



**CENTURY GLOBAL COMMODITIES CORPORATION**

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

**August 15, 2018**

**SHAREHOLDERS OF CENTURY GLOBAL COMMODITIES 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 Global Commodities Corporation, please contact Denis Frawley, Co-Secretary, or Alex Tsang, Co-Secretary, and Chief Financial Officer, at 852-3951-8700.**





## CENTURY GLOBAL COMMODITIES CORPORATION

Unit 905-6, 9/F, Houston Center, 63 Mody Road, Tsim Sha Tsui  
Kowloon, Hong Kong  
Telephone: 852-3951-8700 / Facsimile: 852-3101-9302

August 15, 2018

Dear Shareholders:

You are cordially invited to attend the annual general meeting (the “**Meeting**”) of Century Global Commodities Corporation (the “**Company**”) to be held at Suites 1801-06, 18/F, Tower 2, The Gateway, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, September 19, 2018 at 9:30 a.m. (Hong Kong time).

The items of business to be considered and voted upon at the Meeting are described in the accompanying Notice of Annual General 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](http://www.sedar.com). We also encourage you to access either SEDAR or our website at [www.centuryglobal.ca](http://www.centuryglobal.ca) 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 GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of shareholders of Century Global Commodities Corporation (the “**Company**”) will be held at **Suites 1801-06, 18/F, Tower 2, The Gateway, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong** on Wednesday, September 19, 2018 at 9:30 a.m. (Hong Kong 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 re-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 any permitted amendment to or variation of any matter identified in this Notice; and
5. 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](http://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.

**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 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 Hong Kong, this 15th day of August, 2018

**BY ORDER OF THE BOARD**

(signed) “*Sandy Chim*”

Sandy Chim  
President and Chief Executive Officer

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### INFORMATION CIRCULAR

(unless otherwise specified, information is as of August 15, 2018)

This Information Circular is furnished in connection with the solicitation of proxies by the management of Century Global Commodities Corporation (the “**Company**”) for use at the annual general meeting (the “**Meeting**”) of the Company (and any adjournment thereof) to be held on September 19, 2018 at the time and place and for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders.

In this Information Circular, references to the “**Company**”, “**we**” and “**our**” refer to the Company. “**Shares**” mean ordinary shares in the share capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold shares in their own names 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 will reimburse the intermediaries for their reasonable fees and disbursements in that regard.

#### Appointment of Proxyholders

Sandy Chim and Alex Tsang, the individuals named in the accompanying form of proxy (the “**Proxy**”) as proxyholders, are officers and/or Co-Secretary 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 as proxy holders will vote for, against or abstain 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 favor 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, TSX Trust Company ("TSX Trust"). Registered shareholders who elect to submit a Proxy may do so online at [www.voteproxyonline.com](http://www.voteproxyonline.com) by entering the control number printed on the form of proxy, by fax at 1-416-595-9593, or by mail to 100 Adelaide St. W, Suite 301, Toronto, Ontario, Canada, M5H 4H1, in all cases in accordance with the instructions provided by TSX Trust 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.

Each registered shareholder can appoint any person (who need not be a registered shareholder or even a Beneficial Shareholder of the Company), other than any of the persons designated in the Proxy, to represent that registered shareholder's shares at the Meeting, and that person may even be the registered shareholder representing himself, herself or itself. To exercise this right, a registered shareholder must insert the name of the person who is to be appointed as her, his or its representative (which may be that registered shareholder) in the blank space provided in the Proxy that will be provided for the Meeting.

### ***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 register of members of the Company as the registered holders of shares) or the persons they appoint as their proxyholders, 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 register of members of the Company. Those shares will more likely be registered under the names of an intermediary such as the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), 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 TSX Trust. NOBOs should complete and return these VIFs in accordance with the instructions provided by TSX Trust on the VIF. Those instructions will include options for submitting VIFs by mail, by fax at 1-416-595-9593 or online at [www.voteproxyonline.com](http://www.voteproxyonline.com) by entering the control number printed on the VIF. TSX Trust 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. However, notwithstanding that these instructions from NOBOs are being tabulated by TSX Trust and relayed at the Meeting, NOBOs and their intermediaries should note that only registered shareholders or their duly appointed representatives are entitled to vote at and be present at the Meeting, and the instructions provided by NOBOs through VIFs must nonetheless be transmitted to the Company through Proxies or other proper instruments from registered shareholders such as the intermediaries of those NOBOs.

This Information Circular, with related materials, 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, has been obtained in accordance with applicable securities rules from the intermediary who holds those shares on behalf of the NOBO.

Each NOBO can 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 that NOBO's shares at the Meeting, and that person may even be the Beneficial Shareholder representing himself, herself or itself. To do so, a NOBO must insert the name of the person who is to be appointed as her, his or its representative (which may be that NOBO) in the blank space provided in the VIF.

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. Unless duly modified by an OBO, the persons named in the VIF provided to him, her or it to represent the shares of that OBO 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.

Normally, an OBO can 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 that OBO's shares at the Meeting, by following the instructions provided in or with the VIF. An OBO's appointed representative may even be the Beneficial Shareholder representing himself, herself or itself. To do so, the VIFs typically provided by intermediaries to their OBOs require that the OBO 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. OBOs and their intermediaries should note that only registered shareholders or their duly appointed representatives are entitled to vote at and be present at the Meeting, and the instructions provided by OBOs through VIFs must nonetheless be transmitted to the Company through Proxies or other proper instruments from registered shareholders such as the intermediaries of those OBOs.

### ***Notice to Shareholders in the United States***

The solicitation of proxies involves securities of an issuer registered in the Cayman Islands and reporting in Canada and is being effected in accordance with the corporate laws of the Cayman Islands 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 not been prepared in accordance with those disclosure requirements. 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 *Companies Law (2013 Revision) of the Cayman Islands* ("**Cayman Islands Companies Law**"), 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 TSX Trust at Suite 301, 100 Adelaide St. W, Toronto, Ontario, Canada M5H 4H1, or at the offices of the Company 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, all as set out herein.

### **RECORD DATE AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

#### **Record Date and Outstanding Shares**

The Board has fixed August 3, 2018 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 ordinary shares of the Company are listed for trading on the Toronto Stock Exchange (the "**TSX**"). The Company is authorized to issue ordinary shares and different classes or series of shares up to a maximum of 5,000,000,000 shares, with \$0.001 par value each, having a maximum aggregate par value of \$5,000,000. As of the Record Date, there were 98,504,571 ordinary shares, issued and outstanding, each carrying the right to one vote, and there were no other shares of any class outstanding. There are no other class of shares issued and outstanding as at the Record Date. 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 Ordinary 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 the Record Date are:

<b>Shareholder name</b>	<b>Number of shares held <sup>(1)</sup></b>	<b>Percentage of issued shares <sup>(2)</sup></b>
WISCO International Resources Development & Investment Limited	23,197,768	23.5%
Ben Koon (David) Wong & Purple Star Holdings Limited <sup>(3)</sup>	24,701,628	25.1%

## Notes:

1. Information obtained from the insider reports available under the Company's profile on SEDI at [www.sedi.ca](http://www.sedi.ca).
2. % calculation was based on 98,504,571 ordinary shares of the Company outstanding as at the Record Date.
3. Purple Star Holdings Limited, which holds 24,691,628 shares, is a British Virgin Islands ("BVI") holding company of which Ben Koon (David) Wong, a director of the Company, is a controlling shareholder. Mr. Wong also holds 10,000 shares directly.
4. Thriving Century Limited, which holds 15,263,917 shares, is a BVI holding company of which Sandy Chim, President and Chief Executive Officer and a director of the Company, is a controlling shareholder. The remaining balance of 2,643,900 shares are held directly by Mr. Chim.

## 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

The resolutions proposed in this Information Circular and any other resolutions arising from the other matters described herein must be approved by holders of a simple majority of the votes of shareholders properly cast at the Meeting, whether in person or by proxy (an "**Ordinary Resolution**").

## MATTER #1 - ELECTION OF DIRECTORS

The Memorandum and Articles of Association of the Company (the "**Articles**") currently provide that the number of directors of the Company will be a minimum of three and a maximum of twelve. In accordance with the Articles, the Board has fixed the number of directors at eight.

The Articles of the Company provide that every director of the Company shall retire from office at the Company's annual general meeting of shareholders, and the term of office of each of the current directors will therefore end at the Meeting. Unless a director's office is vacated earlier in accordance with the provisions of the Cayman Islands Companies Law or the Company's Articles, each director elected at the Meeting will commence serving on the Board at the Meeting, and she or he will hold office until the conclusion of the next annual general meeting of shareholders of the Company.

### **Election of Directors and Majority Voting Policy**

With respect to the election at the Meeting of the nominees to the Board of Directors, the Proxy or VIF that shareholders of the Company will receive permits shareholders to vote separately "for", "against" or "abstain" for each director nominee. To be elected as a director by the shareholders, under the Cayman Islands Companies Law and the Articles a nominee must receive a majority of the votes cast on her or his candidacy. This is consistent with the majority voting policy adopted by the TSX.

If fewer than eight directors are elected by simple majority vote of the shareholders, then following the Meeting the Board will be comprised of fewer than eight directors and the Board could then consider whether to fill the vacant seat or seats on the Board.

