond the original expiry date;
- the addition of any form of financial assistance by the Company for the acquisition by all or certain categories of participants of common shares under the plan, and the subsequent amendment of any such provision which is more favourable to participants;
- the addition or modification of a cashless exercise feature, payable in cash or common shares, which provides for a full deduction of the number of underlying common shares from the plan reserve;
- amendments necessary to suspend or terminate the plan; and
- any other amendment not requiring shareholder approval under applicable law (including the policies of the TSX).

Equity Compensation Plan Information

The following table sets forth information regarding the issuance of equity securities as at March 31, 2013:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	9,870,000	\$2.92	4,301,123
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	9,870,000	\$2.92	4,301,123

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No Director, nominee for election as a Director, executive officer, employee or former Director, executive officer or employee of the Company or any of its subsidiaries, or any of their associates or other member of management of the Company, was indebted to the Company at any time since the beginning of the most recently completed financial year or as at the date hereof.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set out below and elsewhere in this Information Circular, no Director, executive officer or any holder of 10% or more of the Company's common shares, or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction since April 1, 2012 or in any proposed transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

WISCO Investment Agreement

The Company and WISCO (No. 999 Youyi Ave, Qingshan District, Wuhan City, Hubei Province, China) are parties to an investment agreement, dated as of May 18, 2011 (the "**WISCO Investment Agreement**") that includes the following provisions.

- Provided that WISCO owns 10% or more of the common shares of the Company on a non-diluted basis, WISCO has the right to designate, after consultation with the Company, individuals to be nominated to the Board at each meeting of shareholders of the Company at which Directors are to be elected (the "**WISCO Nominees**"). The number of WISCO Nominees will be determined from time to time based on (a) the percentage of the common shares of the Company held by WISCO, and (b) the number of Directors comprising the Board of the Company from time to time, with the product rounded down to the nearest whole number of Directors. If the number of common shares of the Company owned by WISCO falls below 10% for a period of ten continuous calendar days, then the right of WISCO to designate WISCO Nominees under the WISCO Investment Agreement will terminate and be of no further force and effect. WISCO currently has the right to appoint two WISCO Nominees to the Board of the Company pursuant to the terms of the WISCO Investment Agreement.
- Provided that WISCO owns 10% or more of the common shares of the Company on a non-diluted basis, WISCO has the right to maintain its percentage of common shares of the Company in the event that the Company completes a cash offering of equity securities. The pre-emptive right does not apply in respect of certain issuances including any equity securities issued on the exercise of a conversion, exchange or purchase right attached to a security issued prior to the date of the WISCO Investment Agreement and convertible into common shares, or in respect of shares issued by the Company under any of its share incentive plans or equity securities issued as commission or finders' fees.
- The common shares of the Company issued to WISCO were subject to an 18 month lock-up that has now expired.

WISCO Shareholders Agreement

In connection with WISCO's investment in the Company in 2011, WISCO and the Company entered into a shareholders' agreement effective as of May 11, 2011 (the "**WISCO Shareholders' Agreement**") with Century Iron Ore Corporation ("**Century NL**") and the principals of the Company (the "**Century Principals**"). The WISCO Shareholders Agreement includes the following material provisions:

- Century NL and the Century Principals (subject to their fiduciary duties) agreed to vote their common shares of the Company to give effect to the rights granted to WISCO under the WISCO Shareholders Agreement and under the WISCO Investment Agreement, including the election of nominees to the Board of the Company selected by WISCO as previously described;
- Century NL and WISCO agreed to consult each other on various fundamental issues pertaining to the Company, including but not limited to those matters requiring or involving approval of the shareholders of the Company;
- Century NL and the Century Principals agreed to restrictions on transfer with respect to their common shares of the Company and, with respect to the Century Principals, their ownership of Century NL, those restrictions applying for an initial three-year lock-up period (the "**Initial Lock-Up Period**"). After expiry of the Initial Lock-Up Period, there will be a staggered release from the lock-up agreements based

on achievement of certain milestones, including completion of a bankable feasibility study on any of the projects and commencement of construction on any of the projects, with all shares to be released from the lock-up agreements upon the completion of construction of a mine on any of the Properties. The lock-up agreements are subject to certain limited exceptions, including transfers among Century NL and the Century Principals and certain of their respective affiliates;

- WISCO, Century NL and the Century Principals agreed to mutual rights of first refusal that will apply until the ownership interest in the Company of the Century Principals is less than 20% and will apply with respect to WISCO until its ownership interest in the Company is less than 15%; and
- the covenant between Century NL, the Century Principals and WISCO not to perform any act or enter into any transaction or negotiation which might materially adversely interfere or be materially inconsistent with the consummation of the transactions contemplated in the WISCO Shareholders Agreement, the WISCO Subscription Agreement, the WISCO Investment Agreement, or the WISCO Framework Agreement, or which might materially adversely interfere with or impact upon the negotiation and/or execution of the Company's joint venture agreements with WISCO for each of the Duncan Lake Property, Attikamagen Property and Sunny Lake Property.

The WISCO Attikamagen Shareholders Agreement

On September 26, 2012, the Company and WISCO completed the formation of a joint venture for the Company's Attikamagen property pursuant to a shareholders' agreement effective December 19, 2011 among the Company, WISCO and certain other parties. The formation of the joint venture was completed as a reorganization of Labec Century Iron Ore Inc., a subsidiary of the Company. For further details regarding this transaction, please refer to the Company's Annual Information Form dated June 27, 2013 under "*Properties – Attikamagen Property - The WISCO Attikamagen Shareholders Agreement*" filed on SEDAR at www.sedar.com. Upon request, the Company will provide you with a copy of this document free of charge.

The Sunny Lake Joint Venture

On November 29, 2012, the Company 0849873 BC Ltd., WISCO and WISCO Canada Sunny Lake Resources Development Investment Limited, a wholly-owned subsidiary of WISCO, completed the formation of their joint venture for the Company's Sunny Lake property. For further details regarding this transaction, please refer to the Company's Annual Information Form dated June 27, 2013 under "*Properties – Sunny Lake Property - The Sunny Lake JV Agreement*" filed on SEDAR at www.sedar.com. Upon request, the Company will provide you with a copy of this document free of charge.

Minmetals Off-take Agreement

Pursuant to the terms of an investment by Minmetals Exploration & Development (Luxembourg) Limited S.à.r.l. (No. 5 Sanlihe, Haidian District, Beijing, China) in the Company, the Company agreed that, at least 180 days prior to the anticipated date of commencement of commercial production, it will negotiate in good faith and use commercially reasonable efforts to enter into an off-take agreement for iron ore produced from the Company's Duncan Lake property. For further details regarding this transaction, please refer to the Company's Annual Information Form dated June 27, 2013 under "*Properties – Duncan Lake Property- Minmetals Off-take Agreement*" filed on SEDAR at www.sedar.com. Upon request, the Company will provide you with a copy of this document free of charge.

PIHL Off-take Agreement

Century Iron ore Holdings Inc. (the "**Century Holdings**") has entered into an off-take agreement with Prosperity Materials Macao Commercial Offshore Limited (the "**PIHL Off-take Agreement**"), a subsidiary of Prosperity Minerals Holdings Limited ("**Prosperity Minerals**"). Prosperity Minerals is listed on the London AIM Exchange and is itself controlled by Prosperity International Holdings (H.K.) (the "**PIHL**"), a company listed on the Hong Kong Stock Exchange. Prosperity Minerals and Century Holdings share common significant shareholders. As

such, the PIHL Off-take Agreement constitutes a connected party transaction under the listing rules of the London AIM Exchange and Hong Kong Stock Exchange, and is subject to compliance with such rules.

The PIHL Off-take Agreement relates to the Company's Duncan Lake, Attikamagen and Sunny Lake Properties. Subject to certain conditions, the PIHL Off-take Agreement provides for the potential supply of one million metric tonnes of iron ore over a three year period commencing 2011. There can be no assurance that commercial production of iron ore from the properties will be achieved within this off-take period. Under the PIHL Off-take Agreement, the consignment of iron ore is anticipated to be purchased at the prevailing market price in the region, and the Prosperity Macao agreed to make a prepayment of US\$10 million to Century Holdings to secure such potential supply of iron ore. The potential annual off-take to be allocated to the purchaser, at the regional market price, will be capped at 50% of the remaining annual iron ore produced after Century Holdings has satisfied its supply obligations to WISCO and Minmetals. Century Holdings is entitled to drawdown the US\$10 million prepayment at any time on or after two business days following the date of the PIHL Off-take Agreement. Century Holdings drew down an initial amount of US\$8 million account of the US\$10 million prepayment in 2011 and repaid this amount to Prosperity Macao in 2012. Concurrent with the repayment, Prosperity Macao confirmed that Century Holdings remains entitled to draw-down against the Prepayment as originally contemplated in the PIHL Off-take Agreement.

The PIHL Off-take Agreement is a related party transaction as each of Ben Koon (David) Wong, a Director of the Company, and Sandy Chim, a Director and the President and Chief Executive Officer of the Company, as they are also Directors of Prosperity Minerals. A refundable off-take deposit of approximately US\$8,000,000 was provided under this agreement and repaid in December 2012.

