

**AXMIN Inc.**  
**1111 Alberni Street, Suite 2209**  
**Vancouver, BC V6E 4V2**  
**Canada**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN THAT an annual and special meeting (the "Meeting") of shareholders of AXMIN Inc. (the "Company") will be held at the office of Bennett Jones LLP, Suite 2200, 1055 West Hastings Street, Vancouver BC V6E 2E9, Canada on Monday, June 11, 2018 at 10:00 a.m. (Pacific time), for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the financial year ended December 31, 2017 and for the financial year ended December 31, 2016, together with the auditors' report thereon;
2. To elect the directors of the Company;
3. To reappoint MNP LLP, Chartered Accountants, as independent auditors for the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
4. To consider and, if thought appropriate, pass an ordinary resolution ratifying and approving the Company's stock option plan; and
5. To transact such other business as properly may be brought before the Meeting or any adjournment or postponement thereof.

This notice is accompanied by a form of proxy and the management information circular (the "Circular"). The specific details of the matters to be put before the Meeting as identified above are set forth in the Circular.

The board of directors of the Company fixed the close of business on May 2, 2018 as the record date for the determination of the shareholders entitled to notice of and vote at the Meeting, and any adjournment or postponement thereof.

*Registered shareholders* who are unable to attend the Meeting in person are requested to sign and return the enclosed form of proxy to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1. To be effective, proxies must be deposited in the manner described in the Circular, by 9:00 a.m. (Pacific time) on June 7, 2018, or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof prior to the Meeting.

*Non-registered shareholders* who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

DATED at Vancouver, British Columbia, Canada, May 7, 2018

BY ORDER OF THE BOARD

*(Signed) "Lucy Yan"*

Lucy Yan

Chief Executive Officer

# AXMIN Inc.

## MANAGEMENT INFORMATION CIRCULAR May 7, 2018

### SOLICITATION OF PROXIES

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of AXMIN Inc. (the "Company") for use at the annual and special meeting of shareholders of the Company (the "Meeting") to be held at the corporate office of the Company, Suite 2200, 1055 West Hastings Street, Vancouver BC V6E 2E9, Canada on Monday, June 11, 2018 at 10:00 a.m. (Pacific time), and at any and all adjournments or postponements thereof, for the purposes set forth in the attached notice of the Meeting (the "Notice"). It is expected that the solicitation of proxies will be made primarily by mail, but proxies may also be solicited personally by directors, officers or regular employees of the Company. Such persons will not receive any extra compensation for such activities. The cost of such solicitation will be borne by the Company. In this Circular, unless otherwise indicated, all references to "\$" or "CDN\$" are references to Canadian dollars and references to "US\$" are to United States dollars. Unless otherwise indicated herein, information in this Circular is given as at May 7, 2018.

### APPOINTMENT, REVOCATION AND DEPOSIT OF PROXIES

The persons named in the enclosed form of proxy are officers or directors of the Company. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for him or her and on his or her behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by striking out the names of the persons designated in the form of proxy and by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Company, c/o Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, at any time prior to 9:00 a.m. (Pacific time) on June 7, 2018 or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof prior to the Meeting.

A shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by marking how such shareholder wishes to vote in the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares (as defined below) represented by the proxy submitted by a shareholder will be voted or withheld from voting in accordance with the directions, if any, given in the proxy and if the voting shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

A shareholder who has given the enclosed form of proxy has the right to revoke the proxy by depositing an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized, at the registered office of the Company at any time prior to 12:00 a.m. (Pacific time) on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, or in any other manner permitted by law. The Company's registered office is located at 3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4.

### MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such Common Shares will be voted FOR each of the matters identified in the Notice and described in this Circular.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice and no director has informed the Company that he intends to oppose any matter to be voted upon.

### VOTING BY BENEFICIAL SHAREHOLDERS

**The information set forth in this section is important to the shareholders of the Company who do not hold their common shares in their own name.**

Shareholders who hold Common Shares through their brokers, intermediaries, trustees, or other nominees (such shareholders being collectively called "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear

on the share register of the Company as at the record date, May 2, 2018, may be recognized and acted upon at the Meeting. If Common Shares are shown on an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases the name of such Beneficial Shareholder will not appear on the share register of the Company. Such Common Shares will most likely be registered in the name of the broker or an agent of the broker. Such Common Shares can only be voted by brokers, agents or nominees ("Intermediaries") and can only be voted by them in accordance with instructions received from Beneficial Shareholders. **As a result, Beneficial Shareholders should carefully review the voting instructions provided by their broker, agent, or nominee or other intermediary with this Circular and ensure that they communicate how they would like their Common Shares voted in accordance with those instructions.**

Most brokers delegate responsibility for obtaining voting instructions from clients to a service company (a "Service Company"). The Service Company typically supplies voting instructions forms, mails those forms to Beneficial Shareholders, and asks those Beneficial Shareholders to return the forms to the Service Company or to follow the alternative voting procedures detailed on the voting instruction form. The Service Company then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from the Service Company cannot use that form to vote Common Shares directly at the Meeting. Instead, the Beneficial Shareholder must return the voting instruction form to the Service Company or follow the alternative voting procedures, as mentioned above, well in advance of the Meeting in order to ensure that such Common Shares are voted.** Alternatively, a Beneficial Shareholder may be given a form of proxy that has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Beneficial Shareholder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is required to be signed by the Beneficial Shareholder when submitting the form of proxy. In this case, the Beneficial Shareholder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified above.

**In either case, the purpose of these procedures is to permit Beneficial Shareholders to direct the voting of the Common Shares of the Company which they beneficially own. A Beneficial Shareholder who wishes to attend and vote at the Meeting in person (or to have another person attend and vote on behalf of the Beneficial Shareholder) should print the Beneficial Shareholder's (or such other person's) name in the blank space provided for that purpose in the first paragraph of the proxy form or, in the case of a voting instruction form, follow the corresponding instructions on that form.** In either case, Beneficial Shareholders should carefully follow the instructions of their Intermediary and its Service Company, as applicable.

#### RECORD DATE

The directors have fixed May 2, 2018 as the record date for the determination of shareholders entitled to receive notice of and vote at the Meeting. Only shareholders of record on such date are entitled to vote at the Meeting the Common Shares held by them by attending in person or by providing a completed an executed form of proxy as described above.

#### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Company consists of an unlimited number of common shares (each a "Common Share"). As of the date of this Circular, an aggregate of 130,497,381 Common Shares were issued and outstanding. Each Common Share entitles the holder thereof to one (1) vote at all meetings of shareholders of the Company.

As of the date of this Circular, to the knowledge of the directors and officers of the Company, the only persons or companies who beneficially own or control or direct, directly or indirectly, more than ten percent (10%) of the issued and outstanding Common Shares of the Company are:

<i>Name and municipality of residence</i>	<i>Number of Common Shares</i>	<i>Percentage of Common Shares</i>
Dickson Resources Limited <sup>(1)</sup> Tortola, British Virgin Islands	45,000,000	35.56%
Shanghai Shenglin Trading Co., Ltd. <sup>(2)</sup>	20,000,000	15.36%
AOG Holdings BV <sup>(3)</sup> Breda, The Netherlands	15,001,938	11.52%

- (1) Dickson Resources Limited ("Dickson") is an international private resources firm backed by the private capital of its founders. The company is a BVI registered company headquartered in Hong Kong. Having a team of geological and financial experts, Dickson is committed to investing internationally in the exploration and mining of natural resources. Meanwhile Dickson's scope of business reaches beyond the mining sector to international trade, marketing and advisory services which are all part of its business expertise.
- (2) Shanghai Shenglin Trading Co., Ltd. ("Shanghai Shenglin") is a company registered in P.R. China focusing on international trading and worldwide investments.
- (3) AOG Holdings BV is a wholly-owned subsidiary of The Addax & Oryx Group Limited.

## INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of common shares or otherwise, of any director or executive officer or anyone who has held office as such since the beginning of the Company's last financial year, any proposed director of the Company or any associates or affiliates of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

At the Meeting, shareholders will be asked to consider and, if thought appropriate, pass an ordinary resolution approving the Company's Stock Option Plan. Under the Stock Option Plan, directors, officers, employees and consultants of the Company are eligible for grants of options (See "Approval of Stock Option Plan").

## FINANCIAL STATEMENTS

The audited financial statements of the Company and the auditors' report thereon to be received by the shareholders at the Meeting are as at and for the fiscal year ended December 31, 2017, with a comparison to the year ended December 31, 2016. The annual financial statements for the fiscal year ended December 31, 2017 and the comparison year ended December 31, 2016 were both audited by MNP LLP, Chartered Accountants, the auditors of the Company.

## ELECTION OF DIRECTORS

### Number of Directors

Directors of the Company are elected annually by the shareholders. The articles of the Company provide that the number of directors to be elected shall be a minimum of three (3) and a maximum of ten (10). The by-laws and articles of the Company provide that the number of directors of the Company shall be determined from time to time by a resolution of the directors.

By resolution in writing dated May 7, 2018, signed by all of the directors of the Company, the directors fixed the number of directors at three (3).

### Information Regarding Nominees for Directors

All of the management's nominees to the Board are currently directors of the Company.

**Unless otherwise specified, the persons named in the enclosed form of proxy will vote FOR the election of the nominees whose names are set forth below. Subject to TSXV approval, each director elected will hold office until the next annual meeting of shareholders, or until her/his successor is duly elected or appointed, all as the case may be, unless her/his office is earlier vacated in accordance with the articles and by-laws of the Company or the provisions of the *Canada Business Corporations Act* to which the Company is subject or any similar corporate legislation to which the Company becomes subject.**

The following table sets out the name of each person proposed to be nominated for election as a director, her/his present principal occupation(s) or employment(s), any position held with the Company, the date on which she/he was first elected or appointed a director of the Company, and the approximate number of common shares of the Company beneficially owned, directly or indirectly, or over which she/he exercises control or direction as at the date of this Circular.

<i>Name of proposed nominee Province or state and country of residence</i>	<i>Principal occupation(s)</i>	<i>Director since</i>	<i>Common Shares beneficially owned, controlled or directed<sup>(1)</sup> (#)</i>
Lucy Yan Vancouver, British Columbia Canada	Chairman and Chief Executive Officer ("CEO") of the Company and also freelancer since June 2007 and Chairman of the Board and a director of Dickson Resources Limited from November 27, 2012 until December 24, 2013.	April 15, 2013	Nil
Joe Tai Vancouver, British Columbia Canada	Independent Director of the Company, Executive Director of Goldpac Investments Ltd., Director of China Goldcorp Ltd. (TSX.V:CAU.H), Director of Adex Mining Inc. (TSX.V:ADE), Director of Colt Resources (TSX.V:GTP)	April 15, 2013	Nil

<i>Name of proposed nominee Province or state and country of residence</i>	<i>Principal occupation(s)</i>	<i>Director since</i>	<i>Common Shares beneficially owned, controlled or directed<sup>(1)</sup> (#)</i>
David de Jongh Weill Singapore	Lead Independent Director of the Company and also Executive Chairman and a Director of Patrimoine Pte. Ltd. (corporate finance advisory company), Executive Chairman and a Director of Patrimoine International Limited (holding company), and a Partner of Patrimoine Partners LLP (corporate finance advisory and investment management firm).	June 29, 2010	1,716,616 <sup>(2)</sup>

(1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective proposed directors individually.