Shareholders should also note that in the event of a contested election, where the number of nominees for director positions exceeds the number of seats on the Board, only nominees who receive a simple majority of votes cast in favor of their election are eligible to serve on the Board (the "**Qualified Directors**"), and in accordance with the Articles those Qualified Directors who receive the greatest number of votes, in declining order, will take seats on the Board until all available seats have been filled.

Subject to applicable laws and the Articles, the voting method to be applied for purposes of electing directors at the meeting will otherwise be determined by the chair of the meeting in his or her sole discretion.

### **Nominees for Election and Board Recommendation**

The directors of the Company have determined that the number of directors for the ensuing year will be eight. All of the nominees for election at the Meeting are currently directors of the Company. All the 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.

### **The Board of Directors unanimously recommends that shareholders vote “FOR” the election of the directors nominated by the Board.**

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 effectively 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. (Pursuant to a merger, WISCO is now owned by China Baowu Steel Group Corporation, a China state owned enterprise.) 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 ordinary 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. Mr. Caifa Xu and Xin Ting (Tony) Wang have been proposed by WISCO as nominee directors for election at the Meeting, and the Board has accepted this proposal and is nominating and recommending these individuals.

The following disclosure sets out: (a) the names of management’s eight nominees for election as directors, (b) their major offices and positions with the Company, 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 the Record Date. For each nominee’s principal occupation, business or employment for the five preceding years, see “*Matter #1-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.

<b>Nominee name, position with the Company and residency</b>	<b>Occupation, business or employment</b>	<b>Director Since</b>	<b>Ordinary shares beneficially owned, controlled or directed <sup>(1) (2)</sup></b>
Sandy Chim, MBA, CPA, CA <sup>(10)</sup> Chairman, Director, President and Chief Executive Officer Hong Kong, PRC	Chairman, Director, President and Chief Executive Officer of the Company	May 18, 2011	17,907,817 <sup>(3)</sup>
Ben Koon (David) Wong Director Hong Kong, PRC	Chairman of Prosperity International Holdings (H.K.) Limited	May 18, 2011	24,701,628 <sup>(4)</sup>
Hua Bai Director Beijing, PRC	Chairman of Northern Star Minerals Ltd.	May 18, 2011	5,048,208 <sup>(5)</sup>
Howard Bernier <sup>(9)(10)(11)</sup> Lead Director Repentigny, Québec, Canada	Consultant	May 18, 2011	10,000
Caifa Xu <sup>(6)</sup> Director Wuhan, Hubei, PRC	Resources Development Department Head, WISCO Resources Corporation	August 4, 2016	Nil <sup>(6)</sup>
Xin Ting (Tony) Wang <sup>(7)</sup> Director Wuhan, Hubei, PRC	Chief Executive Officer and President of WISCO Canada ADI Resources Development & Investment Limited	Oct. 7, 2015	Nil <sup>(7)</sup>
Jiong Hui Wang <sup>(8)(9)</sup> Director Beijing, PRC	Assistant President, China Minmetals Corporation, General Manager, Minmetals Exploration & Development Co., Ltd. and Chairman of China Minmetals Rare Earth Co., Ltd.	Sept. 28, 2011	Nil <sup>(8)</sup>
Kit Ying (Karen) Lee <sup>(9)(10)(11)</sup> Director Hong Kong, PRC	Director, China Blue Chemical Ltd.& Gemilang International Ltd.	Sept. 29, 2014	10,000

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](http://www.sedi.ca).
2. Figures do not include any issued and outstanding share options or share units. For issued and outstanding share options or share units please see the table under "Director Incentive Plan Awards – Outstanding Share-based Awards and Option-based Awards as at March 31, 2018".
3. Thriving Century Limited, a privately-held BVI company, of which Mr. Chim is a controlling shareholder, directly owns 15,263,917 ordinary shares of the Company representing approximately 15.5% of the issued and outstanding ordinary shares of the Company. Mr. Chim also directly owns 2,643,900 ordinary shares of the Company, representing approximately 2.7% of the issued and outstanding ordinary shares of the Company.
4. Purple Star Holdings Limited, a privately-held BVI company, of which Mr. Wong is a controlling shareholder, owns 24,691,628 ordinary shares of the Company representing approximately 25.1% of the issued and outstanding ordinary shares of the Company. Mr. Wong also directly owns 10,000 ordinary shares of the Company, representing approximately 0.01% of the issued and outstanding ordinary shares of the Company.
5. Earnlead Investments Ltd., a privately-held BVI company, of which Mr. Bai is a controlling shareholder, owns 4,988,208 ordinary shares of the Company representing approximately 5.1% of the issued and outstanding ordinary shares of the Company. Mr. Bai also directly owns 60,000 ordinary shares of the Company, representing approximately 0.1% of the issued and outstanding ordinary shares of the Company.
6. Mr. Caifa Xu has been nominated to the Board by WISCO. He currently serves as Resources Development Department Head, WISCO Resources Corporation, a subsidiary of WISCO. WISCO holds 23,197,768 ordinary shares of the Company representing approximately 23.6% of the issued and outstanding shares of the Company.
7. Mr. Xin Ting (Tony) Wang has been nominated to the Board by WISCO. He currently serves as Chief Executive Officer and President of WISCO Canada ADI Resources Development & Investment Limited, an affiliate of WISCO. WISCO holds 23,197,768 ordinary shares of the Company representing approximately 23.5% of the issued and outstanding shares of the Company.
8. Mr. Jiong Hui Wang is the Assistant President of China Minmetals Corporation, the General Manager of Minmetals Exploration & Development Co., Ltd. and the Chairman of China Minmetals Rare Earth Co., Ltd. Those companies are affiliates of Minmetals Exploration & Development (Luxembourg) Limited S.à r.l., a holder of 4,641,410 ordinary shares of the Company, representing

approximately 4.7% of the issued and outstanding shares of the Company.

9. Member of the Audit Committee in 2017-2018. Ms. Lee is the Chair of the Audit Committee.
10. Member of the Governance and Nominating Committee in 2017-2018. Mr. Chim is the Chair of the Governance and Nominating Committee.
11. Member of the Compensation Committee in 2017-2018. Mr. Bernier is the Chair of the Compensation Committee.

### **Principal Occupation, Business or Employment of Nominees**

#### ***Sandy Chim – Chairman of the Board, Director, President and Chief Executive Officer***

Sandy Chim, MBA, CPA, CA, is the founder, Chairman, a director, the President and Chief Executive Officer of the Company. 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 been instrumental to successful capital raises from public offerings and listings of companies in various industries 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, and manufacturing. He has been a director and member of corporate governance bodies of publicly listed companies on the TSX, TSXV, AIM (London), ASX (Australia), HKEx (Hong Kong) and SHSE (China). 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 Chartered Professional Accountants of Ontario Canada, and a Fellow Member of the Hong Kong Institute of Certified Public Accountants.

#### ***Ben Koon (David) Wong – Director***

Ben Koon (David) Wong is the Chairman of Prosperity International Holdings (H.K.) Limited (“PIHL”), an iron ore operator and real estate developer in China that is listed on the Hong Kong Stock Exchange. Mr. Wong’s professional career spans more than 30 years, including more than twenty years of experience in cement and iron ore operation.

#### ***Hua Bai – Director***

Hua Bai is a businessman in China with more than 25 years of investment and commercial experience. In the early 1990s, Mr. Bai founded an architecture and interior design firm in China winning a number of architectural awards. Mr. Bai commenced his career in mining exploration in North America many years ago and is currently the chairman of Northern Star Minerals Ltd. Mr. Bai has a degree in Architecture from Chongqing University in China.

#### ***Howard Bernier – Lead 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 35 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 Quebec.

#### ***Caifa Xu – Director***

Caifa Xu currently serves as the Resources Development Department Head of WISCO Resources Corporation, where he is in charge of domestic and overseas iron ore project development. He is a senior mechanical engineer, holding a Master’s degree of engineering. He has worked for WISCO for 25 years and has extensive experience in engineering, marketing, logistics and general management in the areas in which WISCO operates. He also has experience working in multicultural environments, having worked in Germany CDG for more than 3 years.

#### ***Xin Ting Wang - Director***

Xin Ting Wang currently serves as Chief Executive Officer and President of WISCO ADI. He is a mining engineer by profession with over 20 years of experience with operations and investment in the iron ore mining industry. Wang Xin Ting also has a wealth of experience in overseas mining investment and management, having served as a director of Adriana Resources Inc. Wang Xin Ting attended the XI’AN University of Technology and Architecture in China,

majoring in mining engineering, and subsequently the Wuhan University of Technology and Science as a mining engineering graduate student. Wang Xin Ting also holds a Master Business Administration degree from Ohio University, USA

***Jiong Hui Wang – Director***

Jionghui Wang is Assistant President of China Minmetals Corporation, a Chinese state-owned diversified metals and mining company based in Beijing, General Manager of Minmetals Exploration & Development Co., Ltd. and Chairman of China Minmetals Rare Earth Co., Ltd. Mr. Wang is also a Fellow Member of AusIMM, a fellow member of SEG, an owner of Special government allowances of the State Council of China, a Deputy Director of the China Mining Association, an executive director of the Chinese Society on Economics of Geology & Mineral Resources, an executive director of the Chinese Association of Mineral Resources Appraisers. Mr. Wang graduated from Changchun Institute of Geology and holds title of Research Fellow.