Augyva Mining Resources Inc.

Canadian Century Iron Ore Corporation, a subsidiary of the Company, is a party to a joint venture agreement dated May 20, 2008 with Augyva Mining Resources Inc. ("**Augyva**") (Suite 2500, 1 Place Ville Marie, Montreal QC, Canada) with respect to the Company's Duncan Lake property. Sandy Chim, an officer of Century Holdings and a Director and the President and Chief Executive Officer of the Company, is also a Director and shareholder of Augyva. Michael Skutezky, General Counsel and Secretary of the Company is also a Director of Augyva. For an overview of the Duncan Lake Joint Venture Agreement, please refer to the Company's Annual Information Form dated June 27, 2013 under "*Properties – Duncan Lake Property*" in the Company's Annual Information Form dated June 27, 2013 filed on SEDAR at www.sedar.com. Upon request, the Company will provide you with a copy of this document free of charge.

During the year ended March 31, 2013, the Company received no management fee from Augyva. As at March 31, 2013, the Company had accounts receivable of \$77,500 from Augyva. Considering the positions with and interest in Augyva that are held by Mr. Chim and Mr. Skutezky, they will be deemed to have interest in any action taken or agreement entered into by Augyva with respect to the Company.

Champion Iron Mines Limited (formerly known as Champion Minerals Inc.)

On May 12, 2008, Century Holdings entered into Attikamagen Joint Venture Agreement with Champion Iron Mines Limited ("**Champion**") (20 Adelaide Street East, Suite 301, Toronto, ON). Sandy Chim, a Director and officer of each of Century Holdings and the Company and the President of Labec Century, holds 1,400,000 common shares of Champion through his private holding company, Max Lucky Holdings Limited. For an overview of the Attikamagen Joint Venture Agreement, please refer to the Company's Annual Information Form dated June 27, 2013 under "*Properties – Attikamagen Property*" filed on SEDAR at www.sedar.com. Upon request, the Company will provide you with a copy of this document free of charge.

Chim and Seto Consulting Services Inc.

During the year ended March 31, 2013, the Company incurred accounting expenses in the amounts of \$11,150 from Chim and Seto Consulting Services Inc. ("**Chim & Seto**"), of which an immediate family member of the President and CEO of the Company is a shareholder.

MANAGEMENT CONTRACTS

There are no management functions of the Company or any of its subsidiaries which are to any substantial degree performed other than by the Directors or executive officers of the Company or a subsidiary.

MATTER #2-APPOINTMENT OF AUDITOR

PricewaterhouseCoopers LLP, Chartered Accountants (“PwC”), of 18 York Street, Suite 2600, Toronto, Ontario M5J 0B2, will be nominated at the Meeting for re-appointment as auditor of the Company at a remuneration to be fixed by the Directors. PwC was the auditor of Century Holdings prior to the completion of the Qualifying Transaction and continued as the auditor of the Company on May 18, 2011 upon completion of the Qualifying Transaction. Unless such authority is withheld, the persons designated as proxyholders in the accompanying Proxy intend to vote the Shares represented by such Proxy, properly executed, **FOR** the appointment of PwC as auditor of the Company to hold office until the close of the next annual meeting of Shareholders, at a remuneration to be fixed by the Board.

MATTER #3-AMENDMENTS TO STOCK OPTION PLAN

The Company’s Stock Option Plan was last approved by shareholders at the annual and special meeting of the Company held on September 26, 2012. The material terms of the current Stock Option Plan are described in this Information Circular under the heading “*Securities Authorized for Issuance Under Equity Compensation Plans*”.

At the Meeting, shareholders will be asked to approve amendments to the Stock Option Plan. The proposed amendments would allow the Company to grant other kinds of equity-based incentive compensation to those parties authorized to receive awards under the plan, in addition to stock options. This would expand the range of equity-based incentive compensation available to be offered by the Company as part of its compensation programs. Related to these amendments, the plan would be renamed the “Equity Incentive Plan”. A copy of the proposed amended plan (the “**Equity Incentive Plan**”) is included as Schedule “C” to this Information Circular.

In addition to stock options, the Equity Incentive Plan would allow the Company to award other types of equity-based incentive compensation, or compensation payable in common shares of the Company. These other types of compensation include the following.

- **Share units:** Share units issued under the Equity Incentive Plan would consist of units having a value equivalent to that of a common share of the Company. Share units do not vest until predetermined conditions are satisfied, provided this occurs before the expiration of the unit. Until vesting of a unit has occurred, the party to whom a share unit was granted does not have any voting or other rights appurtenant to the corresponding shares. Upon vesting, the party to whom a share unit was granted is entitled to receive either the corresponding common share, or a cash payment corresponding to the value of the common share as determined in accordance with the Equity Incentive Plan and any applicable agreement relating to the share unit. Under the Equity Incentive Plan, the decision to pay the share unit-holder in shares or cash will be in the discretion of the Company.

Share units can take the form of either restricted share units, where vesting occurs over a period of time, or performance share units, where vesting occurs upon satisfaction of performance conditions, or over a period of time, or some combination of time and performance.

- **Other Equity-based Incentive Awards:** The Equity Incentive Plan would also permit other types of equity-based incentive compensation. These could include restricted shares (the ownership of the corresponding shares vesting over time), performance shares (the ownership of the corresponding shares vesting upon satisfaction of performance or other conditions, or time, or a combination of both) or share appreciation rights (being the right to receive payment equal to the increase in the value of the Company’s common shares between the date when the share appreciation right is granted and a later

date, such as the date of vesting or when payment is due). In addition, the Equity Incentive Plan leaves open the possibility of awarding other forms of compensation where common shares of the Company could ultimately be issued to employees, Directors and consultants as compensation, including forms that combine features of any of the specific forms identified in the Equity Incentive Plan.

The Equity Incentive Plan would not alter the number of common shares that could be reserved for issuance or ultimately issued in connection with stock options previously approved by the shareholders, and to the extent that equity-based incentive awards other than stock options are issued under the Equity Incentive Plan, the shares issuable in payment of those awards would be deducted from the pool available for stock options. Therefore, under the Equity Incentive Plan the maximum number of shares available to be issued upon the exercise of stock options or the payment of other types of equity-based incentive compensation awards would continue to be 15% of the Company's issued and outstanding common shares.

When stock options are granted by the Company, a corresponding number of common shares is reserved for issuance under those stock options and therefore deducted from the pool of common shares available for issuance as equity-based incentive compensation under the Equity Incentive Plan. Similarly, when other forms of equity-based incentive compensation is granted by the Company, to the extent that payment of such incentives may be made in common shares, a corresponding number of common shares would be reserved for issuance under those incentive awards and that number of common shares would therefore be deducted from the pool of common shares available for issuance as equity-based incentive compensation under the Equity Incentive Plan.

Because of the introduction of other types of equity-based incentive compensation, certain housekeeping and administrative amendments are proposed to be made to the Equity Incentive Plan. In addition, certain purely house-keeping amendments that would not otherwise require shareholder approval, such as re-ordering certain provisions, are also proposed.

As at the record date for the Meeting, under the Stock Option Plan there are outstanding stock options exercisable for a total of 9,870,000 common shares of the Company, representing approximately 10.5% of the issued and outstanding common shares of the Company at that date.

If shareholders fail to approve the resolution approving amendments to the Stock Option Plan, the terms of the Stock Option Plan, as approved by shareholders at the annual and special meeting of the shareholders on September 26, 2012, will continue to apply.

The Equity Incentive Plan that would be approved by shareholders, if this matter is approved at the Meeting, would continue to include an insider participation limit. The effect of that limit is that the maximum number of common shares issuable under the Equity Incentive Plan to "insiders" of the Company is 10% of the Company's issued and outstanding shares. Under TSX policies, "insiders" for these purposes is a group that includes the Directors of the Company, its CEO, its CFO and certain other parties. Please see the discussion below under "*Matter #4 – Removal of Insider Participation Limit from Equity Incentive Plan*" for more details regarding who qualifies as an "insider".

Approval Sought and Required

At the Meeting, shareholders will be asked to consider, and if thought advisable, pass resolutions to approve the proposed amendments to the Stock Option Plan and the conversion of such plan into the Equity Incentive Plan, such resolutions to be substantially as follows:

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

- (a) the Stock Option Plan approved by the Shareholders of the Company at a meeting on September 26, 2012 be amended and entirely replaced with the Equity Incentive Plan in the form set forth in Schedule “C” to the Information Circular distributed to Shareholders for the Meeting;
- (b) all unallocated options and other awards of equity-based incentive compensation under the

Equity Incentive Plan be and are hereby approved;

- (c) the Company shall have the ability to continue granting options and other awards of equity-based incentive compensation until September 26, 2016;
- (d) any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments, and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument or the taking of any such action.”

In order to be adopted, these resolutions must be approved by vote of a majority of the common shares present in person or represented by proxy at the Meeting. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Shares represented by such Proxy, properly executed, **FOR** the above resolution.