(2) 1,166,616 such Common Shares are owned by a family trust.

### Committees of the Directors

The Company currently has three committees of the Board; the memberships of each committee are listed in the table below.

<i>Committee</i>	<i>Composition</i>	<i>Members</i>	<i>Chair</i>
Audit	Three directors	Lucy Yan, Joe Tai and David de Jongh Weill	David de Jongh Weill
Compensation	Three directors	Lucy Yan, Joe Tai and David de Jongh Weill	Joe Tai
Corporate Governance, Nominating & Disclosure Policy Committee <sup>(1)</sup>	Three directors	Lucy Yan, Joe Tai and David de Jongh Weill	Lucy Yan

### Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions or Individual Bankruptcies

Joe Tai was a director, President and CEO of ChineseWorldNet.com Inc., a company incorporated in the Cayman Islands and OTCQX U.S. listed, that had a cease trade order issued by the British Columbia Securities Commission in August 2009 for failing to file year end reports, which cease trade order was revoked as of January 2010. Mr. Tai resigned as a director, President and CEO of ChineseWorldNet.com Inc. in April 28, 2014. Mr. Tai was also a director of Medifocus Inc., a company incorporated in Ontario and listed on the TSX Venture Exchange (the "TSXV"), that had cease trade orders issued by the Ontario Securities Commission and the British Columbia Securities Commission in August 2011 for failing to file its annual financial statements. As of December 2011 both cease trade orders had been revoked. Mr. Tai resigned as a director of Medifocus Inc. in November, 2012.

David de Jongh Weill was a director of Can Media Limited ("Can Media"), a private company in the United Kingdom that had been adversely affected by the changes to the United Kingdom National Health System. As a result of those changes, Can Media's revenue stream was impaired and on April 14, 2011 Can Media registered its intention to have a Court appointed administrator under United Kingdom's Insolvency Act 1986, as amended by the Enterprise Act 2002. Can Media has been restructured. Mr. Weill ceased being a director on April 4, 2011.

Except as disclosed above, none of the proposed directors of the Company:

- a. is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director, CEO or Chief Financial Officer ("CFO") of any company (including the Company) that:
  - i. was the subject, while the proposed director was acting in that capacity as a director, CEO or CFO of such company, to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days; or

- ii. was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company;
- b. is, as at the date of this Circular, or has been within ten (10) years before the date of this 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 that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- c. has, within the ten years before the date of this 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;
- d. has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- e. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

#### **APPOINTMENT OF AUDITORS**

On February 19, 2014, the Company appointed MNP LLP, Chartered Accountants as its auditor. On the annual and special meeting of shareholders held on February 16, 2017, MNP LLP, Chartered Accountants was reappointed as the Company's auditor.

At the Meeting, shareholders of the Company will be asked to reappoint MNP LLP as the Company's auditor to hold office until the next annual meeting of shareholders and to authorize the directors to fix the remuneration of the auditors. **Unless otherwise specified, the persons named in the enclosed form of proxy will vote FOR the said appointment of MNP LLP as the auditors of the Company and authorizing the directors to fix the remuneration of the auditors.**

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

At the Meeting, the shareholders will be asked to consider and, if thought appropriate, ratify and approve by ordinary resolution the Company's Stock Option Plan 2005 (the "Stock Option Plan"), a copy of which is annexed hereto as Schedule "A". The Stock Option Plan was previously approved by ordinary resolution of the shareholders on February 16, 2017.

In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution. **Unless otherwise specified, the persons named in the enclosed form of proxy will vote FOR the approval of the Stock Option Plan.**

The text of the resolution approving the continuation of the Stock Option Plan to be considered at the Meeting will be substantially as follows:

#### **"RESOLVED THAT:**

1. the Stock Option Plan of the Company (the "Plan") annexed as Schedule "A" to the management information circular of the Company dated May 7, 2018 be and is hereby approved, confirmed and ratified on the terms and conditions set out in the Plan;
2. the Board of Directors be and is hereby authorized to make any and all additions, deletions and modifications to the Plan as may be necessary or advisable to give effect to these resolutions or as may be required by applicable regulatory authorities;
3. the Company is authorized to reserve and issue up to ten percent (10%) of the total number of common shares in the capital of the Company outstanding from time to time for issuance upon exercise of stock options granted pursuant to the Plan;
4. the Board of Directors from time to time is hereby authorized to grant options to acquire common shares of the Company pursuant to and in accordance with the Plan; and
5. any officer or director of the Company be and is hereby authorized to execute all such deeds, documents and other writings and perform such acts as may be necessary in order to give effect to the Plan."

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The Compensation Committee of the Board makes recommendations to the Board regarding compensation policies and the compensation of directors and senior officers. The members of the Compensation Committee are Lucy Yan, Joe Tai and David de Jongh Weill. All the members are independent. Each member of the Compensation Committee has direct experience in executive compensation matters as a member of various boards and has held senior leadership positions in various organizations, which experiences assist the Compensation Committee in making decisions on the suitability of the Company's compensation practices and policies. Since all of the members have had experience in matters of executive compensation, the Board believes that the Compensation Committee collectively has the knowledge, experience and background required to fulfil its mandate.

Since the Compensation Committee reviews and makes recommendations to the Board on all of the Company's compensation policies and practices and maintains oversight thereof, the risks associated therewith are considered to be low, particularly since the Company's compensation package is not linked to the Company's revenue generated by the individual or linked to or based on any short term objective. The Board is ultimately responsible for considering the risks associated with the Company's compensation policies and practices, if any.

Recruitment and retention of senior executives are the key priorities of the compensation philosophy. Consequently, the objectives of the Committee are to attract, reward, retain and motivate quality employees who will enhance the development and growth of the Company. As the Company's business is the exploration and the development of mining properties in Central Africa, the Company must be competitive with other entities engaged in the same business both in Canada and internationally. It is therefore necessary that the Company's compensation practices are consistent and equitable for individuals in similar jobs and locations.

The Compensation Committee further believes that it is appropriate to establish compensation practices and compensation levels that are comparable to other similar mining companies. The Committee also considers the particular responsibilities related to the position, the experience level of the individual, as well as the necessary compensation required to retain the executive officer involved. The compensation for senior executives in the junior mining industry depends on various factors including (but not limited to): advancement of a given project, the location of the project, the political risk, the language and skills required and the individual's experience. The Compensation Committee considers these factors. No set benchmark of specific companies is utilized by the Compensation Committee, either formally or informally.

Each senior executive is employed for his or her skills to perform specific tasks and their base salary is fixed accordingly. Commencing in 2011, in view of the Company's current stage of development and its financial position, compensation consists of only two (2) components: namely, a base salary (or consulting fee) and the grant of stock options. The entitlement to bonuses is not included in employment/consulting agreements or used as an employment/consulting incentive.

At the time of employment each senior executive entered into an employment/consulting agreement with the Company with standard clauses covering salaries and termination and change of control provisions. The highlights of the employment agreements for the Named Executive Officers ("NEOs") are outlined below under "Statement of Executive Compensation – *Narrative Discussion*".

In view of considerable contribution Ms. Lucy Yan was devoting to the Company's business, at the recommendation of the Compensation Committee and approved by the Board, the Company entered into a consulting agreement with Ms. Yan on October 1, 2013. The particulars of her compensation and information regarding her consulting agreement are further described below under "Statement of Executive Compensation – *Narrative Discussion*".

In November 2014, considering the Company's financial situation and mutual understanding by all the directors, at the recommendation of the Compensation Committee and approved by the Board, the Company set up an all-inclusive director's fees schedule effective October 1, 2014. The particulars are further described below under "Statement of Executive Compensation – *Narrative Discussion*".

The Company does not have a policy that precludes any NEO from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO.

### Option-based Awards

The granting of stock options is a variable component of compensation intended to reward the Company's directors, executive officers and senior management for the Company's success in achieving its business plans, prudent development of its projects and increases in stock value. Lengthy vesting provisions will ensure that the option holders' interests are aligned with the longer term interests of the Company's shareholders and assist in the retention of key employees, rather than focusing on short term increases. Previous option grants to senior executives of the Company are taken into account by the Compensation Committee and the Board when considering new option grants.

Upon the recommendation of the Compensation Committee, the grant of option-based awards to senior executives is approved by the Board pursuant to the terms of the Stock Option Plan. The options are always granted at market price and vest at a rate of 25% on the grant date and on the 6, 12 and 18 month anniversary of the grant date. The Stock Option Plan is attached as Schedule "A" to this Circular, where it can be reviewed in its entirety. The fair value of the options granted is determined at the time of the grant in accordance with a valuation methodology identified in IFRS 2. *Share-Based Payment*. The Company uses the Black Scholes option pricing model to estimate the fair value of the options granted using the following assumptions: weighted average risk-free interest rate, expected share price annual volatility, weighted average expected life (years), estimated forfeiture rate and expected dividend yield.

### Summary Compensation Table

During the fiscal year ended December 31, 2017, the Company had two NEOs, namely, Lucy Yan, Chairman and CEO (from June 18, 2013), and Jin Kuang, CFO (from October 24, 2013).

The following table (presented in accordance with Form 51-102F6 – *Statement of Executive Compensation ("Form 51-102F6")* under National Instrument 51-102 – *Continuous Disclosure Obligations*) sets forth all annual, long term and other compensation payable to the NEOs for services rendered in all capacities to the Company and its subsidiaries for the three financial years ended December 31, 2017, 2016 and 2015.

The Company does not have a share-based award plan. The Company also does not have a pension plan or a long-term incentive plan. An Annual Incentive Plan for the executive group of employees was implemented by the Board in 2008. The particulars of the plan are outlined below under "*Incentive Plan Awards*". No awards were granted under this plan during 2017. No long-term non-equity incentive compensation was granted to any of the NEOs and no non-equity incentive plan awards were made based on the performance of the Company's share price.

The amounts in the following table and footnotes are expressed in United States dollars to conform to the presentation currency in the financial statements of the Company and any reference to the Company's share price is expressed in Canadian dollar currency. The compensation awarded and paid was in Canadian dollars and was translated to United States dollars using the average foreign exchange rate for the 2017 year of \$1.2986 = US\$1.00, the 2016 year of \$1.3248 = US\$1.00, and the 2015 year of \$1.2788 = US\$1.00.