***Kit Ying (Karen) Lee – Director***

Kit Ying (Karen) Lee is a seasoned senior executive with over 20 years of experience working in the financial markets, serving as a senior executive in various positions with the regulatory and exchanges in Hong Kong. Ms. Lee is currently an independent non-executive director of China Blue Chemical Ltd. and Gemilang International Ltd., companies listed on Hong Kong Stock Exchange. Ms. Lee is a Fellow Member of the Institute of Chartered Accountants in England and Wales and an associate member of Hong Kong Institute of Certified Public Accountants. Ms. Lee received a Bachelor of Arts in Accountancy from City of London Polytechnic (currently London Metropolitan University) and a Master of Science in Financial Engineering from City University of Hong Kong.

**Cease Trade Orders, Bankruptcies, Penalties and Sanctions**

To the Company's knowledge, 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:

- a) while that person was acting in that capacity, 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; or
- b) 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 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, 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, no proposed director has individually, within 10 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.

To the Company's knowledge, 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.

**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 Cayman Islands Companies Law and the Articles.

## 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 guidelines and policies:

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

### 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.

With a view to determining independent, the Board has reviewed the relationship between the Company and each person nominated for election as a director of the Company, as well as the relationship between the Company and other individuals who were directors in the 2017-2018 financial year or currently in the 2018-2019 financial year. The following table sets out the determination of independence or non-independence for these individuals and the basis upon which the determination of independence was made:

Name	Independence	Basis for determination of non-independence
<b>Nominees for election as directors at the Meeting</b>		
Sandy Chim <sup>(1)(2)(3)</sup> Chair of the Board	Non-Independent	Mr. Chim is considered to have a material relationship with the Company because he currently serves as its President and Chief Executive Officer. 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 that owns approximately 15.5% of the issued and outstanding ordinary shares of the Company. Mr. Chim also directly owns 2,643,900 ordinary shares of the Company, representing approximately 2.7% of its issued and outstanding ordinary shares.
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 that owns approximately 25.1% of the issued and outstanding ordinary shares of the Company. Mr. Wong also directly owns 10,000 ordinary shares of the Company, representing approximately 0.01% of its issued and outstanding ordinary shares.
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, that owns approximately 5.1% of the issued and outstanding Company ordinary shares. Mr. Bai also directly owns 60,000 ordinary shares of the Company, representing approximately 0.1% of its issued and outstanding ordinary shares.

Howard Bernier Lead Director	(1)(2)(4)(5)(7)(8)(9) Independent	Mr. Bernier is considered not to have a material relationship with the Company. He holds 10,000 ordinary shares of the Company, representing approximately 0.01% of its issued and outstanding ordinary shares, an amount that was not considered material.
Xin Ting (Tony) Wang	Non-Independent	Mr. Wang is considered to have a material relationship with the Company because he is one of the nominees of WISCO on the Board. Also, Mr. Wang currently serves as Chief Executive Officer and President of WISCO Canada ADI Resources Development & Investment Limited. WISCO owns approximately 23.6% of the issued and outstanding ordinary shares of the Company.
Caifa Xu	Non-Independent	Mr. Xu is considered to have a material relationship with the Company because he is one of the nominees of WISCO on the Board. Also, Mr. Xu currently serves as the Resources Development Department Head of WISCO Resources Corporation, a subsidiary of WISCO. WISCO owns approximately 23.6% of the issued and outstanding ordinary shares of the Company.
Kit Ying (Karen) Lee	(1)(2)(4)(5)(6)(7)(8) Independent	Ms. Lee is not considered to have a material relationship with the Company. She holds 10,000 shares of the Company, representing approximately 0.01% of its issued and outstanding ordinary shares, an amount that was not considered as material.
Jiong Hui Wang	(4)(5) Independent	Mr. Wang is not considered to have a material relationship with the Company. Although he holds senior executive positions with affiliates of Minmetals Exploration & Development (Luxembourg) Limited S.à r.l., a company that holds approximately 4.7% of the issued and outstanding ordinary shares of the Company, he was not nominated to the Board by that shareholder, and that shareholder holds less than 10% of the Company's shares and is not a joint venture partner of the Company.

Notes:

1. Member of the Governance and Nominating Committee in the 2017-2018 financial year.
2. Member of the Governance and Nominating Committee to date in the 2018-2019 financial year.
3. Chair of the Governance and Nominating Committee in 2017-2018 financial year and to date in the 2018-2019 financial year.
4. Member of the Audit Committee in the 2017-2018 financial year.
5. Member of the Audit Committee to date in the 2018-2019 financial year.
6. Chair of the Audit Committee in the 2017-2018 financial year and to date in the 2018-2019.
7. Member of the Compensation Committee in the 2017-2018 financial year.
8. Member of the Compensation Committee to date in the 2018-2019 financial year.
9. Chair of the Compensation Committee in the 2017-2018 financial year and to date in the 2018-2019 financial year.

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 comprise all of the members of the Audit Committee and Compensation Committee of the Board, and they comprise a majority of the members of the Governance and Nominating Committee of the Board. (Currently, these are the only active committees of the Board of Directors.) In addition, the majority of Chairs of all Board committees are independent directors. Also, the Board regularly meets in camera without the participation of directors who are also officers of the Company.

With a view to fostering independent judgment and oversight, 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 Lead Director is 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, Sandy Chim, is a non-independent director.

To provide leadership to the independent directors, the Board appointed Howard Bernier from among the independent directors to act as the Lead Director. Mr. Bernier's has served as Lead Director since October 2014 with the unanimous approval of the independent directors of the Board.

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, has the authority to prepare agendas for meetings of the independent directors, to ensure that meetings of the independent directors or in camera sessions are scheduled regularly, to chair such meetings and sessions and to report the results of such meetings and sessions 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 can 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. To the Company's knowledge, except as set out below, 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 or foreign jurisdiction:

<b>Name</b>	<b>Name of reporting issuer</b>	<b>Name of Exchange or Market</b>	<b>Position</b>
Ben Koon (David) Wong	Prosperity International Holdings (H.K.) Limited	HKSE	Chairman
Kit Ying (Karen) Lee	China Blue Chemical Ltd & Gemilang International Ltd.	HKSE	Director

### ***Record of Meeting Attendance***

Directors are encouraged to attend all meetings of the Board and the Board Committees of which they are members, to attend such meetings fully prepared, and during meetings to devote their attention to the matters under consideration. Where a director's absence from a meeting is unavoidable, the director is responsible for contacting the Chairman, the Chief Executive Officer or a 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, Sandy Chim, Ben Koon (David) Wong, Hua Bai and Howard Bernier have been directors since that time. Mr. Jiong Hui Wang was first elected as a director of the Company on September 28, 2011. Ms. Lee was first elected as a director of the Company on September 29, 2014. Mr. Xin Ting (Tony) Wang was appointed to the Board as a WISCO representative on October 7, 2015. Mr. Caifa Xu was appointed a director on August 4, 2016 as a WISCO representative.

Since April 1, 2017, the Company has held eight Board meetings, and acted by written consent twice, and its committees met or acted by written consent on nine occasions. The record of attendance of directors at these full Board meetings and participation in consents is as follows, with the percentage of meetings and participation in consents for a director as set out below referring to the percentage of Board meetings and participation in consents by

that directors. In addition to these Board meetings and participation in consents, meetings of the Board’s committees were held during the period.

Name	Board meetings attended/participation in consents	Percentage of 2017-18 Board meetings attended/participation in consents
Sandy Chim	10	100%
Ben Koon (David) Wong	10	100%
Hua Bai	6	60%
Howard Bernier <sup>(1)</sup>	9	90%
Caifa Xu	0	0%
Xin Ting (Tony) Wang	4	40%
Jiong Hui Wang <sup>(1)</sup>	7	70%
Kit Ying (Karen) Lee <sup>(1)</sup>	10	100%

Notes:

1. In connection with the nine meetings/participation in consents of the full Board held, six occasions of the independent directors were held, with the majority of independent directors in attendance.

### **Mandates and Charters Adopted by the Board**

**The Company’s corporate governance documents, guidelines and policies are 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, the Corporate Social Responsibility Committee and the Technical Committee.

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. 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;
- with respect to 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, and delegate certain responsibilities to these committees as set out in committee charters, consistent with the Corporate Governance Guidelines;
- 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 against its business plans;
  - approving annual capital and operating 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; approving the incurring of any material debt by the Company outside the ordinary course of business;
  - review and approve annual operating budget for the Company, and monitor the Company's performance against such budget;
- general responsibility for risk management;
- general responsibility for the oversight of Company communications and public disclosure;
- 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***

The Audit Committee is responsible for overseeing 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, internal

controls 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.

The Audit Committee is presently comprised of three directors, Kit Ying (Karen) Lee (Chair), Jiong Hui Wang and Howard Bernier. The Board has determined that all members of the Audit Committee are considered to be independent and financially literate under the applicable TSX policies and National Instrument 52-110 – *Audit Committees*.

For further information regarding the Board’s determination as to the independence of Audit Committee members (and other directors), see “*Corporate Governance-Board of Directors*” in this Information Circular.