If these resolutions are not approved by the shareholders, then the Company will no longer be able to grant new stock options under the Company’s Stock Option Plan. Also, while stock options that are currently outstanding under the Company’s Stock Option Plan would not be affected by the failure to obtain approval of these resolutions, when currently outstanding stock options are exercised or expire without being exercised, the common shares of the Company that had been reserved for issuance upon the exercise of those currently outstanding stock options would not be available to be reserved for issuance under new stock options.

Recommendation of the Board

The Board is of the view that the proposed amendments to the Stock Option Plan and its conversion into an Equity Incentive Plan are desirable for the Company to be able to continue to have the flexibility necessary to develop and offer attractive and competitive compensation packages for Directors, employees and consultants. **Accordingly, the Board recommends that shareholders vote in favour of the resolution approving the amendments to the Stock Option Plan and its conversion into an Equity Incentive Plan.**

MATTER #4-REMOVAL OF INSIDER PARTICIPATION LIMIT FROM EQUITY INCENTIVE PLAN

As noted in the discussion under Matter #3 with respect to the proposal to shareholders regarding the Equity Incentive Plan, an insider participation limit is included in both the Stock Option Plan currently in place for the Company and the proposed Equity Incentive Plan that, if approved, would amend and replace it.

As a result, a maximum of 10% of the Company’s issued and outstanding shares may be issued to insiders under the Company’s equity-based incentive compensation plan and under any other security based compensation arrangements of the Company within any one year period, and a maximum of 10% of the Company’s issued and outstanding shares are issuable to insiders of the Company under the Company’s equity-based incentive compensation plans at any time (the “**Insider Participation Limit**”). The Insider Participation Limit is set forth in the last sentence of section 2.2 of the Stock Option Plan, and in section 2.3 of the Equity Incentive Plan.

“**Insiders**” are defined under TSX policies, and in the case of the Company those who currently qualify as insiders are the Company’s Directors, its CEO, its CFO, WISCO, Century Coop and, as applicable, the CEO, CFO, COO and each director of WISCO or Century Coop. The definition of “insiders” under TSX policies also includes other categories of persons or companies, but to the Company’s knowledge those are not currently relevant to the Company.

At the Meeting, shareholders will be asked to approve an amendment to the Equity Incentive Plan, assuming that plan is approved at the Meeting, or the current Stock Option Plan, if the Equity Incentive Plan is not approved at the Meeting. The result of that amendment would be to remove the Insider Participation Limit from the

Company's equity-based incentive compensation plan.

As the Company is in its project development phase and has not begun earning revenue from its operations, it will continue to have limited cash resources. Therefore, equity-based incentive compensation is a critical component of the compensation offered to Directors, officers and consultants of the Company. Also, as compared to similar companies, management of the Company feels that the Company has a smaller number of shares outstanding and is less dependent on share issuances to raise the capital required for its operations. As the shareholders could benefit from this insider participation limit by avoiding dilution, this limit does leave the Company with a smaller pool of options and other equity-based awards, and that pool is currently insufficient to provide insiders with appropriate incentives to realize on the Company's business plans and to ultimately deliver value to the shareholders. Furthermore, as the Company's operations expand and it moves towards producing iron ore from one or more of its properties, the Company will likely have to recruit and hire more senior personnel, some of whom are likely to qualify as insiders for purposes of the Stock Option Plan and Equity Incentive Plan. This limit would further reduce the Company's flexibility and ability to recruit and retain qualified personnel with high caliber. Therefore, the Company will be asking shareholders to remove the Insider Participation Limit.

Approval Sought and Required

At the Meeting, shareholders will be asked to consider, and if thought advisable, pass resolutions to approve proposed amendments to the Stock Option Plan or Equity Incentive Plan, as the case may be, to remove the Insider Participation Limit, such resolutions to be substantially as follows:

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

- (a) section 2.2 of the Stock Option Plan is hereby deleted from such plan, if such plan remains in force for the Company;
- (b) section 2.3 of the Equity Incentive Plan is hereby deleted from such plan, if such plan is adopted by the Shareholders;
- (c) all appropriate amendments required to be made to the Stock Option Plan or the Equity Incentive Plan, as the case may be, to reflect the removal of the sections identified are hereby authorized, approved, ratified and confirmed;
- (d) any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments, and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument or the taking of any such action.”

At the Meeting, votes corresponding to a total of 74,651,836 common shares held by Insiders will not be counted in respect of the vote on this matter. Therefore, in order to be adopted, these resolutions must be approved by vote of a majority of those common shares present in person or represented by proxy at the Meeting that are not held by Insiders. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Shares represented by such Proxy, properly executed, **FOR** the above resolution.

Recommendation of the Board

The Board is of the view that the removal of the Insider Participation Limit from the Stock Option Plan or Equity Incentive Plan, as the case may be, is desirable for the Company to be able to continue to offer attractive and competitive compensation packages for insiders. **Accordingly, the Board recommends that shareholders vote in favour of these resolutions.**

MATTER #5-AMENDMENT OF BY-LAW NO. 1

Currently, the by-laws of the Company provide that in order for a quorum of Directors to be present at a Meeting of the Board, a majority of the Directors must be present. Currently, a number of Directors reside in China and in different time zones, and many other Directors are often required to travel overseas. As a result, at times it has been challenging to obtain a quorum of Directors for routine Board meetings.

As a result, the Board has amended By-Law No. 1 to provide that a quorum of Directors is established if four Directors, including two independent Directors, are present at a Board meeting. The Board has determined that this is a more appropriate threshold of Director attendance for the transaction of business by the Board, as it ensures that a significant number of Directors are present in order for Board meetings to progress, and also guarantees input and participation of independent Directors at those meetings. In addition, the current requirement that a minimum number of resident Canadian directors are present at a Board meeting would continue to apply.

Approval Sought and Required

At the Meeting, shareholders will be asked to consider, and if thought advisable, pass resolutions substantially as follows so as to ratify amendments made to By-Law No. 1 of the Company so as to modify the rule regarding the number of Directors that must be present in order for quorum to be established at a Board meeting:

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

(a) Section 3.2(a) of By-Law No.1 of the Company is hereby amended and restated as follows:

“3.2 **Quorum** –

- (a) Subject to subsection 3.2(b) and the Articles, quorum for the transaction of business at a meeting of the Board shall be established if at least four directors are present, with at least two of such directors being independent. If the Corporation has less than three directors, all must be present in order to constitute a quorum for the transaction of business. Notwithstanding vacancies, a quorum of directors may exercise all of the power of the Board.
- (b) any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments, and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument or the taking of any such action.”

In order to be adopted, these resolutions must be approved by vote of a majority of those common shares present in person or represented by proxy at the Meeting. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Shares represented by such Proxy, properly executed, **FOR** the above resolution.

Recommendation of the Board

The Board is of the view that the amendment of the quorum rule for Board meetings in the Company’s by-laws, as it will facilitate orderly and regular Board meetings while also ensuring that substantive participation of, and input from, independent directors is available. **Accordingly, the Board recommends that shareholders vote in favour of these resolutions.**

ADDITIONAL INFORMATION

Additional information relating to the Company including the Company’s audited consolidated financial statements for the latest completed financial year can be found under the Company’s profile at www.sedar.com.

Financial information is provided in the annual consolidated financial statements of the Company for the financial year ended March 31, 2013 and the report of the auditors thereon which will be placed before shareholders at the Meeting and MD&A. Copies of the Company's audited consolidated financial statements for the financial year ended March 31, 2013 are available upon request from the Company's General Counsel and Secretary at Suite 1301, 200 University Avenue, Toronto, Ontario, or by telephone at (416) 977-3188. Copies of these documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company who requests a copy of any such document.

OTHER MATTERS

As of the date of this Information Circular, management of the Company is not aware of any other matters which may come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

APPROVAL OF INFORMATION CIRCULAR

The contents of this Information Circular and the distribution to shareholders have been approved by the Board.

DATED at Toronto, Ontario, this 23rd day of August, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Sandy Chim*"

Sandy Chim, President and Chief Executive Officer

**SCHEDULE “A”
MANDATE OF THE BOARD OF DIRECTORS**

1. PURPOSE

1.1 The Board of Directors (the “**Board**”) of Century Iron Mines Corporation (the “**Company**”) has primary responsibility to act in and promote the best interests of the Company. The Board is accountable to the shareholders as a whole. The directors of the Company (the “**Directors**”) are stewards of the Company, responsible for the overall management and direction of the Company. The Board has the responsibility to oversee the conduct of the Company’s business and to supervise management, which is responsible for the day-to-day operations of the Company. In supervising the conduct of the business, the Board, through the Chief Executive Officer (the “**CEO**”), sets the standards of conduct for the Company.

1.2 The Board discharges its duties and responsibilities directly and by way of delegation through its Board Committee.

1.3 The Company is subject to a variety of statutes, instruments, policies, notices, rules and other legal requirements enacted by Canadian securities regulatory authorities and the Toronto Stock Exchange (“**applicable securities laws**”) which are reflected in this Mandate.

2. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Board include the duties and responsibilities to:

Culture of Integrity and Ethics

- a) promote a culture of integrity at the Company;
- b) approve and monitor compliance with a Code of Business Conduct and Ethics for the Company (the “**Code of Ethics**”) applicable to all Directors, officers and employees of the Company which complies with applicable securities laws;
- c) receive reports respecting adherence to the Code of Ethics;
- d) approve any waivers, in conjunction with the Audit Committee, granted from a provision of the Code of Ethics for the benefits of any Director or any member of senior management;
- e) approve policies and practices for matters related to integrity and ethics, including conflicts of interest, related party transactions and the treatment of confidential information;
- f) direct management to ensure that the Company operates in compliance with applicable laws;
- g) satisfy itself as to the integrity of the CEO and the other officers of the Company, and also that the officers of the Company foster a culture of integrity throughout the Company;

Corporate Governance

- h) oversee the development of the Company’s approach to corporate governance, including by reviewing, approving and, as appropriate, updating the Company’s Corporate Governance Guidelines and this Mandate;
- i) oversee, through periodic reviews, the effectiveness of the Board, its committees and individual Directors, including reviews of the skills and experience represented on the Board in light of the Company’s strategic direction and current needs;
- j) assess the form and adequacy of Director compensation;

- k) receive from management information and input as required for the Board to remain informed about the business, operations and prospects of the Company, and to effectively discharge its duties;
- l) establish committees of the Board and delegate certain responsibilities to these committees as set out in committee charters, consistent with the Corporate Governance Guidelines;
- m) develop and approve position descriptions for the Board Chair, Lead Director and CEO, as well as others performing key functions on the Board or within management, and assess the performance of those acting in those capacities against the position descriptions;
- n) consider the need for, and if appropriate establish, new Director orientation and ongoing Director education processes;
- o) foster within the Board an understanding of the Board's expectations of Directors and the responsibilities of Directors, including with respect to preparation for, attendance at, and participation in, Board and committee meetings and Board educational seminars;

Human Resources

- p) approve the Company's compensation strategy and philosophy;
- q) select, appoint and replace the CEO, monitor the CEO's performance, determine the CEO's compensation, elaborating and, as appropriate revising position descriptions describing the CEO's duties and responsibilities, as well as providing advice and assistance to the CEO in the execution of his or her duties;
- r) receiving the CEO's report as to the performance of and compensation to senior management of the Company and acting on such report, including any appropriate review of employment contracts and termination and other special arrangements with non-CEO officers;
- s) annually review the performance of the CEO against applicable performance targets;
- t) review management's implementation of corporate social responsibility commitments and obligations, including as they relate to community, First Nations, environmental and health and safety matters;
- u) oversee the selection, appointment, training, and monitoring of the Board Chair, Board members, the CEO and non-CEO officers;
- v) review the succession plans for key senior management positions;

Strategic Planning

- w) adopt and review a strategic planning process for the Company as presented to them by management on at least an annual basis that takes into consideration, among other things, the risks and opportunities of the business;
- x) direct management to develop, implement, and maintain a reporting system that accurately measures the Company's performance against its business plans;
- y) approve annual capital and operating budgets that support the Company's ability to meet its strategic objectives, approve the entering into, or withdrawing from, line of business that are, or likely to be, material to the Company;

Financial Oversight

- z) review and approve all major acquisitions, dispositions, investments, all significant financings and other significant matters outside the ordinary course of the Company's business;

- aa) approve financings, the issuance and repurchase of shares, the issuance of debt securities and the listing of shares and other securities;
- bb) approving the incurring of any material debt by the Company outside the ordinary course of business;
- cc) review and approve an annual operating budget for the Company and monitor the Company's performance against such budget.

Risk Management

- dd) identify the principle risks of the Company and oversee implementation by management of appropriate systems to manage the risks;
- ee) approving any plans to hedge sales;
- ff) receive and assess regular updates on the status of risk management systems, activities and initiatives through ongoing reports by the CEO and the Audit Committee;

Communications and Public Disclosure

- gg) oversee public communication and disclosure;
- hh) approve and review the Company's public disclosure policy. The Board has adopted a disclosure policy, which govern the release of information by the Company and requires timely, accurate and fair disclosure of such information in compliance with all applicable securities laws;

Internal Controls / Financial Matters

- ii) oversee the reliability and integrity of accounting principles and practices followed by management of the financial statements and other publicly reported financial information and of the disclosure principles and practices followed by management;
- jj) oversee the implementation and integrity of the Company's internal control and management information systems, monitor the integrity of such systems and obtain assurances on a regular basis that these systems are designed and operating effectively; and
- kk) review and approve the financial statements and related disclosures related to the Company's financial performance prior to their release.

3. DUTY OF CARE

In meeting their responsibilities as members of the Board, each Director shall 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 reasonable, prudent person would exercise in comparable circumstances.

4. COMMUNICATION WITH DIRECTORS

Shareholders or other stakeholders of the Company may communicate with Directors by writing to the Chair of the Board in care of the General Counsel & Secretary as follows:

Chair of the Board
c/o General Counsel & Secretary
Century Iron Mines Corporation
Suite 1301, 200 University Avenue
Toronto, Ontario Canada
M5H 3C6

SCHEDULE “B”
CHARTER OF THE AUDIT COMMITTEE
Adopted August 2013

1. PURPOSE AND PRIMARY RESPONSIBILITY

1.1 This Charter sets out the Audit Committee’s purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the “**Board**”) of Century Iron Mines Corporation and its subsidiaries (the “**Company**”), annual evaluation and compliance with this Charter.

1.2 The primary responsibility of the Audit Committee is for oversight of the Company’s financial reporting process, on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with applicable laws in the area of financial reporting, as well as complaint procedures. The Audit Committee is also responsible for other matters as set out in this charter (the “**Board**”) or as may be directed by the Board from time to time.

2. MEMBERSHIP

2.1 Each member of the Audit Committee must be an independent Director of the Company as defined under applicable securities laws.

2.2 The Audit Committee will consist of at least three members, all of whom shall be financially literate. An Audit Committee member who is not financially literate may be appointed to the Audit Committee, provided the member becomes financially literate within a reasonable period of time following his or her appointment.

2.3 The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent Director.

3. AUTHORITY

3.1 The Audit Committee shall have the resources and authority to carry out the duties and responsibilities included in this Charter, including the authority to:

- a) engage, and set the compensation for, external counsel and other advisors as it determines necessary to carry out its duties and responsibilities and any such consultants or professional advisors retained by the Audit Committee will report directly to the Audit Committee;
- b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, such expenses to be paid for by the Company.

4. DUTIES AND RESPONSIBILITIES

4.1 The duties and responsibilities of the Audit Committee include responsibility to:

Oversight of the External Auditor

- (a) recommend to the Board the external auditor to be nominated by the Board;
- (b) recommend to the Board the compensation of the external auditor, to be paid by the Company, in connection with (i) preparing and issuing the audit report on the Company’s financial statements, and (ii) performing other audit, review or attestation services;

- (c) review the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
- (d) oversee the work of the external auditor;
- (e) pre-approve all non-audit services to be provided to the Company by the Company's external auditor, the Chair of the Audit Committee having the authority to pre-approve, between regularly scheduled Audit Committee meetings, any non-audit service of less than \$25,000; provided that such approval is presented to the Audit Committee at the next scheduled meeting for formal approval;
- (f) evaluate and report to the Board with regard to the independence and performance of the external auditors, including an evaluation of the lead partner, consideration of a rotation of the lead partner of the external auditor and the audit firm itself and, if necessary, make recommendations to the Board to take additional action to satisfy itself of the qualifications, performance and independence of the external auditor;
- (g) review and discuss with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
- (h) resolve disputes between management and the external auditor regarding financial reporting;
- (i) review and discuss with management and the external auditor major issues regarding accounting principles and financial statement presentation, including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;

Financial Reporting

- (j) review and discuss with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with GAAP and the MD&A is in compliance with appropriate regulatory requirements;
- (k) review and discuss with management and the external auditor all press releases containing financial information based on the Company's financial statements, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed indicating in the disclosure that the Audit Committee reviewed the disclosure and releasing where feasible any earning releases concurrently with the filing of the quarterly or annual financial statements;
- (l) report on and recommend to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
- (m) satisfy itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, that such information is fairly presented;

- (n) satisfy itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system (including any significant instances of non-compliance with such system), in order to satisfy itself that such system may be reasonably relied upon;
- (o) oversee compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
- (p) review and discuss such other relevant public disclosures containing financial information as the Committee may consider necessary or appropriate;

Internal Controls over Financial Reporting and Disclosure Controls

- (q) oversee the adequacy of the Company's system of internal accounting controls and obtain from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- (r) review and monitor the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company, assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
- (s) review activities, organizational structure, and qualifications of the Chief Financial Officer ("CFO") and employees in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;
- (t) review and discuss with management the disclosure controls relating to the Company's public disclosure of financial information, including information extracted or derived from financial statements and assess the adequacy of such procedures;
- (u) review the effectiveness of the Company's internal and disclosure control procedures including information gathering systems in order to assess the adequacy of these procedures which the Company has implemented to support financial reporting;
- (v) inquire as to major internal control weaknesses identified by the auditors, the Company or any external party and the effectiveness of management to correct these problems;

Review of Ethical Standards

- (w) review the Code of Ethics and make recommendations to the Board respecting any required modifications or changes;
- (x) develop a process for monitoring compliance with the Code of Ethics and provide periodic reports to the Board respecting compliance with the Code of Ethics;
- (y) establish a procedure to receive and process requests from management and Directors for the waiver of the Code of Ethics, granting waivers of the Code of Ethics to management and the Board, as the Committee may deem appropriate and arrange for any such waiver to be promptly disclosed to shareholders, in accordance with applicable securities laws;
- (z) disclose any material departures from the Code of Ethics as required by applicable securities laws in the Company's management information circular;
- (aa) obtain reasonable assurance as to the integrity of the CEO and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;

Complaint Procedures

- (bb) establish procedures for the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

Other

- (cc) review the external auditor's report to the shareholders on the Company's annual financial statements; and
- (dd) review and approve the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor.