Name and Principal Position	Year	Salary (US\$)	Share-based Awards (US\$)	Option-based awards <sup>(1)</sup> (US\$)	Non-equity incentive plan compensation (\$)		Pension value	All other compensation (US\$)	Total Compensation (US\$)
					Annual incentive plan	Long-term incentive plans			
Lucy Yan <sup>(2)</sup> Chairman & CEO(from June 18, 2013)	2015	N/A	N/A	4,618	N/A	N/A	N/A	65,686	70,304
	2016	N/A	N/A	N/A	N/A	N/A	N/A	62,556	62,556
	2017	N/A	N/A	39,644	N/A	N/A	N/A	64,685	104,329
Jin Kuang <sup>(3)</sup> CFO(from October 24, 2013)	2015	N/A	N/A	308	N/A	N/A	N/A	32,843	33,151
	2016	N/A	N/A	N/A	N/A	N/A	N/A	40,214	40,214
	2017	N/A	N/A	3,806	N/A	N/A	N/A	41,583	45,389

- (1) As mentioned above, the fair value of the options granted is determined at the time of the grant in accordance with a valuation methodology identified in IFRS 2. *Share-Based Payment*. The Company used the Black Scholes option pricing model to estimate the fair value of the options granted. For options granted in 2017, the following assumptions were used: a weighted average risk-free interest rate of 1.80%, an expected share price annual volatility of 229%, a weighted average expected life of 5.0 years, and an expected dividend yield of 0.0%. No options were granted during the fiscal year 2016. For options granted in 2015, the following assumptions were used: a weighted average risk-free interest rate of 0.73%, an expected share price annual volatility of 125%, a weighted average expected life of 5.0 years, and an expected dividend yield of 0.0%.
- (2) Lucy Yan was appointed Chairman and Interim CEO on June 18, 2013. Ms. Yan has been a director of the Company since April 15, 2013. The Company entered into a consulting agreement with Ms. Yan effective October 1, 2013. Ms. Yan became permanent CEO on December 24, 2013. Ms. Yan was paid consulting fees from the time of her appointment as Interim CEO and her the consulting agreement was signed, which amount equals US\$65,686 for 2015, US\$62,556 for 2016 and US\$64,685 for 2017 and are included in the "All other Compensation" column. The consulting fees accrued during the year ended December 31, 2016 and the year ended December 31, 2017 were not paid and were recorded as accounts payable in the consolidated statements of financial position as at December 31, 2017. The option-based award in 2017 consisted of 2,500,000 stock options granted on September 25, 2017 at an exercise price of CDN\$0.05 and a fair value of approximately CDN\$0.04 per share. The option-based award in 2015 consisted of 1,500,000 stock options

granted on September 18, 2015 at an exercise price of CDN\$0.025 and a fair value of approximately CDN\$0.01 per share.

- (3) Jin Kuang was appointed CFO on October 24, 2013. Ms. Kuang provided her services through Conscientia Consulting Inc. with which the Company has entered a consulting agreement on October 28, 2013. The option-based award in 2017 consisted of 240,000 stock options granted on September 25, 2017 at an exercise price of CDN\$0.05 and a fair value of approximately CDN\$0.04 per share. The option-based award in 2015 consisted of 100,000 stock options granted on September 18, 2015 at an exercise price of CDN\$0.025 and a fair value of approximately CDN\$0.01 per share. The amounts disclosed in *All Other Compensation* consisted of the compensation for her consulting fees.

## **Narrative Discussion**

As mentioned under "*Compensation Discussion and Analysis*", each NEO has entered into either an employment agreement or a consulting agreement with the Company. As at December 31, 2017, each current NEO was party to a consulting agreement with the Company.

A summary of the consulting agreements of each of the NEOs in effect during the year ended December 31, 2017 follows.

### ***Lucy Yan***

Lucy Yan was appointed Chairman and Interim CEO on June 18, 2013. The Company entered into a consulting agreement with Ms. Yan effective on October 1, 2013. Ms. Yan became permanent CEO on December 24, 2013. Ms. Yan was paid director's fees since her appointment as director on April 15, 2013 until the consulting agreement was signed. The consulting agreement provides that Ms. Yan will provide consulting services to the Company and its subsidiaries in connection with the Consultant fulfilling the duties of CEO and President of the Company for an indefinite period. Ms. Yan is entitled to receive an all-inclusive annual consulting fee of CDN\$108,000 prior to September 30, 2014. From October 1, 2014, Ms. Yan's annual consulting fee was adjusted to CDN\$84,000. Ms. Yan is also entitled to participate in the Company's Stock Option Plan. To support the Company's operations, her consulting fees accrued for Year 2016 and 2017 were not paid and recorded as accounts payable in the consolidated statements of financial position as at December 31, 2017 and 2016.

Ms. Yan's agreement also provides for termination payments which are described below in the section entitled "*Termination Benefits*".

### ***Jin Kuang***

Jin Kuang was appointed CFO on October 24, 2013. Ms. Kuang provided her services through Conscientia Consulting Inc. with whom the Company entered into a consulting agreement on October 28, 2013. The agreement provides that Ms. Kuang will provide consulting services to the Company in connection with the consultant fulfilling the duties of CFO of the Company for an indefinite period. Ms. Kuang is entitled to receive an all-inclusive monthly consulting fee of CDN\$3,500 plus applicable taxes prior to December 31, 2015. From January 1, 2016, Ms. Kuang's annual consulting fee was adjusted to an all-inclusive monthly consulting fee of CDN\$4,500 plus applicable taxes.

Jin Kuang was also appointed as Corporate Secretary of the Company to replace Aaron Hao, who resigned from Vice President-Business Development and Corporate Secretary, effective on October 23, 2015.

## **INCENTIVE PLAN AWARDS**

### **Narrative Discussion**

As disclosed elsewhere herein, the Company does not have a share-based award plan or a long term incentive plan.

On June 23, 2008 the Board approved an Annual Incentive Plan ("AIP") for the Company's senior management. The AIP provided a framework for the grant of bonuses to designated individuals based on mutually agreed upon pre-described annual personal and corporate objectives and performance with the targets set out in the individual NEOs' employment agreements. While the performance goals are to be stipulated in the NEOs' employment agreements and the AIP, any bonus to be paid is subjective and is also dependent upon the Company's financial situation. No bonus was paid under the AIP during the year ended December 31, 2017 and no performance objectives were pre-described during 2017.

In view of the Company's financial situation and the current economic climate, as mentioned above, the Company no longer utilizes the AIP for the senior management of the Company.

Information with respect to the grant of stock options is more particularly described below under "*Outstanding Option-Based Awards and Share-Based Awards*".

## Outstanding Option-Based Awards and Share-Based Awards

As mentioned previously, the Company does not have a share-based award plan. The table below shows all options held by the NEOs as at December 31, 2017.

Name	Option-based Awards				Share-based Awards		
	Number of Common Shares underlying unexercised options (#)	Option exercise price <sup>(1)</sup> (CAD\$)	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup> (CAD\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (CAD\$)	Market or payout value of vested share-based awards not paid out or distributed (CAD\$)
Lucy Yan Chairman & CEO (from June 18, 2013)	1,500,000	0.025	September 17, 2020	7,500	Nil	N/A	N/A
	2,500,000	0.05	September 24, 2022	Nil	1,875,000	56,250	N/A
Jin Kuang CFO (from October 24, 2013)	100,000	0.025	September 17, 2020	500	Nil	N/A	N/A
	240,000	0.05	September 24, 2022	Nil	180,000	5,400	N/A

## Incentive Plan Awards Table

The following table sets out values of incentive stock options vested or earned by the NEOs during the year ended December 31, 2017.

Name	Option-based awards – Value vested during the year (US\$)	Share-based awards – Value vested during the year (US\$)	Non-equity incentive plan compensation – Value earned during the year (US\$)
Lucy Yan Chairman & CEO (from June 18, 2013)	39,644	Nil	Nil
Jin Kuang CFO (from October 24, 2013)	3,806	Nil	Nil

## Equity Compensation Plan Information

The following table sets forth, as of December 31, 2017, information concerning securities authorized for issue under the Stock Option Plan, which is the only equity compensation plan of the Company.

Plan Category	Securities to be issued upon exercise of outstanding options (#)	Weighted average exercise price of outstanding options (CDN\$)	Securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders (the only such plan is the stock option plan)	8,240,000	\$0.032	4,779,738 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	8,240,000	\$0.032	4,779,738

- (1) Pursuant to the Stock Option Plan, subject to other restrictions, 10% of the number of outstanding Common Shares from time to time is available for issuance pursuant to options granted under the Stock Option Plan. This amount is calculated by subtracting the 8,240,000 Common Shares that could be issued upon exercise of options granted and outstanding as at December 31, 2017 from the total amount that could be granted pursuant to the Stock Option Plan, based on 130,497,381 Common Shares outstanding as at December 31, 2017.

On September 18, 2015, the Company announces the granting of stock options to employees, directors, officers of the Company for an aggregate of 3,950,000 stock options of the Company exercisable at C\$0.025. The Options shall expire and terminate on September 17, 2020.

On September 25, 2017, the Company granted an aggregate of 5,140,000 options, exercisable at C\$0.05 each and expiring five years from the date of issue.

### **Long-Term Incentive and Deferred Compensation Plans**

A "long-term incentive plan" is a plan providing compensation intended to motivate performance over a period greater than one financial year. As reported above under "*Summary Compensation Table*" and "*Incentive Plan Awards*", the Company currently has no long-term incentive plan intended to serve as an incentive for performance to occur over a period longer than one year. Long-term incentive plans do not include stock options. The Company also does not have a deferred compensation plan.

### **PENSION PLAN BENEFITS**

As reported under "*Summary Compensation Table*", the Company does not maintain a pension plan for its employees and therefore no benefits were received.

### **TERMINATION AND CHANGE OF CONTROL BENEFITS**

The consulting agreements with each of Lucy Yan and Jin Kuang, described under the heading "Statement of Executive Compensation – *Narrative Discussion*", provide for the treatment of compensation upon a resignation, in the event of termination with or without cause, or upon a change of control of the Company. The following discussion describes the potential payments to each of Ms. Yan and Ms. Kuang upon a termination as provided in their consulting agreements.

#### *Resignation*

The employment agreements for Lucy Yan stipulate that Ms. Yan may resign at any time upon giving 90 days written notice to the Company. The consulting agreement for Jin Kuang stipulates that Ms. Kuang may resign at any time upon giving 30 days written notice to the Company. The Company may waive its rights to receive notice in whole or in part by paying all salary, benefits and any outstanding expenses accruing to the end of the notice period under either agreement, and the NEO shall not be entitled to any further payments with regard to the employment or the termination thereof following the 90-day period, except for accrued payments thereunder.

#### *Retirement*

Neither of Ms. Yan's or Ms. Kuang's consulting agreements contains provisions relating to retirement.

#### *Constructive Termination*

Neither of Ms. Yan's or Ms. Kuang's consulting agreements contains provisions relating to constructive termination.

#### *Termination Without Cause*

The consulting agreement for Lucy Yan provides that the Company may terminate her employment at any time by giving Ms. Yan written notice of termination or pay in lieu of such notice, or any combination thereof, at the Company's discretion, in addition to the consulting fee and additional compensation, if any, already accrued, earned and outstanding as of the date of termination, a lump sum payment equal to the consulting fee for a 12 month period; plus an additional compensation for a period of 12 months after termination.