With regard to the Board’s determination that directors are financially literate within the meaning of National Instrument 52-110 – *Audit Committees*, the Board considered the following factors. Ms. Lee is a seasoned senior executive with over 20 years of experience working in the financial markets and serving as a senior executive in various positions with regulatory authorities and exchanges in Hong Kong. She is currently an independent non-executive director of China Blue Chemical Ltd. and Gemilang International Ltd., companies listed on Hong Kong Stock Exchange. Mr. Bernier has served as a consultant to and officer of 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. Among the experiences that relate to Mr. Jiong Hui Wang is currently Assistant President of China Minmetals Corporation, a Chinese state-owned diversified metals and mining company, and also serves as an executive with other companies within that organization.

In light of the education and experience of the Audit Committee’s members, the Board has determined that each member possesses:

- an understanding of the accounting principles used by the Company to prepare its financial statements;
- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, and
- an understanding of internal controls and procedures for financial reporting.

For further information regarding the Audit Committee, including information regarding the qualifications and experience of the members of the Audit Committee, please refer to the Company’s Annual Information Form dated June 28, 2018 (the “**AIF**”) under “*Additional Information – Audit Committee*”. A copy of the current Audit Committee Charter, which was approved by the Board of Directors on August 13, 2018, is attached as Schedule “B” to this Information Circular.

### ***Governance and Nominating Committee***

The Governance and Nominating Committee assists the Board with its oversight of corporate governance policies and practices, with its assessment of the Board’s effectiveness, with its review of the Board’s relationship with management in the area of independence and with matters relating to the Board’s operations. Among its other duties, this Committee is responsible for most aspects relating to the composition of the Board and its committees, including nominations to the Board and recommendations for who should serve on committees and as committee chairs. In selecting nominees to serve as directors, the Governance and Nominating Committee is required to consider the competencies and skills required from the Board of Directors as a whole, and the competencies and skills of current or incumbent directors and those persons being considered for nomination to the Board. As part of its mandate, the Governance and Nominating Committee also reviews and assesses the Company’s corporate governance policies and procedures, the mandates adopted by the Board for certain positions, and the charters of committees of the Board.

The Governance and Nominating Committee is currently comprised of three directors, the majority being considered independent by the Board, namely Kit Ying (Karen) Lee, and Howard Bernier. The third member of this committee is Sandy Chim (Chair), who is not considered independent.

### ***Compensation Committee***

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.

The Compensation Committee is currently comprised of two directors, Howard Bernier (Chair) and Kit Ying (Karen) Lee. Both 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. Bernier has served as a consultant to and officer of 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. Ms. Lee is a seasoned senior executive with over 20 years of experience working in the financial markets and serving as a senior executive in various positions with regulatory authorities and exchanges in Hong Kong. Ms. Lee is currently an independent non-executive director of China Blue Chemical Ltd. and Gemilang International Ltd., companies listed on Hong Kong Stock Exchange.

#### ***Disclosure Committee***

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.

The Disclosure Committee is comprised of Sandy Chim, Chief Executive Officer, Ivan Wong, Senior Vice President, Corporate Finance and Project Development, and Alex Tsang, Co-Secretary, Chief Financial Officer.

#### ***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee is responsible for overseeing and managing consultations with First Nations and the implementation of business activities that involve or impact First Nations communities.

Considering the Company's limited mineral exploration and development activities, the Board of Directors suspended the activities of the Corporate Social Responsibility Committee in the first quarter of 2016-2017 financial year. The Board of Directors intends to reactivate this Committee and its membership when the Company resumes activities requiring its oversight.

#### ***Technical Committee***

The Technical Committee is governed by the Charter of the Technical Committee. The role of the Technical Committee is to assist the Board in its oversight of technical and operational matters.

Considering the Company's limited mineral exploration and development activities, the Board of Directors suspended the activities of the Technical Committee in the first quarter of 2016-2017 financial year. The Board of Directors intends to reactivate this Committee and its membership when the Company resumes activities requiring its oversight.

## **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. These descriptions reflect those elaborated in the Mandates, policies and committee charters of the Company's governance manual.

### ***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 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 may also advise of continuous education needs.

The Board recognizes the importance of ongoing director education. In order to ensure that the Company's directors maintain the skill and knowledge necessary to meet their obligations as directors, the Governance and Nominating Committee can 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 importance or emerging significance. In addition, Board members are periodically provided guides, memoranda and other materials to assist the Board in understanding and carrying out their obligations in light of legal and regulatory requirements with respect to the Company's operations and governance.

## **Ethical Business Conduct**

The Company's Code of Business Conduct and Ethics 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 Denis Frawley, Co-Secretary or Alex Tsang, Co-Secretary and Chief Financial Officer, at: 011-852-3951-8700.

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 Chair of the Audit Committee with respect to financial matters. 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 reporting complaints described above, the Company has taken other steps to monitor compliance, including commissioning internal controls and other compliance reviews in 2017 and 2018.

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 by the Board is required to advise the Board, refrain from debate on the matter and abstain from any vote regarding that matter.

### **Representation of Women on the Board and in Executive Officer Positions**

The Board has not adopted a written policy relating to the identification and nomination of women directors, nor has it adopted a target regarding the number or percentage of directors who should be women.

As previously discussed in this Information Circular under “*Corporate Governance-Mandates and Charters Adopted by the Board-Governance and Nominating Committee*”, the Governance and Nominating Committee is responsible for, among other things, assessing the skills and competencies needed on the Board, as compared to those possessed by current directors and by candidates for service on the Board. Following that assessment, this committee is responsible for making recommendations to the Board as to candidates to be nominated for election as directors of the Company or appointed to the Board outside of shareholder meetings. Currently, neither the Board nor the Governance and Nominating Committee formally or specifically focuses on the level of representation of women on the Board when considering candidates for election or re-election. However, that may evolve over time and as circumstances permit.

The Company currently has one woman serving as a director, corresponding to 12.5% of the Board. She serves as a member and Chair of the Audit Committee, a member of the Governance and Nominating Committee, and a member of the Compensation Committee.

Similarly, the Board does not formally and specifically focus on the level of representation of women in executive officer positions when making executive officer appointments, nor has a target been adopted for women in executive officer positions. Currently, the Company has a small management team whose size is reflective of the nature and scope of current operations. A material expansion in the size of the Company’s senior management is not anticipated as being necessary or appropriate until such time as a decision is made for the Company to move ahead with the development of one of its projects or to begin significant operations in a new area of activity.

The Company is committed to the fundamental principles of treating people fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual’s qualifications and performance and without discrimination or harassment because of factors like race, ethnicity, gender or sexual orientation that are not related to performance. The Company’s goal in making hiring decisions, including executive officer positions, is to select candidates based solely upon experience, skills, competencies and ability. Considering the small number of the Company’s executive officers and employees, management feels that currently it is not practical for the Company to commit to orienting its hiring decisions with gender representation targets in mind.

### **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.

### **Director Term Limits and Board Renewal**

The Company has not adopted a policy regarding director term limits, director retirement or Board renewal. Since the Company completed its Qualifying Transaction in May of 2011, the composition of the Board has changed over time. As a result of these changes, there has been a natural evolution and renewal in the composition of the Board over time. As explained in greater detail previously in this Information Circular (see Matter #1 – Election of Directors), WISCO currently has the right to designate two individuals as nominees to the Board of Directors.

With respect to the current members Board, all of whom are nominated for re-election at the Meeting, four directors have served since the Company completed its Qualifying Transaction in May 2011, and the other four directors joined the Board in September 2011, September 2014, October 2015 and August 2016.

Each year, the Governance and Nominating Committee reviews the current Board's make-up and the skills and competencies of current directors, including the experience of the directors, to determine if the current board members are appropriate for re-election and will continue to make an effective contribution and whether or not additional or replacement directors are required, given the Company's anticipated activities. The adoption of a fixed policy with respect to Board renewal, or the age of directors, or the duration of a director's membership on the Board, was not considered appropriate for the Company. Currently, the yearly review undertaken by the Governance and Nominating Committee is thought to provide an effective means of evaluating the composition of the Board, the needs of the Company from its Board, and Board renewal.

### **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 growth and sustainability 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 short term annual incentive award, and long term incentives in the form of stock options and awards outlined in the Company's Equity Incentive Plan, which was filed on SEDAR at [www.sedar.com](http://www.sedar.com). The Company may include other forms of equity-based compensation 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 a 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 are 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.

## **EXECUTIVE COMPENSATION**

In this section, "Named Executive Officer" ("**NEO**") 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 and joint ventures, 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, 2018, 2017 and 2016.