4.2 In addition to the forgoing list of duties, the Committee may perform such other functions as may be necessary or appropriate to the circumstances, or as delegated by the Board.

5. STRUCTURE AND COMPOSITION

Composition

5.1 The appointment of the members of the Audit Committee shall take place annually, at the first meeting of the board, after a meeting of the shareholders at which directors are elected, provided that if the appointments are not made, the Directors then serving as members of the Audit Committee shall continue to service until their successors are appointed.

5.2 The Committee shall review on a periodic basis whether any of its members serve on the audit committees of other public companies. If any of the Audit Committee members fall into this category, the Committee shall consider the ability of such members to effectively serve on the Audit Committee and, if it is determined that such members are able to continue serving, the Committee shall record the reasons for such a decision. The Audit Committee will also ensure that the requirements in the Code of Business Conduct and Ethics are complied with in regard to any such member's participation.

5.3 The Board shall add members to the Audit Committee, on the recommendation of the Governance and Nominating Committee, to fill vacancies on the Audit Committee, in accordance with the Articles and Bylaws of the Company.

5.4 The Committee may create one or more subcommittees and may delegate, in its discretion, all or a portion of its duties and responsibilities to such subcommittees.

5.5 The Board shall designate one member of the Committee, on the recommendation of the Governance and Nominating Committee, as the Chair of the Committee ("**Committee Chair**") and shall serve until his or her earlier resignation or removal by resolution of the Board, or until he or she ceases to be a Director of the Company.

Responsibilities of the Committee Chair

5.6 The responsibilities of the Committee Chair shall include:

- a) lead the Committee in undertaking the duties and responsibilities under this Charter;
- b) facilitate the flow of information to members of the Committee required in a timely fashion;
- c) facilitate access by members of the Committee to management, as necessary;
- d) chair Committee meetings;

- e) work with the Committee members and the Chief Executive Officer (“CEO”) to establish the frequency of, and agenda for, Committee meetings;
- f) lead the Committee in reviewing and assessing the adequacy of its mandate, evaluate the effectiveness in fulfilling its mandate and make recommendations to the Governance and Nominating Committee;
- g) maintain regular liaison with the external auditor, including the lead partner and management, including the CEO and the Chief Financial Officer (“CFO”);
- h) canvass members for continuous educational needs and, in conjunction with the Board education program, arrange for such education to be provided to the Committee on a timely basis; and
- i) make oral and written reports to the Board, on behalf of the Committee, on the activities and recommendations of the Committee (unless that responsibility is otherwise delegated by the Committee or the Committee Chair to another Committee member) at the next Board meeting or more regularly, as required.

5.7 The Committee Chair shall have the power to delegate his or her authority and duties to an individual member of the Committee as he or she considers appropriate;

Meetings

5.8 The calling, times and locations of meetings of the Audit Committee and procedures at such meetings, shall be determined from time to time by the Audit Committee, provided that there shall be a minimum of four meetings per year.

5.9 In general, and subject to the notice provisions in the Company’s Articles and Bylaws, written notice shall be provided no later than 48 hours prior to the meetings, unless waived by all members of the Audit Committee. Notice of every meeting shall be given to the external auditors, the Board, the Board Chair and the CEO.

5.10 A Committee member may participate in a Committee meeting by means of such telephonic, electronic or other communication facilities so as to permit all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

5.11 If a Committee Chair is not present at any meeting of a Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

5.12 The General Counsel & Secretary, or his or her designate, or such other person approved by the Committee shall act as secretary to the Committee.

5.13 Each of the members of the Audit Committee, Board Chair, external auditor, CEO, CFO or General Counsel & Secretary shall be entitled to request that the Chair of the Audit Committee call a meeting, which shall be held within 48 hours of receipt of such request.

5.14 Agendas for the meetings of the Committee will be developed by the Chair of the Committee and shall be circulated to Committee members prior to the Committee meetings.

5.15 The Audit Committee shall have the right to require the external auditors, or any member of management, or any employee of the Company to attend a meeting of the Audit Committee.

5.16 The quorum for a meeting of the Committee is a majority of the members of the Committee, or such greater number as the Committee shall by resolution determine.

5.17 The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.

5.18 The Committee may invite such officers, Directors, and employees of the Company as it may see fit from time to time to assist the Committee with the carrying out of its duties and responsibilities under this Charter.

5.19 The Committee shall hold regular *in camera* sessions, during which the members of the Committee shall meet in the absence of management.

5.20 The Committee will meet separately with each of the CEO and the CFO of the Company (at least annually) to review the financial affairs of the Company.

5.21 The Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.22 The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Committee.

5.23 The Committee shall report to the Board on its activities after each meeting. The Committee shall report its discussions to the Board by providing an oral or written report at the next Board meeting.

5.24 The Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5.25 The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

6. PERFORMANCE REVIEW

6.1 The Committee shall on an annual basis:

- a) review and assess the adequacy of the Charter and, if necessary, make recommendations to the Governance and Nominating Committee with respect to its modification or amendment;
- b) undertake a regular performance evaluation of the Committee and compare the performance of the Committee to the Charter in a manner the Committee deems appropriate; and
- c) report the results of the performance evaluation to the Governance and Nominating Committee, which may take the form of an oral or written report by the Committee Chair or any other member of the Committee designated by the Committee Chair to make the report.

**SCHEDULE “C”
CENTURY IRON MINES CORPORATION
EQUITY INCENTIVE PLAN**

Dated for Reference August 9, 2013

**ARTICLE 1
PURPOSE AND INTERPRETATION**

Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with the rules and policies of The Toronto Stock Exchange, and any inconsistencies between this Plan and the TSX Policies whether due to inadvertence or changes in TSX Policies will be resolved in favour of the latter.

Definitions

1.2 In this Plan:

“**Affiliate**” has the meaning assigned by the TSX Policies;

“**Black-out Period**” means the period during which the relevant Participant is prohibited from exercising an Option or receiving compensation in the form of securities of the Company under this Plan due to trading restrictions imposed by the Company in accordance with its securities trading policies governing trades in the Company’s securities;

“**Board**” means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options and Other Equity Awards under this Plan;

“**Business Day**” means a day that the TSX is open for trading;

“**Change of Control**” in respect of any Participant has the meaning ascribed to such term (in a relevant context) in the Participant’s Employment Agreement or, if no meaning is so ascribed or there is no such agreement, means the acquisition by any Person or by any Person and its joint actors (as such term is defined in the Securities Act), whether directly or indirectly, of voting securities (as such term is defined in the Securities Act) of the Company which, when added to all other voting securities of the Company at the time held by such Person and its joint actors, totals for the first time not less than 30% of the outstanding voting securities of the Company;

“**Common Shares**” means common shares in the capital of the Company providing such class is listed on the TSX;

“**Company**” means Century Iron Mines Corporation or any successor thereto;

“**Consultant**” has the meaning provided in *National Instrument 45-106-Prospectus and Registration Exemptions*, as amended from time to time;

“**Consultant Company**” means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;

“**Directors**” means the directors of the Company or an Affiliate as may be elected or appointed from time to time;

“**Distribution**” has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

“**Effective Date**” for an Option means the date of grant thereof by the Board;

“**Employee**” means:

(a) an individual who is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source);

(b) an individual who works full-time for the Company or an Affiliate providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(c) an individual who works for the Company or an Affiliate on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source, and may include an Officer;

“Employment Agreement” means an employment agreement entered into by the Company and an Employee, if any;

“Exercise Price” means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;

“Fair Market Value” means, as of a specified date, the last closing price of the Common Shares on the TSX (or, if the Common Shares are not listed on the TSX, such other stock exchange on which the Common Shares are then listed) on the trading day immediately preceding that date, or if no prices are reported on that date, on the last preceding date on which such prices of the Common Shares are so reported. If the Common Shares are not then listed on any stock exchange but are traded over the counter at the time determination of Fair Market Value is required to be made under this Plan (or in respect of any Option or Other Equity Award), Fair Market Value shall be deemed to be equal to the average between the reported high and low sales prices of Common Shares on the most recent date on which Common Shares were publicly traded. If the Common Shares are not publicly traded at the time of determination, Fair Market Value shall be made by the Board in such manner as it deems appropriate.