The consulting agreement for Jin Kuang provides that the Company may terminate her employment at any time upon giving 30 days written notice to Ms. Kuang or pay in lieu of such notice, or any combination thereof, at the Company's discretion, equal to one month's consulting fee.

The table below summarizes the US\$ equivalent payments that would be paid to the NEOs in the event of a termination without cause as of December 31, 2017.

<i>Name</i>	<i>Salary (US\$)</i>	<i>Benefits (US\$)</i>	<i>Total (US\$)</i>
Lucy Yan Chairman & CEO	64,685	N/A	65,687
Jin Kuang CFO	3,465	N/A	2,737

#### *Termination With Just Cause*

All of the NEOs consulting agreements provide that their employment may be terminated by the Company for just cause, in which event they shall immediately cease rendering services and the Company shall pay them only those accrued amounts payable under their consulting agreement to the date that the agreement is terminated. "Just Cause" as used in the agreements means: (a) a repeated and demonstrated failure to ensure that it performs the services provided for in the consulting agreement in a competent manner after it has received written and/or verbal notice of such failure from the Company ; (b) the consultant fails to honour the fiduciary duties owed by it to the Company, including the duty to act at all times in the best interests of the Company; or (c) the consultant disobeys reasonable instructions given by the Board that are not inconsistent with the services provided and fails to remedy such action forthwith after having been advised to do so, in writing, by the Board.

#### *Termination on Change of Control*

Neither of Ms. Yan's or Ms. Kuang's consulting agreements contains provisions relating to termination on Change of Control, which's definition is described below under "INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS".

## **DIRECTOR COMPENSATION**

### **Narrative Discussion**

Effective from January 1, 2016, the directors, based on the recommendations of the Compensation Committee, amended the compensation payable to the directors according to the following schedule:

	<i>Annual Retainer (CDN\$)</i>	<i>Note</i>
Lead Independent Director	20,000	All-inclusive directors fees
Other Directors	20,000	All-inclusive directors fees
Non-independent Director and NEO	Nil	Only paid by consulting fees or salaries

Except for above mentioned arrangements, during the financial year ended December 31, 2017, the Company had no other arrangements or agreements for compensating any director or any related companies to any director for services as consultants or experts.

The Company does not have a policy that precludes any director from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the director.

Information with respect to grants of options to the directors is reported below under the heading *Narrative Discussion* under the section entitled *Outstanding Option-Based Awards, Share-Based Awards and Non-equity Incentive Plan Compensation for Directors*.

### **Director Compensation Table**

The following table sets forth all compensation provided to the directors for the year ended December 31, 2017.

The Company does not have a share-based award plan for the directors other than the Stock Option Plan referred to above, details of which are provided below under the heading *Outstanding Option-Based Awards, Share-Based Awards and Non-equity Incentive Plan Compensation for Directors*. The Company also does not have a pension plan or a non-equity incentive plan for its directors.

Other than as reported in the table below, no directors of the Company were compensated during the financial year ended December 31, 2017 for services in their capacity as directors.

As disclosed above in the compensation table for the NEOs, the amounts in the following tables are expressed in United States dollars to conform to the presentation currency of the financial statements of the Company and any reference to the Company's share prices is expressed in Canadian dollars.

Name <sup>(1)</sup>	Fees earned (US\$)	Share-based awards	Option-based awards <sup>(2)</sup> (US\$)	Non-equity Incentive plan compensation	Pension value (US\$)	All other compensation (US\$)	Total compensation (US\$)
Joe Tai <sup>(3)</sup>	\$15,401	N/A	\$19,029	N/A	N/A	Nil	\$34,430
David de Jongh Weill <sup>(4)</sup>	\$15,401	N/A	\$19,029	N/A	N/A	Nil	\$34,430

- (1) As mentioned above, the fair value of the options granted is determined at the time of the grant in accordance with a valuation methodology identified in IFRS 2 *Share-Based Payment*. The Company uses the Black Scholes option pricing model to estimate the fair value of the options granted using the following assumptions: weighted average risk-free interest rate, expected share price annual volatility, weighted average expected life (years), estimated forfeiture rate and expected dividend yield. 5,140,000 options were granted during 2017.
- (2) Joe Tai was appointed a director effective on April 15, 2013.
- (3) David de Jongh Weill resigned as Chairman and was appointed Lead Independent Director for the Company effective on June 18, 2013.

The director fees earned by each director during the year ended December 31, 2017 were not paid and were accrued as accounts payable in the consolidated statements of financial position as at December 31, 2017.

#### Outstanding Option-Based Awards, Share-Based Awards and Non-equity Incentive Plan Compensation for Directors

##### Narrative Discussion

The Company does not have a share-based award plan, a pension plan or a non-equity incentive plan for its directors.

Option-based awards are granted to the directors pursuant to the terms of the Stock Option Plan upon the recommendation by the Compensation Committee. Options are always granted at market price and vest at a rate of 25% on each of the grant date and the 6, 12 and 18 month anniversaries of the grant date. The Stock Option Plan is attached as Schedule "A" to this Circular where it can be reviewed in its entirety.

On September 18, 2015, the Company announces the granting of stock options to employees, directors, officers of the Company for an aggregate of 3,950,000 stock options of the Company exercisable at C\$0.025. On September 25, 2017, the Company announces the granting of stock options to employees, directors, officers of the Company for an aggregate of 5,140,000 stock options of the Company exercisable at C\$0.05. Except for options that were cancelled pursuant to the terms of the Stock Option Plan, no options previously granted were amended, cancelled, replaced or modified and no options were exercised by any of the directors during the year. The table below shows all options held by all the independent directors as at December 31, 2017.

Name <sup>(1)</sup>	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price <sup>(2)</sup> (CAD\$)	Option expiration date	Value of unexercised in-the-money options (CAD\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (CAD\$)	Market or payout value of vested share-based awards not paid out or distributed (CAD\$)
David de Jongh Weill	750,000	0.025	Sep 17, 2020	3,750	Nil 900,000	N/A 27,000	N/A N/A
	1,200,000	0.05	Sep 24, 2022	Nil			
Joe Tai	750,000	0.025	Sep 17, 2020	3,750	Nil 900,000	N/A 27,000	N/A N/A
	1,200,000	0.05	Sep 24, 2022	Nil			

## Incentive Plan Awards Table

The following table sets out values of incentive stock options held by the independent directors as at December 31, 2017.

Name	Option-based awards – Value vested during the year (US\$)	Share-based awards – Value vested during the year (US\$)	Non-equity incentive plan compensation – Value earned during the year (US\$)
David de Jongh Weill	\$19,029	N/A	N/A
Joe Tai	\$19,029	N/A	N/A

## Indebtedness of Directors and Executive Officers

No director or executive officer of the Company, and no associate of any such director or executive officer has at any time since the beginning of the Company's most recently completed financial year been indebted to the Company or any of its subsidiaries and no such person's indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## AUDIT COMMITTEE

### The Audit Committee's Charter

The Board has adopted a charter for the Audit Committee (the "Charter"), which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Charter is annexed hereto as Schedule "B".

### Composition of the Audit Committee

During the year ended December 31, 2017, the members of the Audit Committee were Lucy Yan, Joe Tai and David de Jongh Weill, with Mr. Weill serving as Chair of the Committee.

National Instrument 52-110 "Audit Committees" ("NI 52-110") exempts the members of the Company's Audit Committee from being independent and financially literate since the Company is a venture issuer (as defined in NI 52-110). By virtue of being a venture issuer, the Company is also exempt from certain reporting obligations under NI 52-110.

To be considered independent, a member of the Audit Committee must not have any 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 member's independent judgment. Also, to be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Based on these requirements, all the members of the Audit Committee are considered to be independent and financially literate.

The following relevant education and experience of the members of the Audit Committee has been used in assessing their financial literacy:

- Joe Tai (member since April 15, 2013) has over 18 years of experience in investment, finance, and the capital markets of Canada, the US, and Greater China. He has extensive expertise in facilitating cross-border transactions and strategic partnerships, building cross-cultural business relationships with Asian industrial groups and financial institutions. Joe serves as director for numerous North American publicly listed companies including several listed on the TSX Venture Exchange.
- David de Jongh Weill is Lead Independent Director of the Board. He is also a director and Executive Chairman of Patrimoine Pte. Ltd. (corporate finance advisory company) the Executive Chairman and a director of Patrimoine International Limited (holding company) and a Partner of Patrimoine Partners LLP (corporate finance advisory and investment management firm). He has a Bachelor of Business Administration in International Business, Master of Business Administration, Masters in Law and Accounting, Masters in Decision Sciences and is a member of the Bar in England and Wales.

### Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

## Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in Section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the *Committee Meeting Agenda* section of the Charter.

## External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during each of the last two financial years.

<i>Financial year ended</i>	<i>Audit fees<sup>(1)</sup> (CDN\$)</i>	<i>Audit-related fees<sup>(2)</sup> (CDN\$)</i>	<i>Tax fees<sup>(3)</sup> (CDN\$)</i>	<i>All other fees (CDN\$)</i>
December 31, 2017	30,000	Nil	Nil	Nil
December 31, 2016	26,750	Nil	Nil	Nil

- (1) The aggregate fees billed related to the fiscal year audit, notwithstanding when the fees were billed or when the services were rendered.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit fees" column.
- (3) The aggregate fees for tax compliance, tax advice and tax planning for services rendered from January through December of the fiscal year, notwithstanding when the fees were billed.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### Corporate Governance Practices

Corporate governance relates to the activities of the Board, the members of which are elected by, and are accountable to, the Company's shareholders. The Board views effective corporate governance as an essential element for the ongoing well-being of the Company and its shareholders. Although the Board has not implemented a Board Mandate, the Board discharges its responsibilities directly and through its committees as listed under the heading "*Election of Directors – Committees of the Directors*" and as described in further detail under the heading "*Statement of Corporate Governance Practices – Board Committees and their Mandates*". Additionally, the Board reviews the Company's corporate governance practices on an ongoing basis to ensure that they provide for effective stewardship of the Company.

As part of its review of the corporate governance practices of the Company pursuant to the requirements of National Instrument 58-101 "*Disclosure of Corporate Governance Practices*", in March 2008, the Board adopted a charter of the Corporate Governance Committee (subsequently renamed the Corporate Governance and Nominating Committee and combined with Disclosure Policy Committee effective from June 18, 2013), which is annexed hereto as Schedule "C", which, together with the charter of the previous Disclosure Policy Committee, continues to be effective until the new charter of the Corporate Governance, Nominating and Disclosure Policy Committee has been adopted.

The Board believes that at this stage its approach to corporate governance is appropriate and continues to work to align with the recommendations for TSXV-listed issuers contained in National Policy 58-201 "*Corporate Governance Guidelines*" ("NP 58-201").