### SUMMARY COMPENSATION TABLE

Name and principal position	Year	Salary (\$)	Share-based awards <sup>(5)</sup> (\$)	Option-based awards <sup>(5)</sup> (\$)	Non-equity incentive plan		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
Sandy Chim <sup>(1)</sup> Chief Executive Officer	2018	400,000	Nil	Nil	Nil	Nil	Nil	Nil	400,000
	2017	400,000	27,000	180,700	Nil	Nil	Nil	Nil	607,700
	2016	500,000	Nil	Nil	350,000	Nil	Nil	Nil	850,000
Rebecca Ng <sup>(2)</sup> Chief Financial Officer	2017	142,667	10,125	27,800	83,800	Nil	Nil	Nil	264,392
	2016	214,000	Nil	Nil	92,165	Nil	Nil	Nil	306,165
Alex Tsang <sup>(2)</sup> Chief Financial Officer	2018	190,000	Nil	48,510	Nil	Nil	Nil	Nil	238,510
	2017	55,668	Nil	Nil	Nil	Nil	Nil	Nil	55,668
Ivan Wong <sup>(3)</sup> Co-Secretary and Senior VP, Corporate Finance & Project Development	2018	250,000	Nil	Nil	Nil	Nil	Nil	Nil	250,000
	2017	250,000	14,175	83,400	104,750	Nil	Nil	Nil	452,325
	2016	250,004	Nil	Nil	106,740	Nil	Nil	Nil	356,744
Peter R. Jones <sup>(4)</sup> Executive Vice President	2018	141,554	Nil	Nil	Nil	Nil	Nil	Nil	141,554
	2017	170,710	6,750	16,680	Nil	Nil	Nil	Nil	194,140
	2016	173,484	Nil	98,369	Nil	Nil	Nil	Nil	173,484

#### Notes:

1. Mr. Chim was appointed Chief Executive Officer of the Company upon completion of the Company's Qualifying Transaction on May 18, 2011.
2. Ms. Ng served as Chief Financial Officer of the Company from August 26, 2013 till November 10, 2016. Mr. Alex Tsang was appointed as Chief Financial Officer of the Company on November 10, 2016 on the resignation of Ms. Ng as Chief Financial Officer; Alex Tsang was appointed as Co-Secretary on June 28, 2018 during the Company's annual BOD meetings.
3. Mr. Wong was Chief Financial Officer of the Company from May 18, 2011 to August 26, 2013. On August 26, 2013, upon Ms. Ng's appointment as Chief Financial Officer, Mr. Wong was appointed Co-Secretary, and Senior Vice President, Corporate Finance and Project Development of the Company and its joint ventures and ceased to be the Chief Financial Officer. Mr. Wong ceased to act as Co-Secretary on June 28, 2018. The compensation disclosed for Mr. Wong in this table includes compensation paid to him by the Company's joint ventures.
4. Mr. Jones was appointed Executive Vice President of the Company on December 12, 2013. Mr. Jones ceased to be Executive Vice President of the Company, and became Chair of the Company's Advisory Committee, on April 1, 2018.
5. Amounts included in *Share-based awards* and *Option-based awards* are based on the fair value of the award on the applicable grant dates as determined applying Black Scholes option pricing model. *Options-based awards* for fiscal year 2018 includes options granted on June 23, 2017, which were assigned a fair value of \$0.1617 per option; options granted on August 4, 2016, which were assigned a fair value of \$0.1390 per option; see the discussion below regarding fair value of options; Restricted share units, being time-based share awards, which vested on November 14, 2016 and comprised the amounts reported as *Share-based awards for fiscal year 2017*. These awards were attributed a value of \$0.135 per share, being the market price of the Company's shares on the vesting date of the restricted share units.

## Fair Value of Options

The fair value of the options granted in the year ended March 31, 2016 (Nil), 2017 and 2018 has been estimated as at the dates of grant using the Black-Scholes option pricing model, using the following assumptions:

Option granted on June 23, 2017:

- The closing price of \$0.225 per share on that date;
- an average risk free interest rate of 0.84%, dividend yield of 0%, volatility of 75% and an expected life of 10 years;
- per option fair value on grant of: \$0.1617;

Options granted on August 4, 2016:

- The closing price of \$0.220 per share on that date;
- an average risk free interest rate of 0.84%, dividend yield of 0%, volatility of 55% and an expected life of 10 years;
- per option fair value on grant of: \$0.139

## Incentive Plan Awards

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

For a discussion of the Company's Equity Incentive Plan, see "*Securities Authorized for Issuance under Equity Compensation Plans*", below. The following table sets out all share-based and option-based awards outstanding as at March 31, 2018 for each Named Executive Officer. This table includes awards granted prior to the most recently completed financial year ended March 31, 2018.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares that have not vested <sup>(2)</sup> (#)	Market or payout value of share-based awards that have not vested <sup>(3)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Sandy Chim President and Chief Executive Officer	1,600,000 1,300,000	0.345 0.220	March 9, 2025 August 4, 2026	Nil Nil	200,000	Nil	Nil
Rebecca Ng <sup>(4)</sup> Chief Financial Officer (departed)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alex Tsang <sup>(4)</sup> Chief Financial Officer (new)	300,000	0.345	June 22, 2027	Nil	Nil	Nil	Nil
Ivan Wong Co-Secretary, and Senior VP, Corporate Finance & Project Development	950,000 600,000	0.345 0.220	March 9, 2025 August 4, 2026	Nil Nil	105,000	Nil	Nil
Peter R. Jones Executive Vice President	500,000 120,000	0.345 0.220	March 9, 2025 August 4, 2026	Nil Nil	50,000	Nil	Nil

## Executive Incentive Plan Awards – Value Vested During the Year

### 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, 2018 of \$0.20 per share.
2. The number of share-based awards that have not vested includes restricted share units for which vesting is based on operation and financial targets share units.
3. The market or payout value of share-based awards that have not vested is based on the minimum payout amount. Performance share units are excluded from these figures since they have a payout value in the range of 0% to 200%, implying a minimum payout value of nil.
4. Rebecca Ng, departed from the Company on November 10, 2016. Unvested options expired at that time, and her vested option awards expired 90 days after her departure date. Alex Tsang was appointed as Chief Financial Officer on November 10, 2016, and as Co-Secretary of the Company on June 28, 2018.

The following table summarizes for each NEO 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, 2018:

<b>Name</b>	<b>Option-based awards – value vested during the period <sup>(1)</sup></b>	<b>Share-based awards – value vested during the period <sup>(2)</sup></b>	<b>Non-equity incentive plan compensation – value earned during the period</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Sandy Chim	Nil	Nil	Nil
Rebecca Ng <sup>(3)</sup>	Nil	Nil	Nil
Alex Tsang <sup>(3)</sup>	Nil	Nil	Nil
Ivan Wong	Nil	Nil	Nil
Peter R. Jones	Nil	Nil	Nil

### Notes:

1. The *Option-based awards – value vested during the period* is the excess of the market value of the underlying stock on the TSX on the vesting date over the option exercise price.
2. The *Share-based awards-value vested during the period* is the market value of the underlying stock on the TSX on the vesting date of these share-based awards. No share awards vested during fiscal year 2018.
3. Rebecca Ng resigned from the Company on November 10, 2016. Alex Tsang was appointed as Chief Financial Officer on November 10, 2016. At June 28, 2018, Alex Tsang was appointed as Co-Secretary to replace Ivan Wong.

### **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.

In determining executive compensation, the Board considers the Company’s financial circumstances at the time decisions are made regarding executive compensation, the mid and long-term forecasted financial position of the Company and the performance goals set for the segments of the Company’s activities. Since only a portion of the Company’s operations 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](http://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. The compensation levels established for executive officers are developed with a view to satisfying 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 individual 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 equity incentive plan.

Currently, the Company's executive compensation package consists of a base salary, discretionary annual cash bonus and long-term incentives that can take the form of share options, performance share units (where the units vest based on the achievement of identified performance objectives) and restricted share units (where units will vest after the unit-holder has worked a specified period of time for the Company). In this manner, different types of compensation are available to reward executives for near-term performance and thereby motivate executives in the near terms, as well as to motivate and reward executives for their loyalty and commitment to the Company and to motivate executives to help achieve the principal objectives identified by the Company's Board of Directors. In the future, the compensation offered to directors, officers and senior management, as well as other employees, could include other forms of equity-based compensation 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 the basis that a competitive base salary and opportunity for annual cash bonuses are required in order both to retain key executives and acknowledge their performance in the near-term, and that 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.

When determining the type and extent of compensation to be offered and paid to executives, the Compensation Committee considers the Company's financial situation, particularly the availability of cash and anticipated needs for cash, as well as the performance of the Company's share price. In the case of share units granted to executives, the Compensation Committee has sought to preserve the ability to determine to make payments due when share units are vested either in cash or in shares of the Company at the time those payments are due. In that regard, the decision to make compensation payments in cash or equity can be reached at a time when it will be possible for the Compensation Committee and the Board of Directors to assess financial conditions, cash constraints, cash requirements, stock market conditions and general market conditions.

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 and development industry, and that fairly compensates the Named Executive Officers for efforts on 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 and development 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.

For the financial year ended March 31, 2018, the Company's President and CEO offered to forego any cash incentive bonus payment. The offer, which was made in acknowledgement of the impact of macro-economic and sectoral challenges faced by the Company's core iron ore business and in recognition of the desire to preserve the Company's cash while the Company redirects its activities into other areas, was accepted by the Board of Directors. In addition and for the same reasons, the Company's President and CEO offered to reduce his base salary by 20% since fiscal year 2017, and this offer was accepted by the Board.

In previous years, the Company's President and CEO was eligible to receive a cash bonus of between 50% and 150% of his base salary, based on his performance. That performance was available based on an evaluation of the President and CEO's performance (and/or the Company's performance) in pre-determined areas such as share price, observance of budgets, cost savings and the implementation of strategic initiatives.

For the financial year ending March 31, 2018, the Compensation Committee expects to re-evaluate the performance objectives and criteria against which the President and CEO's performance will be measured and his bonus (if one is awarded) will be determined so as to reflect the principal goals for the Company as they evolve. Similarly, the Compensation Committee expects to periodically re-adjust the performance criteria applied so as to promote an alignment between the goals for the Company as identified by the Board of Directors and the corresponding cash compensation available to the President and CEO if those goals are achieved.