“Expiry Date” means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;

“Insider” means an insider as defined in the TSX Policies;

“Investor Relations Activities” means generally any activities or communications that can reasonably be seen to be intended to or be primarily intended to promote the merits or awareness of or the purchase or sale of securities of the Company;

“Listed Shares” means the number of issued and outstanding shares of the Company that have been accepted for listing on the TSX, but excluding dilutive securities not yet converted into Listed Shares;

“Management Company Employee” means an individual employed by another individual or a corporation providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a corporation or individual engaged primarily in Investor Relations Activities;

“Officer” means a duly appointed senior officer of the Company;

“Option” means the right to purchase Common Shares granted hereunder to a Participant;

“Option Commitment” means the notice of grant of an Option delivered by the Company hereunder to a Participant;

“Optioned Shares” means Common Shares that may be issued in the future to a Participant upon the exercise of an Option;

“Optionee” means the recipient of an Option hereunder;

“Original Plan” means the Stock Option Plan of the Company most previously approved by the shareholders of the Company at the annual and special meeting of the shareholders of the Company held on September 26, 2012;

“Other Equity Award” means an award (other than an Option) made pursuant to this Plan, as provided in Article 4 of this Plan;

“Other Equity Award Agreement” means a written document by which each Other Equity Award is evidenced;

“Outstanding Shares” means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;

“Participant” means a Service Provider that becomes an Optionee or a holder of an Other Equity Award;

“Performance Share Unit” or **“PSU”** means a Share Unit granted under this Plan where vesting of the PSU and the corresponding right to payment depends upon satisfaction of specified performance or other

conditions, which may include the passage of time; it being understood that the time or schedule for payment, provided vesting has occurred, will be determined by the Board at the time of grant;

“**Person**” means a company or an individual;

“**Plan**” means this Equity Incentive Plan, the terms of which are set out herein or as may be amended, which plan amends, replaces and continues the Original Plan;

“**Plan Shares**” means the total number of Common Shares which may be reserved for issuance as Optioned Shares or under Other Equity Awards under this Plan as provided in section 2.2;

“**Regulatory Approval**” means the approval of the TSX and any other securities regulatory authority that may have lawful jurisdiction over this Plan and any Options or Other Equity Awards issued hereunder;

“**Restricted Share Unit**” or “**RSU**” means a Share Unit granted under this Plan where vesting of the RSU and the corresponding right to payment depends upon the passage of time; it being understood that the time or schedule for payment, provided vesting has occurred, will be determined by the Board at the time of grant;

“**Securities Act**” means the *Securities Act* (Ontario), as amended from time to time;

“**Service Provider**” means an individual who is a *bona fide* Director, Officer, Employee, Management Company Employee or Consultant, and also includes a company of which 100% of the share capital is beneficially owned by one or more individuals who would qualify as Service Providers but for the fact that they provide services to the Company through the applicable company;

“**Share Appreciation Right**” means a right that entitles a Participant to receive payment, in cash or securities of the Company, equal to the appreciation in value of the corresponding number of Common Shares over a certain period of time, provided that all vesting and other conditions to payment have been satisfied, with the Participant not being required to purchase the underlying Common Shares, it being understood that (a) the appreciation in value will be calculated as the difference between the Fair Market Value of the corresponding number of Common Shares on the date of payment (or on such other date as the Board may have specified when granting the SAR as being the date for determining the value of the SAR for payment purposes) and the Fair Market Value of the same number of Common Shares at the time the SAR was granted (or on such other date, not earlier than the date when the SAR was granted, as the Board may have specified as being the date for determining the starting value of Common Shares for purposes of the SAR) and (b) if payment of the SAR is made in Common Shares of the Company, the number of Common Shares to be delivered will be determined by dividing the amount due to be paid by the Fair Market Value of Common Shares when payment is made;

“**Share Compensation Arrangement**” means any Option or Other Equity Award granted or issued under this Plan but also includes (a) any individual stock option, (b) any stock option plan, (c) any employee stock purchase plan or (d) any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Participant;

“**Share Unit**” means a unit having a value that is at all times equal to the value of a Common Share, subject to adjustment as provided in this Plan;

“**Shareholder Approval**” means approval by a majority of the votes cast by eligible shareholders at a duly constituted shareholders’ meeting, provided that if and to the extent that TSX Policies or applicable laws require that votes of certain shareholders be excluded in determining whether approval of the Company’s shareholders was granted in respect of this Plan or any amendment of or matter relating to this Plan, or any Option or any Other Equity Award granted hereunder, then “**Shareholder Approval**” means the approval of shareholders of the Company as so adjusted;

“**Take Over Bid**” means a take-over bid as defined in the Securities Act;

“**TSX**” means The Toronto Stock Exchange and any successor thereto; and

“**TSX Policies**” means the rules, regulations and policies of the TSX as amended from time to time.

ARTICLE 2 SCOPE OF PLAN

Establishment of Stock Option Plan

2.1 This Plan is hereby established to allow, among other things, the granting or issuance of stock options to recognize contributions made by Participants to the Company, and to thereby create an incentive for the continuing assistance of such Service Providers to the Company and its affiliates.

Maximum Number of Plan Shares

2.2 The maximum aggregate number of Plan Shares that may be issued and reserved for issuance under this Plan in respect of Options and Other Equity Awards at any point in time is 15% of the Outstanding Shares, less any Common Shares reserved for issuance under Share Compensation Arrangements other than this Plan, unless and until this Plan is amended pursuant to the requirements of the TSX Policies.

Insider Participation Limit

2.3 Notwithstanding anything else provided herein:

- (a) the number of Common Shares that may be issuable at any time to Insiders under this Plan and under any other Share Compensation Arrangements of the Company; and
- (b) the number of Common Shares issued to Insiders under this Plan and under any other Share Compensation Arrangements of the Company during any one year period;

may not exceed 10% of the Outstanding Shares.

ARTICLE 3 STOCK OPTIONS

Eligibility

3.1 Options to purchase Common Shares may be granted by the Board under this Plan to Service Providers from time to time. Service Providers that are corporate entities will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its shares, nor issue more of its shares so as to indirectly transfer the benefits of an Option, as long as such Option remains outstanding, unless the written permission of the TSX and the Company is obtained.

Options Granted Under this Plan

3.2 All Options granted under this Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

3.3 Subject to specific variations approved in accordance with this Plan, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Options Not Exercised

3.4 In the event an Option granted under this Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to this Plan and will be eligible for re-issue. For greater certainty Options which are exercised thereupon increase the number available to this Plan by the relevant percentage of Outstanding Shares as provided hereunder.

Exercise Price

3.5 The Exercise Price of an Option will be determined by the Board in its discretion but will in no event be less than:

- (a) the greater of the closing price for the Common Shares on the TSX on the last trading day before the date of grant of the Option and the weighted average of the trading prices for the Common Shares on the five trading days before the date of grant of the Option; or

(b) if not listed on the TSX but listed on any other stock exchange, then as calculated in paragraph (a) above by reference to the price on the other stock exchange on which the Common Shares are listed (if more than one, then using the exchange on which a majority of Common Shares are traded).

Term of Option

3.6 The term of each Option will be determined by the Board in its discretion, provided that no Option shall be exercisable for a term expiring after the date that is 10 years from the Effective Date, subject to section 3.11.

Vesting of Options

3.7 Vesting of Options shall be in accordance with the vesting and exercise provisions provided in the Participant's Employment Agreement, if any, failing which, the vesting of Options shall be as determined in the discretion of the Board.

3.8 Notwithstanding section 3.7, in the event of a Change of Control or Take Over Bid, in the case of a particular Optionee, the Options held by that Optionee may be exercised by the Optionee in full or in part at any time before the applicable vesting period(s) for those Options:

- (a) if and to the extent provided in the Optionee's Employment Agreement; and
- (b) subject to (a), at the discretion of the Board.

Optionee Ceasing to be Director, Employee or Service Provider

3.9 No Option may be exercised after the Optionee has ceased to be a Service Provider, except as follows:

- (a) notwithstanding any other provision of this section 3.9, if and to the extent provided in the Optionee's Employment Agreement;
- (b) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the Expiry Date of such Option;
- (c) subject to the other provisions of this section 3.9, including the proviso below, vested Options shall expire on the earlier of the Expiry Date of such Option or the date that is 90 days after the date the Optionee ceases to be employed by, provide services to, or be a Director or Officer of, the Company or an Affiliate of the Company, and all unvested Options shall immediately terminate without right to exercise same; and
- (d) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same, but provided that in no event may the term of the Option exceed 10 years.

Notwithstanding the provisions of paragraph (c), the Board may provide for the vesting of all or any part of the Optionee's Options that are unvested at the date the Optionee ceases to be employed by, provide services to, or be a Director or Officer of, the Company or an Affiliate, and may extend the time period for exercise of an Option to a maximum of the original term of the Option, all as the Board deems appropriate in the circumstances contemplated by paragraph (c).

Non Assignable

3.10 Subject to section 3.9(b), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of Options Expiring During Blackout Period

3.11 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall be automatically adjusted without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under this Plan. Notwithstanding any other provision of this Plan, the ten Business Day period referred to in this section 3.11 may not be extended by the Board.