### Composition of the Board

Management is proposing the election at the Meeting of three (3) nominees, all of whom are current directors. Two (2) of the nominees for director are deemed to be independent. The directors will hold office until the next annual meeting of shareholders or until their respective successors is elected or appointed. The Board may appoint additional directors subsequent to the Meeting as provided in the by-laws and articles of the Company. Under National Instrument 52-110 *Audit Committees* ("NI 52-110"), a director is considered to be "independent" if he or she has no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment. In addition, certain individuals are deemed, for the purposes of NP 58-201, to have material relationships with the Company. Under this definition, the proposed Board will have two (2) independent directors: Joe Tai and David de Jongh Weill. Lucy Yan is the Chairman and CEO and, accordingly, as an executive officer, is not independent.

The following table discloses the proposed nominees for director, whether or not they are considered independent within the meaning of NI 52-110.

<i>Name</i>	<i>Independence</i>	<i>Reason for not being independent where applicable</i>
Lucy Yan	Not Independent	Ms. Yan is not independent by virtue of being Chairman and CEO of the Company.
Joe Tai	Independent	N/A
David de Jongh Weill	Independent	N/A

#### **Other Directorships**

The following table discloses the proposed nominees for director and other directorships they hold with issuers that are reporting issuers or the foreign equivalent as of the date of this Circular.

<i>Name</i>	<i>Other reporting issuer(s) (or foreign equivalent) of which such director is also a director<sup>(1)</sup></i>
Lucy Yan	--
Joe Tai	Director of China Goldcorp Ltd. (TSX.V:CAU.H); Director of Adex Mining Inc. (TSX.V:ADE); Director of Colt Resources (TSX.V:GTP)
David de Jongh Weill	--

- (1) This information, not being within the knowledge of the Company, has been furnished by the respective directors individually.

#### **Ethical Business Conduct**

The Corporate Governance, Nominating and Disclosure Policy Committee strives to ensure that all directors and executive officers exercise independent and sound judgment in all their business dealings, and especially when considering transactions in respect of which a director or executive officer has a material interest. The Company's approach to ethical business conduct is described in its "Director, Officer and Employee Code of Conduct and Ethics" which is annexed hereto as Schedule "D".

In addition, in October 2011 the Board implemented an Anti-Bribery and Anti-Corruption Policy and monitoring program to reflect the Company's zero tolerance attitude to bribery and corruption and the responsibility of all directors, officers, employees and consultants of the Company to report any concerns or incidents to the Company's Compliance Officer. Jin Kuang, the CFO of the Company, was appointed in November 2013 as the Compliance Officer.

#### **Board Committees and their Mandates**

As reported above, the Board has established three committees, the mandates of which are set out below. The composition of the committees of the Board is set out under the heading *Committees of the Directors* under the section entitled *Election of Directors*.

The respective mandates for the committees of the Board are as follows:

*Audit Committee*, whose mandate is to:

- a. review, prior to submission to the Board, all financial information and financial statements of the Company and the external auditors' report thereon;
- b. review with the external auditors of the Company the arrangements for and scope of each proposed audit of the accounting records, and report to the Board any significant reservations the Audit Committee or the external auditors may have about such arrangements;
- c. review periodically with the Company's external auditors their respective activities and the nature of their respective recommendations, and report on them at least annually to the Board;
- d. evaluate the performance of the external auditors, review their fees and make recommendations to the Board in this respect; and
- e. review periodically the Company's "Director, Officer and Employee Code of Conduct" and management's adherence to this code.

*Compensation Committee*, whose mandate is to assist the Board in fulfilling its obligations relating to human resource and compensation matters by preparing or receiving reports and making recommendations to the Board on matters including:

- a. evaluation of the Company's senior management;
- b. compensation including the award of stock options;
- c. organizational structure;
- d. management development and succession;
- e. employee benefits;
- f. employee pension plans;
- g. directors' compensation; and
- h. such other matters as may be determined by the Board.

*Corporate Governance, Nominating & Disclosure Policy Committee (combined from Corporate Governance and Nominating Committee and Disclosure Policy Committee effective from June 18, 2013)*, whose mandate is to:

- a. develop the Company's approach to corporate governance issues and to develop and recommend to the Board the implementation and assessment of effective corporate governance principles;
- b. identify candidates for the Board, propose to the Board new candidates as required to fill vacancies or otherwise augment the Board, recommend to the Board a slate of candidates for election at the next annual general meeting of the Company's shareholders; and
- c. ensure appropriate disclosure of all material information on a timely basis with broad dissemination in accordance with all applicable legal and regulatory requirements in Canada. Material information is deemed to be any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in a significant change in the market price or value of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decision.

### **Orientation and Continuing Education**

The Company conducts an informal orientation for new board members involving meetings with senior management on key business, financial and operational issues and provides each director with information on the role of the Board, its committees and its directors and provides to new board members copies of, among other things, certain previously filed quarterly and annual financial statements, the annual information form and technical reports as well as the charters and policies of the Company.

At this time, the Board has not implemented a formal continuing education program for its directors, due to the historical size and composition of the Board and the stage of the Company's development. The Corporate Governance, Nominating & Disclosure Policy Committee encourages directors to attend appropriate education programs to ensure that directors maintain the skill and knowledge necessary to meet their obligations as directors of the Company, and the directors are reimbursed by the Company for such programs. The Corporate Governance, Nominating & Disclosure Policy Committee and the Board are cognizant of the need to establish a formal program and it is anticipated that this issue will be addressed further in the future.

### **Compensation**

Compensation for the directors, Chairman, CEO, CFO and senior executives is reviewed and recommended to the Board by the Compensation Committee. Recommendations for executive compensation are based on market and performance-related criteria, and are based to a significant degree on each executive's performance against the corporate goals and objectives of the Company for such period and dependent on the financial position of the Company.

For information regarding the process by which the Board determines the compensation for the Company's executive officers, please see the "*Statement of Executive Compensation – Compensation Discussion*" and "*Statement of Executive Compensation – Analysis*", "*Statement of Executive Compensation – Option-based Awards*" and "*Statement of Executive Compensation – Narrative Discussion*", as well as the "*Incentive Plan Awards – Narrative Discussion*".

For information regarding the process by which the Board determines the compensation for the Company's directors, please see "*Director Compensation – Narrative Discussion*" and "*Director Compensation – Outstanding Option-Based Awards, Share-Based Awards and Non-equity Incentive Plan Compensation for Directors – Narrative Discussion*".

## **Nomination of Directors**

The Corporate Governance, Nominating & Disclosure Policy Committee assists the Board in fulfilling its responsibilities with respect to identifying and evaluating qualified candidates and recommending such candidates for nomination to the Board and its various committees.

In making its recommendations to the Board, the Corporate Governance, Nominating & Disclosure Policy Committee considers the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, the competencies and skills each new nominee will bring to the Board and the ability of each new nominee to devote sufficient time and resources to his or her duties as a director. In particular, the Corporate Governance, Nominating & Disclosure Policy Committee considers the independence, competencies, skills, financial acumen, technical acumen and ability to devote sufficient time and resources to their duties as directors in assessing new candidates for appointment. New candidates are identified using all the resources available to the Corporate Governance, Nominating & Disclosure Policy Committee, including but not limited to existing contacts and business associations.

## **Board and Committee Assessments**

The Corporate Governance, Nominating & Disclosure Policy Committee is responsible for the effective operation of the Board and its committees. Issues regarding quality of information and Board performance may be reviewed at meetings of the Board. In carrying out its responsibilities, the Committee also reviews the contributions of its individual directors and considers whether the current composition of the Board promotes effectiveness and efficiency of each member of the Board, its nominees relative to (i) in the case of the Board and each committee of the Board, their roles and responsibilities and in the case of committees of the Board, each committee's mandate, and (ii) in the case of individual directors, the competencies and skills that each individual director is expected to bring to the Board. The Chair of the Corporate Governance, Nominating & Disclosure Policy Committee periodically reports to the Board on the evaluation of the performance of the Board and each committee.

## **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

Effective October 28, 2002, the Company put in place directors' and officers' liability insurance with liability coverage up to CDN\$5,000,000. The insurance is renewable on an annual basis. Upon the renewal on October 29, 2008, the coverage was increased up to CDN\$10,000,000 and the annual premium for the year up to November 28, 2013 was CDN\$30,267. Upon the renewal on November 28, 2013, the coverage was decreased to CDN\$5,000,000 and the annual premium for the year up to November 28, 2017 was CDN\$18,500. The annual premium for the year December 31, 2017 was CDN\$18,000.

The Company has entered into indemnification agreements with each of its directors and officers providing each director and officer a stand-alone, contractual indemnity against liabilities incurred as a result of serving in that capacity, together with expense advancements and other rights. More particularly, each agreement provides that the Company will, to the fullest extent permitted by law, indemnify the indemnitee, effective from the date the indemnitee was first appointed as a director or officer of the Company or an entity associated with the Company, against any and all expenses, judgments, fines, penalties, settlements, damages and other amounts actually and reasonably incurred (including, without limitation, costs, charges, legal fees and disbursements) by the indemnitee in connection with any proceeding unless the indemnitee (i) was judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done, (ii) did not act honestly and in good faith with a view to the best interests of the Company or an entity associated with the Company, or (iii) in the case of a criminal or administrative action or proceeding did not have reasonable grounds for believing that his or her conduct, in respect of which the proceeding was brought, was lawful. The indemnification agreements also provide that no determination in any proceeding against the indemnitee by judgment, order, settlement (with or without court approval) or conviction shall, in and of itself, create a presumption that the indemnitee did not act honestly and in good faith with a view to the best interests of the Company or an entity associated with the Company and, with respect to any criminal or administrative action or proceeding, that the indemnitee did not have reasonable grounds for believing that his or her conduct was lawful.

## **FINANCIAL STATEMENTS**

A copy of the Company's Annual Report consisting of the audited consolidated financial statements of the Company for the financial year ended December 31, 2017, being the Company's most recently completed financial year, together with the auditors' report thereon will be mailed to shareholders on May 9, 2018. The directors will place before the Meeting the said audited consolidated financial statements and auditors' report.

## **ADDITIONAL INFORMATION**

A copy of this Circular is filed on the SEDAR website ([www.sedar.com](http://www.sedar.com)). Additional information relating to the Company may be obtained from the SEDAR website. Financial information for the year ended December 31, 2017 is provided in the Company's Annual Report for 2017 containing the financial statements and management's discussion and analysis of financial condition and results of operations, which is also filed on the SEDAR website ([www.sedar.com](http://www.sedar.com)). Shareholders of the Company may request copies of the Circular and/or the Company's financial statements and management's discussion and analysis of financial condition and results of operations free of charge by e-mail: [ir@axmininc.com](mailto:ir@axmininc.com).

**DIRECTORS' APPROVAL**

The contents and the sending of this Circular to the shareholders of the Company have been approved by the Board. Unless otherwise indicated herein, information contained in this Circular is given as at May 7, 2018.

DATED at Vancouver, British Columbia this 7<sup>th</sup> day of May, 2018.