For other Named Executive Officers, the Company has not established defined performance measures to be applied when determining how much incentive cash bonus to award. However, when determining those cash bonuses, an executive's performance during the year is evaluated, as are the Company's achievements during the year.

For the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016, 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". 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***

The Equity Incentive Plan of the Company ("**Equity Incentive Plan**") allows for the grant of stock options and other types of equity incentive awards to Named Executive Officers, directors, employees and others providing services to the Company. The plan was most recently re-approved by shareholders at the shareholder meeting held on September 19, 2016, and subsequently by the TSX. Under TSX policies, unless significant amendments to the Equity Incentive Plan are proposed, the Company will not be required to seek re-approval of the plan until 2019. The objective of the Equity Incentive Plan is to provide the Company with the ability to compensate its directors, management and employees with forms of equity-based compensation including stock options and share units, 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.

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.

On November 13, 2013, the Board approved the award of share units tied both to continued service and to established performance objectives granted under the Equity Incentive Plan. Share units are 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 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 are entitled to payment in cash or in shares of the Company, at the election of the Company. Each share unit is equivalent to one ordinary 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 ordinary shares of the Company. Generally, the Board will have discretion to determine the date as of which the fair market value of ordinary 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 ordinary 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.

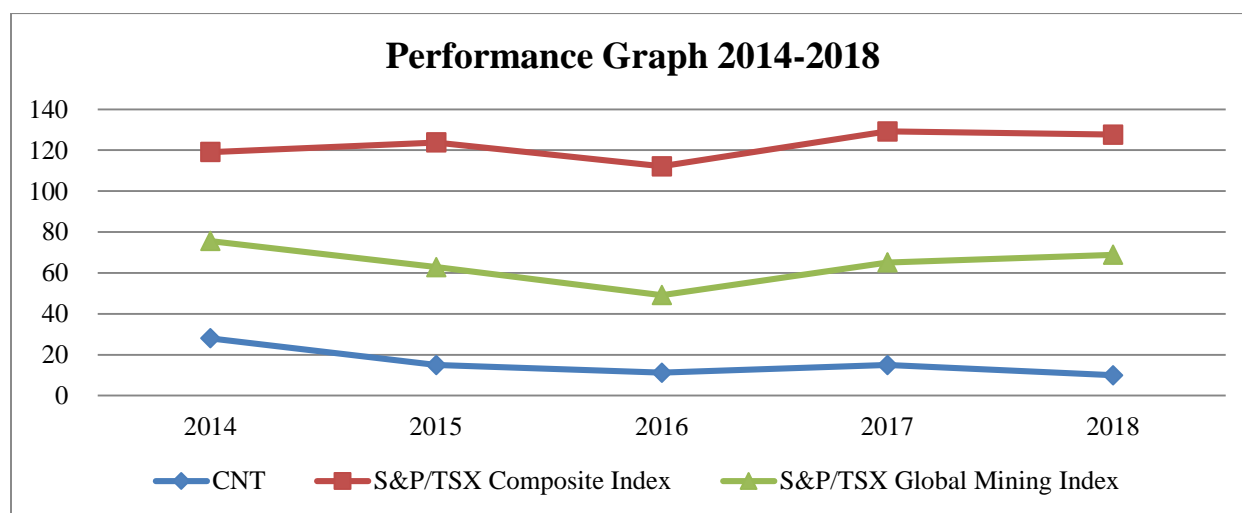
On July 2, 2013, the Company retained Towers Watson to provide assistance in designing and implementing a long-term incentive plan for the Company’s executives, key employees, directors and others. This report resulted in amendments to the Company’s stock option plan that were approved at the shareholder meeting held on September 26, 2013.

### **Executive Compensation-Related Fees and All Other Fees**

For the financial years ended March 31, 2018 and March 31, 2017, and during the period since March 31, 2018, 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 Nil, Nil and Nil respectively. For the same periods, the aggregate fees billed to the Company by each consultant or advisor for all other services were Nil, Nil and Nil, respectively. These fees do not include fees of legal counsel incurred with respect to advice generally provided to the Board of Directors and its Compensation Committee.

The following graph depicts the Company’s cumulative total shareholders’ return on March 31 of each year since March 31, 2014, assuming a \$100 investment in the Company’s ordinary shares since 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 ordinary shares were consolidated on the basis of one post-consolidation share for each previous outstanding ten ordinary 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.



Over the past five years, there has been a steady and gradual increase in the Company’s overall compensation to its executive officers consistent with the increased activities and accomplishments of the Company, followed by a reduction in compensation in 2017 & 2018 to reflect the challenging market conditions. Although the Company’s stock performance has lagged that of both the S&P/TSX Composite Index and S&P/TSX Global Mining Index over the period, the Board believes that the under-performance in the Company’s share price largely reflects the negativity in the market sentiment towards the more pronounced decline in the iron ore sector relative to other commodities

including gold, copper and other base metals in the midst of lack-luster global economic recovery. TSI Fe 62% iron ore spot price has declined from a peak of \$190/Mt reached in 2011 to less than US \$70/Mt in 2018, a 63% decline compared to only a smaller decline in copper price and what appears to be the beginning of the next bull cycle for gold. The iron ore market has been particularly challenged by the market oversupply situation stemming from the substantial investment and expansion of production made by the three largest iron ore producers, together with the slowdown in economic growth in China. The Board considers that the fluctuation in share price was unrelated to the performance of the management of the Company but was instead driven by the overall macroeconomic conditions specific to the iron ore sector. However, the Company has adjusted down the compensation package in 2017&2018 to preserve cash in alignment with the interest of the Company's shareholders.

When compared to its peers, other iron ore exploration and development companies operating in the Labrador Trough region, the Company's stock has performed very well and ranks near the top of this group. Management is of the opinion that this was a direct result of management's ongoing performance and efforts over the last few years to create a substantial portfolio of iron ore resources totaling 19.4Bt, to have completed the Feasibility Study of the Company's flagship Joyce Lake DSO project, and to have positioned the Company to perform well to maximize shareholder returns when the iron market recovers. Management is optimistic that the Company's strong cash position of approximately \$10.1 Million on August 15<sup>th</sup>, 2018, which the Company's management has been very mindful of conserving, along with its unique competitive advantage of establishing strong partnerships with two Chinese state-owned enterprises when available funding is scarce, will allow the Company to diversify its business into non-ferrous sectors. The management team has created a solid business development platform for the Company to assess and evaluate potential investments during a period when many of the Company's peers are struggling to maintain their properties and mining assets are, in general, undervalued compared to valuations given in prior periods. The Company began acquiring claims by direct staking, focusing on gold and certain base metals through our wholly-owned subsidiary, Century Metals Inc. ("CMI"), formerly known as Trudeau Gold Inc., which was initially registered in B.C. on August 24, 2017, and subsequently changed its name to CMI on April 30, 2018. An exploration program on the properties was executed in the fall of 2017, establishing sufficient potentials to identify, prioritize and test identified exploration targets. As a more gold-focused vehicle, CMI and its exploration properties have attracted a group of international institutional and private investors, and the Company is in the process of spinning out CMI as a separate publicly-listed company to take advantage of price recoveries in different metal sectors. Details are discussed in the annual MD&A published on SEDAR on June 28, 2018. The Board believes that these accomplishments by the Company's management, rather than the Company's stock performance, should form a reasonable and objective basis for evaluating the status in management compensation during the period.

#### ***Employment Agreements and Termination and Change of Control Benefits***

The Company has entered into Executive Employment Agreements with three of its Named Executive Officers of the Company, namely Sandy Chim, Ivan Wong, and Alex Tsang. 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 Equity Incentive 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

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

Alex Tsang – 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, 2018, are as follows:

Named Executive Officer	Element	Change in Control Payments
Sandy Chim, President and CEO	Salary	\$1,200,000
	Cash Bonus	Nil
Ivan Wong Senior VP, Corporate Finance and Project Development	Salary	\$500,004
	Cash Bonus	\$211,490
Alex Tsang Co-Secretary and CFO	Salary	\$380,000
	Cash Bonus	Nil

## DIRECTOR COMPENSATION

### Director Compensation

The Board adopted the following compensation structure on August 4, 2016 for the services of members of the Board and its various committees. No compensation is paid or payable to directors who are not independent. The Board is satisfied that this compensation is reasonable and will assist the Company in attracting and retaining superior candidates for Board service.

Services provided	Compensation payable since August 4 <sup>th</sup> , 2016
Board Members Retainer	\$24,000 per year
Chair	\$40,000 per year (in addition to annual Board retainer)
Lead Director	\$4,000 per year (in addition to annual Board retainer)
Chair, Audit Committee	\$8,000 per year (in addition to annual Board retainer)
Chair, Technical Committee (suspended)	\$8,000 per year (in addition to annual Board retainer)
Chair, Compensation Committee	\$8,000 per year (in addition to annual Board retainer)
Chair, Other Committee	\$2,400 per year (in addition to annual Board retainer)
Board Committee Member	\$1,600 per year (in addition to annual Board retainer)

Previously, the schedule for compensation to directors was as follows, having been adopted by the Board of Directors in July of 2012. No compensation was paid or payable to directors who were not independent.