Option Commitment

3.12 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to this Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

Manner of Exercise

3.13 An Optionee who wishes to exercise his Option may do so by delivering:

- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) cash or a certified cheque payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired and the aggregate of any amount required by law to be withheld by the Company on the exercise of such Option, or separate certified cheques for such Exercise Price and such amount to be withheld. Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such other procedures and conditions as it determines appropriate with respect to the payment, funding or withholding of amounts required by law to be withheld on the exercise of Options under this Plan.

Delivery of Certificate and Hold Periods

3.14 As soon as practicable after receipt of the notice of exercise described in section 3.13 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws.

ARTICLE 4 OTHER EQUITY AWARDS

Purpose and Grants of Other Equity Awards

4.1 Under this Plan, the Board may grant Other Equity Awards to any Service Provider, subject to applicable laws.

4.2 The Board shall determine the type and number of Other Equity Awards that such Service Provider is entitled to receive, the term of such Other Equity Awards and the vesting conditions, if applicable, of such Other Equity Awards.

Terms and Conditions

4.3 Each Other Equity Award granted to a Service Provider shall be governed by the this Plan and shall be evidenced by an Other Equity Award Agreement setting out the terms and conditions governing the Other Equity Award (in addition to the terms and conditions of this Plan), which terms and conditions as reflected in the Other Equity Award Agreement need not be the same in each case and which terms and conditions may be changed from time to time by the Board in accordance with applicable laws. The term of any Other Equity Award shall be for a maximum of ten (10) years from the date the Other Equity Award is granted.

Performance Share Units

4.4 The Board may grant Other Equity Awards of Performance Share Units to Service Providers, in all cases in such amounts and subject to such vesting and other terms and conditions as the Board shall determine in its discretion, subject to this Plan and applicable laws. The conditions applicable to PSUs can include, among other things, conditions as to performance, milestones that must be achieved in order for the corresponding PSUs to vest, other internal or external conditions that must be satisfied in order for the PSUs to vest, or as to the length of time during which a Participant must be employed by, or otherwise provide services to, the Company in order for vesting to occur. A PSU will not entitle its holder to voting or other rights appurtenant to Common Shares. Except as may otherwise be set forth in the corresponding Other Equity Award Agreement, if and when dividends are declared and paid upon the Common Shares at any time prior to vesting of a PSU, no adjustment shall be made to the PSU or its value. The Board shall also determine in its sole discretion whether payment under PSUs will be made in Common Shares, cash, securities or other property, or a combination thereof, and for greater clarity the Board shall be authorized to make such a determination at any time before or after vesting, until

payment is actually made. When the conditions for vesting and payment, if any, applicable to a PSU have been satisfied, the holder of the PSU shall be entitled to receive the corresponding number of Common Shares, the cash value of the corresponding number of Common Shares at that time, other securities of the Company or other property, as the case may be. Unless otherwise specified in the applicable Other Equity Award Agreement for a PSU, the cash value of Common Shares referred to in the preceding sentence shall be the Fair Market Value of Common Shares on a date determined by the Board in good faith, such date to be no earlier than the date when all pre-conditions to payment of or in respect of the PSU have been satisfied. It is a condition of this Plan that a Service Provider who is granted a PSU will have only the rights of a general unsecured creditor of the Company until payment of Common Shares, cash or other securities or property is made upon the PSU as specified in the applicable Other Equity Award Agreement.

Restricted Share Units

4.5 The Board may grant Other Equity Awards of Restricted Share Units to Service Providers, in all cases in such amounts and subject to such vesting and other terms and conditions as the Board shall determine in its discretion, subject to this Plan and applicable laws. The conditions applicable to RSUs shall relate to the length of time during which a Participant must be employed by, or otherwise provide services to, the Company in order for vesting to occur. A RSU will not entitle its holder to voting or other rights appurtenant to Common Shares. Except as may otherwise be set forth in the corresponding Other Equity Award Agreement, if and when dividends are declared and paid upon the Common Shares at any time prior to vesting of a RSU, no adjustment shall be made to the RSU or its value. The Board shall also determine in its sole discretion whether payment under RSUs will be made in Common Shares, cash, securities or other property, or a combination thereof, and for greater clarity the Board shall be authorized to make such a determination at any time before or after vesting, until payment is actually made. When the conditions for vesting and payment, if any, applicable to a RSU have been satisfied, the holder of the RSU shall be entitled to receive the corresponding number of Common Shares, the cash value of the corresponding number of Common Shares at that time, other securities of the Company or other property, as the case may be. Unless otherwise specified in the applicable Other Equity Award Agreement for a RSU, the cash value of Common Shares referred to in the preceding sentence shall be the Fair Market Value of Common Shares on a date determined by the Board in good faith, such date to be no earlier than the date when all pre-conditions to payment of or in respect of a RSU have been satisfied. It is a condition of this Plan that a Service Provider who is granted a RSU will have only the rights of a general unsecured creditor of the Company until payment of Common Shares, cash or other securities or property is made upon the RSU as specified in the applicable Other Equity Award Agreement.

Other Equity-Based Awards

4.6 The Board may grant other types of equity-based or equity-related Other Equity Awards to Service Providers (including the grant of restricted or performance shares that are subject to vesting conditions (*i.e.* shares the ownership of which vests in the holder based on conditions such as those applicable to RSUs and PSUs, as the case may be) and SARs) in such amounts and subject to such terms and conditions as the Board shall in its discretion determine. Without limiting the foregoing, the Board may also issue any Other Equity Award that is a combination of any of the types of Other Equity Awards specified in sections 4.4 and 4.5 of this Plan. Such Other Equity Awards may entail the transfer of actual Common Shares to Participants, or payment in cash or otherwise of amounts based on the value of Common Shares, and may include, without limitation, Other Equity Awards designed to comply with or take advantage of applicable local laws of foreign jurisdictions.

Reservation of Common Shares from Plan Shares

4.7 If payment upon any Other Equity Award granted under this Article 4 may be made in Common Shares, then at the time of grant the Board shall (a) determine or estimate the number of Common Shares that may be issued in payment of such Other Equity Award upon its payment by the Company and then (b) reserve and allot from the Plan Shares the corresponding number of Common Shares, and (c) from time to time while the Other Equity Award remains outstanding and unvested the Board shall be authorized to adjust the number of Common Shares so reserved and allotted to reflect changes in the number of Common Shares issuable thereunder, in all cases subject to applicable laws and TSX Policies.

Transfer and Assignment

4.8 No Other Equity Award granted under this Plan may be sold, exchanged, transferred, assigned, pledged, hypothecated or otherwise disposed of (including through the use of any cash-settled instrument) other than by will or by the laws of descent and distribution in accordance with section 4.13(b), and all such Other Equity Awards and rights shall be exercisable during the life of the grantee only by the grantee or the grantee's legal

representative. Notwithstanding the immediately preceding sentence, the Board may permit, under such terms and conditions that it deems appropriate in its sole discretion, a grantee to transfer any Other Equity Award to any Service Provider that the Board so determines.

Other Equity Awards Granted Under this Plan

4.9 All Other Equity Awards granted under this Plan will be evidenced by an Other Equity Award Agreement in the form approved from time to time by the Board, setting forth the terms and conditions applicable to the corresponding Other Equity Award.

4.10 Subject to specific variations approved in accordance with this Plan, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Other Equity Award Agreement made hereunder.

Vesting of Other Equity Awards

4.11 Vesting of Other Equity Awards shall be in accordance with the vesting and exercise provisions provided in the Participant's Employment Agreement, if any, or Other Equity Award Agreement, failing which the vesting of Other Equity Awards shall be as determined in the discretion of the Board.

4.12 Notwithstanding section 4.11, in the event of a Change of Control or Take Over Bid, Other Equity Awards shall vest in full or in part at any time before the applicable vesting period(s):

- (a) for each Participant, if and to the extent provided in his, her or its Employment Agreement or Other Equity Award Agreement; and
- (b) subject to (a), at the discretion of the Board.

Holder of Other Equity Award Ceasing to be Director, Employee or Service Provider

4.13 Except as described in sub-paragraphs (a) and (b) below and subject to applicable laws and the TSX Policies, for any Other Equity Award held by a Participant, and any right to payment in respect thereof, that has not vested such Other Equity Award and right will be forfeited on the date the Participant ceases to be a Service Provider. The circumstances under which a Participant shall not forfeit his, her or its Other Equity Awards upon termination of service to the Company are as follows:

- (a) notwithstanding any other provision of this section 4.13, if and to the extent provided in the Participant's Employment Agreement or Other Equity Award Agreement, or as determined in accordance with policies of the Board adopted with respect to the administration of this Plan and Other Equity Awards granted hereunder; and
- (b) in the case of the death or disability of the Participant, or the Participant's retirement from employment with or service to the Company, and in the case of the Company terminating the Participant's employment or other service to the Company without cause, (i) the Company will be required to make payment (in cash, securities or other form of property, or any combination thereof, as determined in accordance with this Plan) in respect of any vested Other Equity Award held by the Participant at the date of death, disability, retirement or termination, as the case may be, to the Participant or, in the case of the Participant's death to that Participant's lawful personal representatives, heirs or executors, within six months of the date of death and (ii) with respect to any Other Equity Awards for which vesting depends on the Participant providing services to the Company for a specified period (the "**Vesting Period**"), then a *pro rata* portion of the Other Equity Awards will vest immediately prior to the termination of the Participant's service to the Company based on the percentage of the Vesting Period during which the Participant actually served the Company, and the Company will be required to make payment in respect of the Other Equity Awards so vested to the Participant or, in the case of the Participant's death, to that Participant's lawful personal representatives, heirs or executors, within six months of the date of death.