BY ORDER OF THE BOARD

*(Signed) "Lucy Yan"*

Lucy Yan

Chief Executive Officer

# Schedule "A"

## AXMIN INC.

### Stock Option Plan 2005

The board of directors (the "Board") of AXMIN Inc. (the "Company") wishes to establish a stock option plan (the "Plan") governing the issuance of stock options (the "Stock Options") to directors, officers and employees of the Company or subsidiaries of the Company and persons or companies who provide services to the Company or its subsidiaries on an on-going basis, or have provided or are expected to provide a service or services of considerable value to the Company or its subsidiaries. Capitalized terms, not otherwise defined herein, have the meanings ascribed thereto in the TSX Venture Exchange Corporate Finance Manual.

The terms and conditions of the Plan for issuance of Stock Options are as follows:

1. **Purposes**

The principal purposes of the Plan are:

- (a) to retain and attract qualified directors, officers, employees and service providers which the Company and its subsidiaries require;
- (b) to promote a proprietary interest in the Company and its subsidiaries;
- (c) to provide an incentive element in compensation; and
- (d) to promote the profitability of the Company and its subsidiaries.

2. **Reservation of Shares**

Subject to Section 10 of the Plan, the number of common shares in the capital of the Company (the "Common Shares") reserved from time to time for issuance to Eligible Optionees (as hereinafter defined) pursuant to Stock Options under the Plan shall not exceed ten percent (10%) of the total number of Common Shares outstanding from time to time.

3. **Eligibility**

Stock Options shall be granted only to persons, firms or companies ("Eligible Optionees") who are Directors, Employees, Consultants or Management Company Employees of the Company or a subsidiary of the Company. Where the Eligible Optionee is an Employee, Consultant or Management Company Employee, the board of directors of the Company (the "Board") shall confirm that the Eligible Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be, of the Company or a subsidiary of the Company prior to any grant of Stock Options.

Stock Options may also be granted to a company which is wholly-owned by an Eligible Optionee if the company agrees not to effect or permit any transfer of ownership or option of shares of the company, nor to issue further shares of any class in the company to any other individual or entity as long as any Stock Options granted to the company remain outstanding, without the prior written consent of the TSX Venture Exchange. Unless the context otherwise requires, the term Eligible Optionee as used herein, shall include any such company.

4. **Granting of Stock Options**

The Board may from time to time grant Stock Options to Eligible Optionees. At the time a Stock Option is granted, the Board shall determine the number of Common Shares of the Company available for purchase under the Stock Option, the date when the Stock Option is to become effective and, subject to the other provisions of this Plan, all other terms and conditions of the Stock Option. However, in no case may the issuance of Common Shares upon the due exercise of Stock Options result in:

- (a) the aggregate number of Common Shares reserved for issuance pursuant to Stock Options granted to any one Eligible Optionee at any time exceeding five percent (5%) of the issued and outstanding Common Shares, unless the Company is at that time a Tier 1 Issuer and has obtained requisite disinterested shareholder approval. Furthermore the number of Common Shares issued to any one Eligible Optionee in any 12 month period cannot exceed five percent (5%) of the issued and outstanding Common Shares;
- (b) the aggregate number of Common Shares reserved for issuance pursuant to Stock Options granted to any one Consultant in any 12 month period exceeding two percent (2%) of the issued and outstanding Common Shares; or
- (c) the aggregate number of Common Shares reserved for issuance pursuant to Stock Options granted to all persons engaged by the Company to perform Investor Relations Activities in any 12 month period exceeding two percent (2%) of the issued and outstanding Common Shares.

Any Stock Options granted to a company referred to in Section 3. hereof shall be included in the calculation of the Stock Options held by an Eligible Optionee.

**5. Exercise Price**

The exercise price (the "Exercise Price") of each Stock Option shall be determined in the discretion of the Board at the time of the granting of the Stock Option, provided that the exercise price shall not be lower than the "Market Price". "Market Price" shall mean, if the Company is listed on the TSX Venture Exchange, the "Discounted Market Price"; provided that in the event the Common Shares are not listed on the TSX Venture Exchange but are listed on another stock exchange, the Market Price shall be the closing price of the Common Shares prior to the date of grant on the stock exchange on which the Common Shares are listed, or if more than one, on such other stock exchange as shall be designated by the Board, and to the extent that the Common Shares are not listed on any exchange, the Market Price shall be such price as is determined by the Board in good faith.

**6. Term and Exercise Periods**

- (a) All Stock Options shall be for a term determined in the discretion of the Board at the time of the granting of the Stock Options, provided that no Stock Option shall have a term exceeding five years.
- (b) Unless otherwise determined by the Board at the time of the granting of the Stock Options pursuant to clause 6.(c) below, one quarter (1/4) of any Stock Options granted pursuant hereto will vest immediately on their date of grant (the "Grant Date") and another one quarter (1/4) of the Stock Options will vest on each of the 6 month, 12 month and 18 month anniversaries of the Grant Date. For greater clarity, unless otherwise determined pursuant to the terms hereof, all Options granted to an Eligible Optionee will be available to exercise and purchase Common Shares on the 18 month anniversary of the Grant Date.
- (c) Stock Options shall be exercisable only while the Eligible Optionee remains at least one of a Director, Employee, Management Company Employee or Consultant and for a limited period of time as may be prescribed by the Board ("Additional Period") after the Eligible Optionee ceases to be at least one of a Director, Employee, Management Company Employee or Consultant (which Additional Period may not exceed 90 days or in the case of an Eligible Optionee engaged in Investor Relations Activities 30 days);
- (d) In the event that the Eligible Optionee should die, that Eligible Optionee's heirs or administrators may exercise any portion of the outstanding Stock Option within an Additional Period prescribed by the Board not exceeding one year from the Eligible Optionee's death.
- (e) The Company shall have the right to amend Stock Options to provide for early exercise and/or termination or other adjustment of the Stock Option in the event that the Company shall resolve to sell all or substantially all of its assets, to liquidate or dissolve, or to merge, amalgamate, consolidate or be absorbed with or into any other company, if a take-over bid is made for Common Shares of the Company, or if any change of control of the Company occurs.

**7. Non-Assignability**

Other than a limited right of assignment, subject to the terms upon which the Stock Option is granted, in the event of the death of an Eligible Optionee to allow the exercise of Stock Options by the Eligible Optionee's legal representative, Stock Options shall not be assignable or transferable by the Eligible Optionees.

**8. Payment of Exercise Price**

All shares issued pursuant to the exercise of a Stock Option shall be paid for in full in Canadian funds at the time of exercise of the Stock Option and prior to the issue of the Common Shares. All Common Shares issued in accordance with the foregoing shall be issued as fully paid and non-assessable Common Shares.

**9. Non-Exercise**

If any Stock Option granted pursuant to the Plan is not exercised for any reason whatsoever, upon the expiry of the Stock Option pursuant to the terms of its grant or the terms hereof, the shares reserved and authorized for issuance pursuant to such Stock Option shall revert to the Plan and shall be available for other Stock Options. Notwithstanding the foregoing, at no time shall there be outstanding Stock Options exceeding, in the aggregate, the number of Common Shares reserved for issuance pursuant to Stock Options under this Plan.

**10. Adjustment in Certain Circumstances**

In the event:

- (a) of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; or
- (b) of any stock dividend to holders of Common Shares (other than such stock dividends issued at the option of shareholders of the Company in lieu of substantially equivalent cash dividends); or

- (c) that any rights are granted to holders of Common Shares to purchase Common Shares at prices substantially below fair market value; or
- (d) that as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other shares;

then in any such case the Board may make such adjustment in the Plan and in the Stock Options granted under the Plan as the Board may in its sole discretion deem appropriate to prevent substantial dilution or enlargement of the rights granted to, or available for, holders of Stock Options, and such adjustments may be included in the Stock Options.

11. **Expenses**

All expenses in connection with the Plan shall be borne by the Company.

12. **Compliance with Laws**

The Company shall not be obliged to issue any Common Shares upon exercise of Stock Options if the issue would violate any law or regulation or any rule of any governmental authority or stock exchange. The Company shall not be required to issue, register or qualify for resale any shares issuable upon exercise of Stock Options pursuant to the provisions of a prospectus or similar document, provided that the Company shall notify the TSX Venture Exchange or any other stock exchange on which the shares of the Company are listed and any other appropriate regulatory bodies in Canada of the existence of the Plan and the issuance and exercise of Stock Options.

In addition to any resale restrictions that may be applicable under applicable securities laws, all Stock Options and any Common Shares issued on the exercise of Stock Options shall be legended with a four month hold period from the date the Stock Options are granted, as required by the rules of the TSX Venture Exchange.

13. **Disinterested Shareholder Approval**

Disinterested shareholder approval shall be obtained by the Company prior to any reduction in the Exercise Price if the Optionee is an Insider of the Company at the time of a proposed reduction of the Exercise Price.

14. **Form of Stock Option Agreement**

All Stock Options shall be issued by the Company in a form which meets the general requirements and conditions set forth in this Plan and the requirements of the TSX Venture Exchange or such other exchange on which the shares of the Company are listed from time to time.

15. **Amendments and Termination of Plan**

The Company shall retain the right to amend from time to time or to terminate the terms and conditions of the Plan by resolution of the Board to reduce the number of Common Shares under Stock Option, increase the Exercise Price or cancel a Stock Option, provided that an appropriate news release disclosing such action is disseminated. Any other amendments shall be subject to the prior consent of any applicable regulatory bodies, including any stock exchange on which the Company's shares are listed. Amendments and termination shall take effect only with respect to Stock Options issued thereafter, provided that they may apply to any Stock Options previously issued with the mutual consent of the Company and the Eligible Optionees holding such Stock Options.

16. **Delegation of Administration of the Plan**

Subject to the *Canada Business Corporations Act* or any other legislation governing the Company, the Board may delegate to one or more directors of the Company, on such terms as it considers appropriate, all or any part of the powers, duties and functions relating to the granting of Stock Options and the administration of the Plan.

17. **Applicable Law**

This Plan shall be governed by and construed in accordance with the laws in force in the Province of Ontario.

18. **Stock Exchange**

To the extent applicable, the issuance of any shares of the Company pursuant to Stock Options granted pursuant to this Plan is subject to approval of the Plan by the TSX Venture Exchange or other stock exchange upon which the Common Shares are listed, and the Plan shall be subject to the ongoing requirements of such exchange.

## Schedule "B"

### AXMIN Inc.

#### Charter of the Audit Committee of the Board of Directors

Items shown in "[ ]" are applicable only when the appropriate function(s) exist.

#### Mandate

The Mandate of the Committee is to:

- i. review, prior to submission to the Board of Directors, all financial information and financial statements of the Company and the external auditors' report thereon;
- ii. review with the external [and internal] auditors of the Company the arrangements for and scope of each proposed audit of the accounting records, and report to the Board of Directors any significant reservations the Committee or the external [or internal] auditors may have about such arrangements;
- iii. review periodically with the Company's external [and internal] auditors their respective activities and the nature of their respective recommendations, and report on them at least annually to the Board of Directors;
- iv. evaluate the performance of the external auditors, review their fees and make recommendations to the Board of Directors in this respect;
- v. [evaluate annually the organization, independence and efficiency of the internal auditors;] and
- vi. review periodically the Company's "Director, Officer and Employee Code of Conduct" and management's adherence to this code.