Services provided	Compensation payable prior to August 4 <sup>th</sup> , 2016
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 other than Chair)	\$1,000 per meeting

The following table discloses the compensation provided to the directors of the Company (other than Mr. Chim, who is a Named Executive Officer and does not receive compensation for his services as a director) for the Company's financial year ended March 31, 2018. Compensation of directors who are also Named Executive Officers is disclosed under "Executive Compensation" above.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Ben Koon (David) Wong	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Hua Bai	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Howard Bernier	29,400	Nil	Nil	Nil	Nil	Nil	29,400
Caifa Xu <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jiong Hui Wang <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kit Ying (Karen) Lee <sup>(3)</sup>	26,400	Nil	Nil	Nil	Nil	Nil	26,400
Xin Ting (Tony) Wang <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. Mr. Caifa Xu was appointed as a director assigned by WISCO to the Board to replace Mr. Xiao on his resignation as a director on August 4<sup>th</sup>, 2016.
2. Mr. Jiong Hui Wang was appointed to the Board since September 28, 2011.
3. Ms. Kit Ying (Karen) Lee was appointed to the Board following the last annual general and special meeting of the shareholders held on September 29, 2014.
4. Mr. Xin Ting (Tony) Wang was appointed as a director assigned by WISCO to the Board on October 7, 2015.

**Director Incentive Plan Awards – Outstanding Share-based Awards and Option-based Awards as at March 31, 2018**

For a discussion of the Company's Stock Option Plan, see "Securities Authorized for Issuance under Equity Compensation Plans – Equity Incentive 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, 2018. (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, 2018.

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares that have not vested <sup>(2)</sup> (#)	Market or payout value of share-based awards that have not vested <sup>(3)(4)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(4)</sup> (\$)
Ben Koon (David) Wong	100,000	0.345	March 9, 2025	Nil	10,000	Nil	Nil
	310,000	0.220	August 4, 2026	Nil			
Howard Bernier	150,000	0.345	March 9, 2025	Nil	10,000	Nil	Nil
	230,000	0.220	August 4, 2026	Nil			
Jiong Hui Wang	Nil	Nil	N/A	Nil	Nil	Nil	Nil
Kit Ying (Karen) Lee	150,000	0.345	March 9, 2025	Nil	10,000	Nil	Nil
	50,000	0.220	August 4, 2026	Nil			
Hua Bai	200,000	0.345	March 9, 2025	Nil	60,000	Nil	Nil
	280,000	0.220	August 4, 2026	Nil			
Caifa Xu <sup>(5)</sup>	Nil	Nil	N/A	Nil	Nil	Nil	Nil
Xin Ting (Tony) Wang	Nil	Nil	N/A	Nil	Nil	Nil	Nil

Notes:

1. The value of unexercised “in-the-money options” is the excess of the market value of the underlying stock on the TSX as at March 31, 2018 of \$0.20 per share and the option exercise price.
2. The number of share-based awards that have not vested includes restricted share units and performance share units, each representing 50% of these figures. Restricted share units and performance share units are also part of the Equity Incentive Plan.
3. The market or payout value of share-based awards that have not been vested is based on the minimum payout amount. These figures include the payout amount of restricted share units estimated using the number of restricted share units applied at a per share unit price of \$0.20 as at March 31, 2018.
4. Performance share units in the Equity Incentive Plan are excluded from these figures since they have a payout value in the range of 0% to 200%, implying a minimum payout value of nil.
5. Mr. Caifa Xu was appointed as Director of WISCO representative director of the Company on August 4<sup>th</sup>, 2016, to replace Mr. Jinfa Xiao, who was appointed as Director of WISCO on May 12<sup>th</sup>, 2016 and resigned on August 4<sup>th</sup>, 2016.

**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, 2018. (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 <sup>(1)</sup> (\$)	Share-based awards - value vested during the period <sup>(2)</sup> (\$)	Non-equity incentive plan compensation - value earned during the period (\$)
Ben Koon (David) Wong	Nil	Nil	Nil
Howard Bernier	Nil	Nil	Nil
Caifa Xu	Nil	Nil	Nil
Jiong Hui Wang	Nil	Nil	Nil
Kit Ying (Karen) Lee <sup>(3)</sup>	Nil	2,350	Nil
Hua Bai	Nil	Nil	Nil
Xin Ting (Tony) Wang	Nil	Nil	Nil

Notes:

1. The option-based awards – value vested during the period is the excess of the market value of the underlying stock on the TSX on the vesting date over the option exercise price.
2. The share-based awards – value vested during the period is the market value of the underlying stock on the TSX on the vesting date of these share-based awards.
3. The share based awards was awarded to Ms. Kit Ying (Karen) Lee on March 9, 2015, with a total of 20,000 units, with 50/50 of Time based restricted share units (“RSU”) and performance based units (“PSU”). 10,000 units RSU was vested on March 9, 2018, when the three years of service period was completed. The closing price of CNT on March 9, 2018 was at \$0.235 per share.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Incentive Plan

The Equity Incentive Plan was most recently re-approved by shareholders at the annual and special meeting of shareholders held on September 19, 2016. Under TSX policies, unless significant amendments to the Equity Incentive Plan are proposed, the Company will not be required to seek re-approval of the plan until 2019. The purpose of the Equity Incentive Plan is:

- (a) to provide directors, officers and consultants of the Company with an opportunity to purchase or own ordinary shares of the Company; and
- (b) to permit the Company to grant other types of equity-based compensation to directors, officers and consultants of the Company, such as performance share units and restricted share units (where compensation is awarded based on the achievement of performance milestones or duration of service and, when earned, could be paid in shares or cash), restricted or performance shares (*i.e.* shares that are subject to vesting conditions) and share appreciation rights (where compensation could be payable in cash or shares based on the appreciation in the value of the Company’s ordinary shares).

These grants or awards of equity-based compensation are intended to provide an increased incentive for the recipients to contribute to the future success of the Company in a manner that enhances the value of the ordinary shares. They are also meant to increase the ability of the Company to attract, motivate and retain qualified individuals.

The maximum number of shares that may be issued under the plan is the number that is equal to 15% of the total number of ordinary shares of the Company issued and outstanding at any time, less any ordinary shares reserved for issuance under other share compensation arrangements. As of the date of this Information Circular, there are 8,727,500 share options outstanding (8,727,500 at March 31, 2018) under the plan, such options being exercisable for the same number of ordinary shares), corresponding to 8.9% of the Company’s issued and outstanding ordinary shares (8.9% at March 31, 2018). In addition, as of the date of this Information Circular, the Company has awarded performance share units and restricted share units under the Equity Incentive Plan which could result in a total of 579,500 ordinary shares (579,500 at March 31, 2018) being issued in settlement of those units if they are fully earned and settled solely with ordinary shares of the Company, or 0.6% of the Company’s issued and outstanding ordinary shares (0.6% of the Company’s issued and outstanding ordinary shares at March 31, 2018). In total, as of the date of this Information Circular a total of 9,307,000 ordinary shares (9,307,000 at March 31, 2018) could be issued in respect of share options and share units that are outstanding under the Equity Incentive Plan, corresponding to 9.4% of the Company’s issued and outstanding ordinary shares (9.4% at March 31, 2018).

The terms of the Equity Incentive Plan are summarized in the Company’s information circular dated August 15, 2016, which includes a copy of the plan.

## Equity Incentive Plan Information

The following table sets forth information regarding the issuance of equity securities as at March 31, 2018:

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b> <b>(a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b> <b>(b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b> <b>(c)</b>
Equity compensation plans approved by security holders:			
- share options	8,727,500	\$0.30	N/A
- share awards	579,500	N/A	N/A
- Total	9,307,000	N/A	5,467,186
Equity compensation plans not approved by security holders	Nil	N/A	Nil
<b>Total</b>	<b>9,307,000</b>	<b>N/A</b>	<b>5,467,186</b>

## **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 ordinary 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, 2015 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 ordinary 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 ordinary 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 ordinary 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 ordinary shares of the Company on a non-diluted basis, WISCO has the right to maintain its percentage of ordinary 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

ordinary 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 ordinary 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 ordinary 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 ordinary 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.

Century NL was dissolved in 2013, at which time all shares of the Company held by Century NL were transferred to Century Netherlands which is beneficially owned by the former beneficial shareholders of Century NL. In connection with the dissolution of Century NL, Century Netherlands and the beneficial shareholders of Century Netherlands executed an assumption agreement in favour of WISCO pursuant to which it assumed the obligations of Century NL under the WISCO shareholders Agreement. On August 24, 2015, a reorganization was completed to distribute all the shares of the Company held by Century Eagle to the shareholders of Century Eagle. As a result, Purple Star Holding Limited, Thriving Century Limited and its shareholder, and Earnlead Investments Ltd. have acquired ownership and control of 24,691,628, 15,263,917, and 4,988,208 ordinary shares of the Company, respectively. Each of the shareholders of Century Eagle has agreed that the shares acquired by them are subject to the WISCO Shareholders Agreement.

### **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 AIF under "*Corporate Organization – Agreements Regarding Labec Century's Ownership of the Attikamagen JV Properties*" filed on SEDAR at [www.sedar.com](http://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 28, 2012, the Company, 0849873 B.C. 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. On January 1, 2016, WISCO Canada Sunny Lake Resources Development Investment limited was amalgamated into WISCO Canada ADI Resources Development and Investment Limited. For further details regarding this transaction, please refer to the Company's AIF under "*Corporate Organization – Agreements Regarding the Ownership of the Sunny Lake JV Properties*" filed on SEDAR at [www.sedar.com](http://www.sedar.com). Upon request, the Company will provide you with a copy of this document free of charge.