Notwithstanding the foregoing, the Board may provide for the vesting of all or any part of the Participant's Other Equity Awards that are unvested at the date the Participant ceases to be employed by, provide services to, or be a Director or Officer of, the Company or an Affiliate of the Company, all as the Board deems appropriate in the circumstances.

Unvested Other Equity Awards

4.14 In the event an Other Equity Award granted under this Plan expires prior to vesting and payment, is forfeited or otherwise:

- (a) is terminated by reason of dismissal of the applicable Participant for cause; or
- (b) is otherwise lawfully cancelled prior to vesting or payment;

the number of Common Shares that were issuable or reserved for issuance thereunder will be returned to this Plan and will be eligible for re-issue. For greater certainty, Common Shares issued in payment or other settlement of Other Equity Awards thereupon increase the number available to the issuance under this Plan by the relevant percentage of Outstanding Shares as provided hereunder.

Other Equity Award Agreement

4.15 Promptly following the grant of an Other Equity Award hereunder, an authorized officer of the Company will deliver to the applicable Participant an Other Equity Award Agreement detailing the terms of the applicable Other Equity Award(s).

Adjustment of Payment on Other Equity Awards During Blackout Period

4.16 Should the vesting, payment or other settlement date for an Other Equity Award fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such date shall be automatically adjusted without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the vesting, payment or other settlement date for all purposes under the applicable Other Equity Awards. Notwithstanding any other provision of this Plan, the ten Business Day period referred to in this section 4.16 may not be extended by the Board.

ARTICLE 5 ADMINISTRATION OF PLAN; AMENDMENTS TO PLAN AND TO SECURITIES ISSUED UNDER PLAN

Administration of Plan

5.1 The Board will be responsible for the general administration of this Plan and the proper execution of its provisions, the interpretation of this Plan and the determination of all questions arising hereunder.

5.2 Without limiting the generality of the foregoing, but subject to the provisions of this Plan, the Board has the power to:

- (a) determine the Service Providers to whom Options or Other Equity Awards are to be granted, to grant such Options, and, subject to the other terms of this Plan, to determine any terms and conditions, limitations and restrictions in respect of any particular grant of Options or Other Equity Awards grant;
- (b) allot Common Shares for issuance in connection with the exercise of Options, allot Common Shares for issuance as payment for or under Other Equity Awards, and issue Common Shares on the exercise of Options or otherwise for or under Other Equity Awards; and
- (c) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of this Plan so delegated to the same extent as the Board is hereby authorized so to do.

Regulatory Approval

5.3 This Plan shall be subject to the approval of any regulatory authority whose approval is required. Any Options or Other Equity Awards granted under this Plan prior to such approvals being given shall be conditional upon such approvals being given, and no such Options or Other Equity Awards may be exercised unless and until such approvals are given.

Compliance with Legislation

5.4 The Company will not be required to issue any Common Shares under this Plan unless such issuance is in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory

authorities and the requirements of any stock exchange upon which Common Shares of the Company are listed. The Company will not in any event be obligated to take any action to comply with any such laws, regulations, rules, orders or requirements.

Adjustment of the Number of Options and Other Equity Awards

5.5 If there is (i) a change in the outstanding Common Shares by reason of any share consolidation, split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to or event affecting the Common Shares, or (ii) any exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to requisite Regulatory Approval, appropriate substitution and/or adjustment in:

- (a) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
- (b) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to (i) any outstanding unexercised Options, and in the exercise price for such shares or other securities or property or (ii) the vesting or form and manner of settlement of any outstanding Other Equity Awards, or to any other terms and conditions of such Other Equity Awards as are deemed appropriate by the Board, in its full and absolute discretion, in the circumstances; and/or
- (c) the vesting of any Options or Other Equity Awards, including the accelerated vesting thereof on conditions the Board deems advisable, and if the Company undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Participants as it shall deem advisable including in order to comply with the terms of the relevant Participant's Employment Agreement, if any, or any other terms and conditions of the Participant's Employment, the applicable Options or the applicable Other Equity Awards.

Amendments Generally

5.6 The Board may, without shareholder approval, at any time and from time to time, amend, suspend, terminate or discontinue this Plan or any Option or Other Equity Award granted hereunder, or revoke or alter any action taken pursuant to this Plan or any Option or Other Equity Award granted hereunder, except that no amendment, suspension, termination or discontinuance of this Plan will adversely alter or impair any Option or Other Equity Award granted hereunder without the written consent of the applicable Participant and is subject to those provisions of applicable laws (including, without limitation, the TSX Policies), if any, that require the approval of shareholders or any governmental or regulative body.

Amendments by Board

5.7 Without limiting the generality of section 5.6, the Board may make the following types of amendments to this Plan without seeking Shareholder Approval:

- (a) amendments of a "housekeeping" or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
- (b) amendments necessary to comply with the provisions of applicable law (including, without limitation, the TSX Policies);
- (c) amendments respecting administration of this Plan;
- (d) any amendment to the vesting provisions of this Plan, or of any Option or Other Equity Award granted hereunder;
- (e) any amendment to the early termination provisions of this Plan or of any Option or Other Equity Award granted hereunder, notwithstanding the identity or role of the Participant to whom such Option or Other Equity Award was granted, provided such amendment does not entail an extension beyond the original Expiry Date;
- (f) the addition of any form of financial assistance by the Company for the acquisition by all or certain categories of Participants of Common Shares under this Plan, and the subsequent amendment of any such provision which is more favourable to Participants;

- (g) the addition or modification of a cashless exercise feature, payable in cash or Common Shares, which provides for a full deduction of the number of underlying Common Shares from this Plan reserve;
- (h) amendments necessary to suspend or terminate this Plan; and
- (i) any other amendment, whether fundamental or otherwise, not requiring Shareholder Approval under applicable law (including, without limitation, the TSX Policies).

Amendments Requiring Shareholder Approval

5.8 The Board may not, without approval of the holders of a majority of the issued and outstanding equity securities of the Company present and voting in person or by proxy at a meeting of holders of such securities, amend this Plan or any Option or Other Equity Award granted hereunder to do any of the following:

- (a) increase the aggregate maximum percentage of Common Shares issuable under this Plan;
- (b) make any amendment that would reduce the Exercise Price of an outstanding Option or, if applicable, Other Equity Award granted hereunder (including a cancellation and reissue of an Option or Other Equity Award, as the case may be, at a reduced Exercise Price);
- (c) extend the term of any Option or Other Equity Award granted hereunder beyond the Expiry Date of such security or allow for the Expiry Date of an Option or Other Equity Award granted hereunder to be greater than 10 years except as currently provided in connection with a Black-out Period;
- (d) permit assignments of Options or Other Equity Awards granted hereunder, or permit exercises of Options other than by the applicable Participant other than as contemplated in sections 3.9 and 4.14;
- (e) expand the definition of “Service Provider” or otherwise alter the conditions for eligibility for participation in this Plan;
- (f) amend this Plan to provide for other types of compensation through equity issuance, unless the change to this Plan or an Option results from the application of section 5.5; and
- (g) effect an amendment which is required to be approved by shareholders under applicable law (including, without limitation, the TSX Policies).

5.9 Where Shareholder Approval is sought for amendments under section 5.8(b) or section 5.8(c) above, the votes attached to Common Shares held directly or indirectly by Insiders benefiting from the amendment will be excluded. In the event of any conflict between sections 5.7 and 5.8 above, the latter shall prevail to the extent of any conflict.

Amendment Subject to Approval

5.10 If the amendment of an Option or Other Equity Award requires Regulatory Approval or Shareholder Approval, such amendment may be made prior to such approvals being given, but no such amended Option or Other Equity Award may be exercised unless and until such approvals are given.

ARTICLE 6 GENERAL

Employment and Services

6.1 Nothing contained in this Plan will confer upon or imply in favour of any Service Provider any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Service Provider’s office, employment or service with or to the Company at any time pursuant to the arrangements pertaining to same. Participation in this Plan by a Service Provider will be voluntary.

No Representation or Warranty

6.2 The Company makes no representation or warranty as to the future market value of Common Shares (which for clarity shall include for the purposes of this section 6.2 other classes or kinds of securities issued in place of Common Shares pursuant to this Plan) issued in accordance with the provisions of this Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the

Common Shares issuable thereunder or the tax consequences to a Participant. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of such Participant and not the Company.

Interpretation

6.3 The Plan will be governed and construed in accordance with the laws of the Province of Ontario.

Amendment and Restatement and Effective Date of Plan

6.4 This Plan will be effective on the date upon which it is approved by the shareholders of the Company in accordance with TSX Policies and applicable laws, as of such date will amend, restate and replace the then Original Plan, provided that all validly outstanding options granted under the Original Plan and existing at the time this Plan comes into effect will continue to be in full force and effect and will be counted for the purposes of calculating what may be issued under this Plan.

4842-3744-5397, v. 12