#### Membership

The Committee will be composed of not less than three members of the Board of Directors, the majority of whom must be independent as defined by whichever of the Toronto Stock Exchange or the Ontario Securities Commission has jurisdiction. However, whenever possible all the members of the Committee shall be independent. These members will be selected by the Board of Directors, taking into account prior experience in matters to be considered by the Committee, probable availability at times required for consideration of these matters, and their individual independence and objectivity.

In considering relationships that might affect independence, including possible affiliate status, and as supplementary material to this Charter the Board of Directors will give appropriate consideration to guidelines issued by any relevant regulatory body / bodies, which were provided to assist boards of directors in observing the spirit of the policy.

No officers or employees of the Company or its subsidiaries will serve on the Committee. In considering relationships that might affect independence, including possible affiliate status, and as supplementary material to this Charter the Board of Directors will give appropriate consideration to guidelines issued by any relevant regulatory body / bodies, which were provided to assist boards of directors in observing the spirit of the policy.

The Committee membership will meet the requirements of the audit committee policy of the stock exchange on which the Company's shares are listed. Accordingly, it is the intention that all of the Committee members will be directors independent of management and free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of independent judgement as a Committee member.

The Committee shall appoint one member to act as the Chairman of the Committee and such appointment will be submitted to the Board of Directors for ratification.

The Committee will meet at least four times a year, with the flexibility to call additional meetings if required. The Committee's meetings will be recorded in minutes of the meeting and will be submitted to the Board of Directors of the Company.

Any director of the Company may attend meetings of the Committee at the Committee Chairperson's invitation, but may not vote and may not be included for purposes of quorum requirements. The Committee Chairperson may invite the Company's chief executive officer or senior management employees, or others to attend meetings and provide pertinent information, as necessary; however, the Committee shall also regularly meet without management or third parties present.

#### Actions of the Committee

The activities of the Committee may result in the following types of actions:

- a. Those where the Committee will inform the Board of Directors that action has been taken in the interest of the Board of Directors and does not require prior approval by the Board of Directors. These include:
  - i. review and approve the scope of the annual audit for the Company and its subsidiaries as recommended jointly by the external auditors and the Chief Executive Officer;
  - ii. [review and approve the scope of the Company's internal audit function;]
  - iii. [request the Chief Executive Officer to have the internal audit staff study a particular area of interest or concern;] and
  - iv. when requested by the Chairman of the Board of Directors during an Annual Meeting of Shareholders the Chairman of the Committee will answer questions on matters relating to the Committee's activities.
  
- b. Those where the Committee will review, study and then recommend action by the Board of Directors. These include:
  - i. appoint external auditors;
  - ii. review major accounting policy changes before implementation;
  - iii. review registration statements and / or prospectuses or other offering documents for various regulatory bodies before signature by other members of the Board of Directors; and
  - iv. review annual audit reports and the content of proposed published reports.
  
- c. Those where the Committee will review, study and provide summary information reports to the Board of Directors when appropriate. These include:
  - i. review trends in accounting policy changes proposed or adopted by organizations such as the Canadian Institute of Chartered Accountants, the provincial securities commissions and any relevant stock exchanges or corresponding bodies outside Canada;
  - ii. interview external auditors for review and analysis of strengths and weaknesses of the Company's financial staff, systems, adequacy of controls, and other factors that might be pertinent to the integrity of published financial reports;
  - iii. participate in financial review preceding publication of quarterly reports;
  - iv. review administration of the Company's "Conflict of Interest" policy as contained in the Company's "Director, Officer and Employee Code of Conduct";
  - v. review the performance of management and operating personnel under the Company's "Director, Officer and Employee Code of Conduct";
  - vi. review insurance programs for potential gaps and exposure as well as fraud;
  - vii. review reports on the Company or its subsidiaries by agencies of governments in countries where the Company or its subsidiaries operate; and
  - viii. review periodic securities filings by the Company and assure that adequate programs and procedures exist to comply with regulations of any relevant securities commissions and stock exchanges.

The Committee is authorised to engage outside advisers to advise in matters relating to this Mandate at the Company's expense without the prior approval of the Board of Directors.

The Committee will determine if it is appropriate for an individual director to engage outside advisers to advise in matters relating to this Mandate at the Company's expense and to approve such engagement.

The Committee will ensure that in all of its actions it is in full compliance with the "Audit Committee Responsibilities" as set out in Part 2 of *Multilateral Instrument 52-110 Audit Committees* dated March 26, 2004.

### **Committee Meeting Agenda**

The following is an outline agenda for the Committee over the Company's financial year (this may be subject to change due to changing circumstances during the period):

#### **First Quarter**

- i. Review first quarter financial statements.
- ii. Review controls that management has established to protect the integrity of the quarterly reporting process.
- iii. Review proposed changes in accounting or financial reporting practices.
- iv. Review significant and unusual events.
- v. Review management's comparison of budgeted, projected and actual financial data for the quarter and year-to-date.
- vi. Review items that the Committee wants the external auditors [or internal audit staff] to investigate.
- vii. Review final external audit fee for the previous financial year.

- viii. Approve non-audit services to be provided by the external auditors for the current financial year, including related fees.
- ix. [Review internal audit plan and scope for current year with director / officer responsible for internal audit.]
- x. [Examine areas of significant internal audit emphasis (e.g. exploration and development costs, salaries, receivables, etc).]
- xi. Discuss significant new and pending accounting, auditing, or reporting matters with external auditors.

#### Second Quarter

- i. Review second quarter financial statements.
- ii. Review controls that management has established to protect the integrity of the quarterly reporting process.
- iii. Review proposed changes in accounting or financial reporting practices.
- iv. Review significant and unusual events.
- v. Review management's comparison of budgeted, projected and actual financial data for the quarter and year-to-date.
- vi. Review items that the Committee wants the external auditors [or internal audit staff] to investigate.
- vii. Review and discuss with external auditors the scope and plan for the current financial year's audit.
- viii. Review engagement letter of external auditors and approve fee estimate.

#### Third Quarter

- i. Review third quarter financial statements.
- ii. Review controls that management has established to protect the integrity of the quarterly reporting process.
- iii. Review proposed changes in accounting or financial reporting practices.
- iv. Review significant and unusual events.
- v. Review management's comparison of budgeted, projected and actual financial data for the quarter and year-to-date.
- vi. Review items that the Committee wants the external auditors [or internal audit staff] to investigate.
- vii. [Review report from internal auditors.]
- viii. Review any proposed accounting changes not previously dealt with.
- ix. Review all significant accounting policies.

#### Fourth Quarter / Financial Year End

- i. Review year-end financial statements.
- ii. Review controls that management has established to protect the integrity of the quarterly and annual reporting process.
- iii. Review proposed changes in accounting or financial reporting practices.
- iv. Review significant and unusual events.
- v. Review management's comparison of budgeted, projected and actual financial data for the quarter and year-to-date.
- vi. Review items that the Committee wants the external auditors [or internal audit staff] to investigate.
- vii. Review final audit report from the external auditors.
- viii. [Meet separately with director / officer responsible for internal audit.]
- ix. Meet separately with external auditors.
- x. Meet separately with management.
- xi. Review draft annual report for consistency with the audited financial statements.
- xii. Review the report to management from external auditors on whether deficiencies exist in Company's financial staff, systems, controls, [internal audit control structure] and other areas.
- xiii. Review management's responses to the report to management from external auditors including plan of action, if necessary.
- xiv. Formulate Committee's report to the Board of Directors to be presented by the Chairman of the Committee, including recommendations on the appointment of auditors for the following financial year.

The above agenda sets out the basic requirements of the Committee. The Committee should structure its agenda with enough flexibility so it will not only achieve the predetermined set of objectives set out above but it will also be able to react to the pressing needs of a changing corporate environment.

## Schedule "C"

### AXMIN Inc.

#### Charter of the Corporate Governance and Nominating Committee

##### Establishment

The board of directors (the "Board") of AXMIN Inc. (the "Company") hereby establishes a committee to be called the Corporate Governance Committee (subsequently renamed as the Corporate Governance and Nominating Committee) (the "Committee"). The Committee has the oversight responsibility and specific duties described below.

##### Mandate

The Mandate of the Committee is to:

- a. develop the Company's approach to corporate governance issues and to develop and recommend to the Board on the implementation and assessment of effective corporate governance principles; and
- b. identify candidates for the Board. Propose to the Board new candidates as required to fill vacancies or otherwise augment the Board. Recommend to the Board a slate of candidates for election at the next annual general meeting of the Company's shareholders.

##### Membership

The Committee will be composed of not less than three members of the Board, the majority of whom must be "independent" within the meaning set forth in National Instrument 58-101 ("NI 58-101"). The Committee will be selected by the Board taking into account prior experience in matters to be considered by the Committee, probable availability at times required for consideration of these matters, and their individual independence and objectivity.

In considering relationships that might affect independence, including possible affiliate status, and as supplementary material to this Charter the Board will apply the requirements in NI 58-101.

The Committee shall appoint one member to act as the Committee Chair and such appointment will be submitted to the Board for ratification. The Committee Chair should be an independent director.

A member of the Committee shall immediately cease to be a member of the Committee upon ceasing to be a director of the Company.

Any member of the Committee may be removed or replaced at any time by resolution of the directors of the Company. If and when ever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.

##### Administrative Matters

The following general provisions shall have application to the Committee:

- o The Committee will meet at least two times a year. Additional meetings may be held as the Committee Chair may determine or upon the request of the Board, a member of the Committee, an officer of the Company or the external auditors of the Company.
- o Any director of the Company may attend meetings of the Committee at the Committee Chair's invitation, but may not vote and may not be included for purposes of quorum requirements. The Committee Chair may invite the Company's chief executive officer or senior management employees, or others to attend meetings and provide pertinent information, as necessary.
- o The Committee shall meet in separate, non-management, in-camera sessions at each regularly scheduled meeting.
- o A quorum of the Committee shall be the attendance of a majority of members thereof present in person or by telephone. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all members of the Committee.
- o The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure at such meetings, shall be determined by the Committee, having regard to the by-laws of the Company. Notice of each meeting of the Committee shall be given to each member of the Committee. A meeting of the Committee may be held at any time without notice if all of the members are present or, if any members are absent, those absent having waived or otherwise signified their consent in writing to the meeting being held in their absence.

- The Committee Chair shall preside at all meetings of the Committee. In the absence of the Committee Chair, the other members of the Committee shall appoint one of their members to act as Chair for the particular meeting.
- The Chair of each meeting of the Committee shall appoint a person to act as recording secretary to keep the minutes of the meeting. The recording secretary need not be a member of the Committee.
- Minutes of the Committee will be recorded and maintained and signed by the Chair and the secretary of the meeting and, to the extent appropriate, will be submitted to the Board.
- Unless the Committee has been provided with express instructions from the Board, the Committee shall function primarily to make assessments and determinations with respect to the purposes mandated herein and its decisions shall serve as recommendations for consideration by the Board.