### **Augyva Mining Resources Inc. (now known as: Automotive Finco Corp. since March 2017)**

Canadian Century Iron Ore Corporation, a subsidiary of the Company, is a party to a joint venture agreement dated May 20, 2008 with Automotive Finco Corp. (formerly Augyva Mining Resources Inc.) ("**Augyva**") (Suite 1800, 8 King Street East, Toronto, Ontario, Canada) with respect to the Company's Duncan Lake property. For an overview of the Duncan Lake Joint Venture Agreement, please refer to the Company's AIF under "*Corporate Organization – Agreements Regarding the Ownership of the Duncan Lake JV Property*" filed on SEDAR at [www.sedar.com](http://www.sedar.com). Upon request, the Company will provide you with a copy of this document free of charge.

### **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 Iron Ore Holdings Inc. 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.

### **ADDITIONAL INFORMATION**

Financial information and other information about the Company can be found in the Company's audited consolidated financial statements for the latest completed financial year. These financial statements as well as other information and reports regarding the Company, can be found under the Company's profile at [www.sedar.com](http://www.sedar.com). Financial information is provided in the annual consolidated financial statements of the Company for the financial year ended March 31, 2018 and the report of the auditors thereon which will be placed before shareholders at the Meeting. Copies of the Company's audited consolidated financial statements for the financial year ended March 31, 2018 are available upon request from the Company's Co-Secretaries, at Unit 905-6, 9/F, Houston Center, 63 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong, or by telephone at 852-3951-8700. Upon request, copies of these documents will be provided free of charge to security holders of the Company.

### **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 Kowloon, Hong Kong, this 15th day of August, 2018.

**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 Global Commodities 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;
- w) Strategic Planning
- x) 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;
- y) direct management to develop, implement, and maintain a reporting system that accurately measures the Company's performance against its business plans;
- z) 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**

- aa) review and approve all major acquisitions, dispositions, investments, all significant financings and other significant matters outside the ordinary course of the Company's business;
- bb) approve financings, the issuance and repurchase of shares, the issuance of debt securities and the listing of shares and other securities;

- cc) approving the incurring of any material debt by the Company outside the ordinary course of business;
- dd) review and approve an annual operating budget for the Company and monitor the Company's performance against such budget.

### **Risk Management**

- ee) identify the principle risks of the Company and oversee implementation by management of appropriate systems to manage the risks;
- ff) approving any plans to hedge sales;
- gg) 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**

- hh) oversee public communication and disclosure;
- ii) 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**

- jj) 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;
- kk) 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
- ll) 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 Century Iron Ore Holdings Inc. or to the Company's head office in Hong Kong, and to the attention of the Secretary (or Co-Secretary, as the case may be) as follows:

Chair of the Board  
c/o Century Iron Ore Holdings Inc. or  
Suite 1401, 200 University Avenue  
Toronto, Ontario Canada  
M5H 3C6

Attn.: Secretary/Co-Secretary

Chair of the Board  
Century Global Commodities Corporation  
Unit 905-6, 9/F, Houston Centre  
63 Mody Road, Tsim Sha Tsui  
Kowloon, Hong Kong

Attn.: Secretary/Co-Secretary

**SCHEDULE “B”  
AUDIT COMMITTEE CHARTER**

**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 Global Commodities 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 to be paid by the Company for the services of the external auditor 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, which may include 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 interim/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 interim/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) provide to the Disclosure Committee any requested assistance in connection with press releases containing financial information relating to the Company's financial statements, as well as with other press releases regarding financial information for the Company;
- (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 interim/quarterly unaudited financial statements, and the related MD&A, prior to the dissemination of these documents to members, 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, and 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 its experience with the financial control and reporting team, potentially the receipt of reports from management and the Company's advisors on the functioning of the disclosure compliance system (including any significant instances of non-compliance with such system), and satisfy itself that such system may be reasonably relied upon;

- (o) oversee compliance with regulatory authority requirements regarding disclosure of external auditor services and Audit Committee activities;
- (p) review and discuss such other relevant public disclosures containing financial information as the Audit Committee may consider necessary or appropriate;
- (q) oversee management’s assessments regarding the materiality of climate change matters and ensure that disclosure made in securities regulatory filings is consistent with those assessments;

**Internal Controls over Financial Reporting and Disclosure Controls**

- (r) oversee the adequacy of the Company’s system of internal accounting controls and periodically 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;
- (s) 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 these processes and report thereon to the Board;
- (t) periodically review the Company’s activities, organizational structure regarding financial matters, and the qualifications of the Chief Financial Officer (“CFO”) (as well as other employees in the financial reporting area to the extent requested by senior management) and ensure that matters related to succession planning within the Company in the area of financial planning, reporting and controls are raised for consideration at the Board;
- (u) periodically 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;
- (v) periodically 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;
- (w) inquire as to major internal control weaknesses identified by the auditors, the Company or any external party and the effectiveness of management in correcting these problems;
- (x) oversee the adequacy of the company management established controls and procedures, and ensure such controls and procedures are in place, for the Company’s disclosure of material information, including climate change-related information, in particular procedures for the review of the Company’s public disclosure of financial information extracted or derived from financial statements;

**Review of Ethical Standards**

- (y) review the Code of Ethics and make recommendations to the Board respecting any required modifications or changes;
- (z) 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;
- (aa) 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 Audit Committee may deem appropriate and arrange for any such waiver to be promptly disclosed to members, to the extent required by applicable securities laws;
- (bb) disclose any material departures from the Code of Ethics to the extent required by applicable securities laws;

- (cc) 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**

- (dd) establish procedures for the receipt, retention and treatment of complaints received from Company 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 and others raising concerns regarding questionable accounting or auditing matters;

#### **Other**

- (ee) review the external auditor's report to the members on the Company's annual financial statements; and
- (ff) 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 Audit 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 the annual meeting of the members 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 Audit 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 do so, the Audit 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 Audit 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 Memorandum and Articles of Association of the Company.

5.4 The Audit 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 Audit Committee, on the recommendation of the Governance and Nominating Committee, as the Chair of the Audit Committee ("**Committee Chair**") who shall serve until his or her resignation, his or her removal by resolution of the Board, or until he or she ceases to be a Director of the Company, whichever occurs first.

### **Responsibilities of the Committee Chair**

5.6 The responsibilities of the Committee Chair shall include the following (as and when appropriate):

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

- d) chair Audit Committee meetings;
- e) work with the Audit Committee members and the Chief Executive Officer (“CEO”) to establish the frequency of, and agenda for, Audit Committee meetings;
- f) lead the Audit 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;
- h) canvass members for continuous educational needs and, in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis; and
- i) make oral and written reports to the Board, on behalf of the Audit Committee, on the activities and recommendations of the Audit Committee (unless that responsibility is otherwise delegated by the Audit Committee or the Committee Chair to another Audit 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 Audit 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 should be a minimum of four meetings per year.

5.9 In general, and subject to the notice provisions in the Company’s Memorandum and Articles of Association, written notice shall be provided to the Audit Committee members no later than 48 hours prior to the meetings, unless all members of the Audit Committee agree to receive shorter notice.

5.10 An Audit Committee member may participate in an Audit Committee meeting by means of such telephonic, electronic or other communication facilities as 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 the Audit Committee, one of the other members of the Audit Committee present at the meeting shall be chosen by the Audit Committee to preside at the meeting.

5.12 The Secretary (or Co-Secretary, as the case may be) of the Company<sup>1</sup>, or his or her designate, or such other person approved by the Audit Committee shall act as secretary to the Audit Committee.

5.13 Each of the members of the Audit Committee, the Board Chair, the external auditor, the CEO, the CFO or the Secretary (or Co-Secretary, as the case may be) shall be entitled to request that the Chair of the Audit Committee call a meeting, which should be held within 48 hours of receipt of such request.

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

5.15 The Audit Committee shall have the right to request 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 Audit Committee is a majority of the members of the Audit Committee, or such greater number as the Audit Committee shall by resolution determine.

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<sup>1</sup> Note: As of August 15, 2018, the Co-Secretaries of the Company are Alex Tsang and Denis Frawley.

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

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

5.19 The Audit Committee may hold regular *in camera* sessions, during which the members of the Audit Committee shall meet in the absence of management. At each Audit Committee meeting, the Audit Committee shall consider whether an *in camera* session is necessary or appropriate, and shall hold an *in camera* session if the Audit Committee deems it necessary or appropriate.

5.20 The Audit 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. This meeting with the external auditor may occur in the context of an Audit Committee meeting.

5.21 The Audit Committee shall report to the Board on its activities after each meeting. This reporting may be provided through an oral or written report at a subsequent Board meeting.

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

5.23 A resolution in writing signed by all the members of the Audit Committee is as valid as a resolution adopted or decision otherwise made by the Audit Committee at a meeting at which a quorum is present.

## **6. PERFORMANCE REVIEW**

6.1 The Audit Committee shall endeavour to do the following at least every two years:

- 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 performance evaluation of the Audit Committee and compare the performance of the Audit Committee to the Charter; and
- c) report the results of the performance evaluation to the Governance and Nominating Committee or the Board through an oral or written report prepared by or under the oversight of the Committee Chair or any other member of the Audit Committee designated to make the report.