## **Duties**

The Committee will:

### *Governance Leadership*

- Take a leadership role in developing the Company's approach to corporate governance.
- Annually review and assess the performance of the Company's corporate governance systems and, in the Committee's discretion, recommend any changes to the Board for consideration.
- Ensure that the Board has appropriate structures and processes in place so that it can function independently of management.
- Take all reasonable steps to ensure systems are in place to verify compliance with all regulatory, corporate governance and disclosure requirements.

### *Governance Documents*

- Review the Company's articles and by-laws and recommend any changes to the Board for consideration.
- Review and assess whether to recommend to the Board the adoption of a code of business conduct and ethics and, if recommended, assist in the development of a code of business conduct and ethics.
- Review and assess annually: (i) the performance of individual directors, Board committees, the Board, committee chairs and the Board Chair; (ii) the skills of each individual director and the Board as a whole; (iii) the financial, technical and corporate governance competency or expertise of each individual director; and (iv) the independence of each individual director.
- Once or more annually review and assess the charter of the Board, if any, and each Board committee and recommend any changes to the Board committees or Board, as applicable, for consideration.

### *Governance Disclosure*

- Ensure that the Company's governance practices are disclosed in the proxy circular.

### *Evaluations*

- Establish and implement procedures to evaluate the performance and effectiveness of the Board, Board committees, all individual directors, the Board Chair and committee chairs.
- Ensure that the annual assessment covering the performance and effectiveness of the Board, Board committees, all individual directors, the Board Chair and committee chairs, including individual director self-evaluations, individual director independence, individual director and overall Board skills and competencies, individual director financial acumen, and individual director peer evaluations are disseminated to the Board.
- Oversee the evaluation of management.

### *Director Nominations*

- Review and assess the size, composition and operation of the Board to ensure effective decision-making and make recommendations to the Board for consideration.
- After consulting with the Board Chair and individual directors, review and assess the size, composition and committee chairs of all Board committees and make recommendations to the Board for consideration.

- Identify and assess new candidates for appointment or nomination to the Board, including any nominee appropriately recommended by a shareholder, consider the performance, independence, competencies, skills, financial and technical acumen, and ability to devote sufficient time and resources to his or her duties of the candidate and the Board as a whole, to ensure effective governance and satisfy applicable law and make recommendations to the Board for consideration.
- Annually review and recommend to the Board for consideration the individual directors proposed to be nominated for election at the next annual general meeting of shareholders of the Company.
- Annually review and recommend to the Board for consideration those individual directors to be designated as independent under applicable law.
- Regularly review and assess the Company's policies on tenure and terms of individual directors, the Board Chair and committee chairs and recommend any changes to the Board for consideration.

*Director Orientation / Education*

- Consider and, if appropriate, oversee the development and implementation of the director orientation program, including a complete business overview, a strategic overview and an overview of the Company's values and operating philosophies.
- Consider and, if appropriate, oversee the development, implementation and disclosure of the ongoing director education program, including education sessions on the Company's business by way of presentation and site visits, individual or group education sessions from internal personnel or external consultants on topics of importance to directors and the Company and recommend formal education opportunities through appropriate organizations to be made available to individual directors and paid for by the Company.

*Committee Reporting*

- Following each Committee meeting, report to the Board on activities, findings and any recommendations of the Committee.
- Annually review and approve the Committee's report for inclusion in the proxy circular.

*Advisers / Resources*

- Have sole authority to retain, oversee, compensate and terminate independent advisers to assist the Committee in its activities.
- Receive adequate funding from the Company for independent advisers and ordinary administrative expenses that are needed or appropriate for the Committee to carry out its duties.
- In consultation with the Board Chair retain, oversee, compensate and terminate, as appropriate, independent advisers to assist any individual director as necessary.

*Other*

- To honor the spirit and intent of applicable law as it evolves, to make minor technical amendments to this Charter is delegated to the Secretary who will report any amendments to the Committee at its next meeting.

# Schedule "D"

AXMIN Inc.

## DIRECTOR, OFFICER AND EMPLOYEE CODE OF CONDUCT AND ETHICS

### 1. Statement of Purpose

This Code of Conduct and Ethics ("this Code") sets forth the basic principles we are committed to with respect to all corporate transactions and provides general guidance on the conduct expected of directors, officers and employees of the Company and all of its subsidiaries and associated companies in meeting the ethical standards reflected in this Code. The Board of Directors of the Company has adopted this Code to highlight the Company's commitment to a Company culture rooted in fairness, integrity, honesty and concern for all peoples.

### 2. Scope of Application

This Code applies to all directors, officers and employees on a global basis and will be promptly and consistently enforced. Failure to comply will lead to disciplinary action, proportionate to the breach. Our consultants, independent contractors, agents and other representatives will be required to meet the same ethical standards as our directors, officers and employees.

Each director, officer and employee is expected to be familiar with and to adhere to the provisions of this Code. Each director, officer and employee must also recognize that this Code simply provides general guidance and is not a substitute for good judgment. Generally, this Code is designed to promote the following:

- awareness of areas of ethical risk;
- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- a culture of honesty and accountability;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files or submits to regulators and in other public communications made by the Company;
- compliance with applicable governmental laws, rules, regulations and Company policies; and
- prompt internal reporting to an appropriate person of any and all violations of this Code.

### 3. Conducting Business within Appropriate Laws with Integrity, Fairness and Respect

The Company expects all directors, officers and employees to comply with both the letter and spirit of all applicable laws, rules and regulations in the jurisdiction in which the business is conducted and to be able to recognize potential liabilities, seeking legal advice where appropriate.

All business must be conducted with integrity, honesty and fairness in all countries where the Company and/or its subsidiaries operates or conducts business. All directors, officers and employees shall respect and act in a manner sensitive to the cultures and customs of the respective countries as well as within the communities and environment where such business is conducted.

The Company expects all directors, officers and employees to not only comply with the requirements of applicable laws, rules, regulations, policies and this Code and all other Company policies but also ensure that their actions do not give the appearance of violating this Code or indicate a casual attitude towards compliance with laws, rules, regulations, policies and this Code. Additionally, each person shall conduct his/her private and personal activities in a manner that does not conflict with the business interests of the Company.

Additionally, all directors, officers and employees shall comply with laws, rules and regulations prohibiting insider trading. Insider trading is both unethical and illegal and will be dealt with decisively.

If there are any doubts as to whether a course of action is proper or about the application or interpretation of any legal requirement, directors, officers and employees should discuss it with the Company's President.

### 4. Human Rights and Workplace Practices

The Company fosters a work environment that is free from discrimination, harassment, intimidation and hostility of any kind and practices the principle of equal employment opportunity without regard to race, religion, age, gender, disability,

sexual orientation, nationality or political affiliation. The Company will not tolerate any form of forced, compulsory or child labour in its sphere of influence. Additionally, the Company expects all directors, officers and employees to support and respect the protection of international human rights with their respective sphere of influence and ensure no complicity to human rights abuses.

The Company encourages reporting of all incidents of discrimination and harassment. Every employee has the right to pursue a complaint without reprisal, retaliation or threat of either, for doing so.

The Company will take every incident of harassment or discrimination very seriously and any director, officer or employee that is found to have engaged in conduct constituting discrimination or harassment will be disciplined and, in appropriate circumstances, dismissed or removed from office.

The Company encourages all employees to take responsibility for their work, to be flexible and open minded, to find enjoyment and satisfaction in their work and be proud of the Company

## **5. Disclosure of Information**

It is the Company's policy to make full, timely and complete disclosure of important information concerning the activities of the Company.

Except as required by law, all directors, officers or employees will not disclose confidential information, which includes all non-public information that might be of use to competitors or harmful to the Company or its customers, if disclosed. Confidential information is not to be disclosed by any director, officer or employee unless such disclosure is properly authorized or legally mandated. Questions regarding the appropriateness of disclosing particular information should be discussed with the President.

## **6. Financial Records and Practices**

The Company will maintain financial, accounting and business records that fully and fairly reflect all the transactions and business in which the Company and its subsidiaries are engaged, in accordance with applicable accounting principles, policies and practices.

No director, officer or employee or anyone acting on the instruction of any director, officer or employee will take any action to violate the Company's financial reporting policies or to circumvent the Company's systems or internal controls. All employees will carry out transactions in accordance with the direction provided by the Company's Financial Management, Accounting Policies and Procedures Manual.

## **7. Prohibited Payments**

The Company has an Anti-corruption and Bribery Policy in effect and directors, officers and employees are directed to that policy with respect to prohibited payments.

## **8. Fair Dealing**

Each director, officer and employee shall endeavour to deal fairly with the Company's customers, suppliers, competitors and employees. No director, officer and employee is permitted to take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

## **9. Conflicts of Interest**

A conflict of interest occurs when an individual's private interest interferes in any way – or even appears to interfere – with the interests of the Company as a whole. A conflict situation can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his / her Company work objectively and effectively. Conflicts of interest also arise when a director, officer or employee, or a member of his / her family, receives improper personal benefits as a result of his / her position in the Company. Loans to, or guarantees of obligations of, such persons are of special concern.

Conflicts of interest are prohibited. Every director, officer and employee must avoid any conflict of interest. Every director, officer and employee shall disclose all circumstances that constitute an actual or apparent conflict of interest. Disclosure shall be made, in the case of directors and officers, to the board of directors, and in the case of employees, to the President. When in doubt about whether a conflict of interest exists, directors, officers and employees should discuss the issue with the Secretary.

Directors, officers or employees who find themselves in a conflict of interest must abstain from voting or taking any other action that may impact the outcome of the activity or business transaction in question. Full disclosure enables directors, officers and employees to resolve unclear situations and gives an opportunity to dispose of or appropriately address

conflicts of interest before any difficulty arises. However, if the board of directors determines that a potential conflict cannot be cured, the individual will resign from the board, if a director, or from their position with the Company, if an officer or employee.

Where necessary, an employee, officer or director may refer an individual situation to the President or if he / she feels unable to discuss this with the President then to the Company's Chairman (the "Chairman"), who may recommend actions needed to eliminate or address a conflict of interest.

#### **10. Corporate Opportunities**

Directors, officers and employees are prohibited from: (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Company. Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

#### **11. Use of Company Property**

The Company's assets must not be misappropriated for personal use by any director, officer or employee.

Directors, officers and employees shall protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

#### **12. Health, Safety and Environment Protection**

Safety and environmental protection are fundamental values of the Company and every director, officer and employee has a role in ensuring the Company's operations comply with safety and environmental legislation and standards. The Company is committed to work with its employees and business partners in order to create and maintain a safe and healthy working environment that meets or exceeds industry standards and regulations in all jurisdictions in which it performs business activities. Each director, officer and employee is responsible for taking all prudent precautions in every activity to ensure both personal safety and the safety of others.

The Company is committed to conduct its business in an environmentally responsible manner in accordance with the respective legislation and regulations in each of the jurisdictions in which it operates and strive to meet or surpass the environmental performance requirements of each such jurisdiction.

The Company will make every effort to avoid materials and methods posing environmental and health risks when alternatives are available and will work to minimize the impact of its operations on the environments in which it operates.

#### **13. Where to Seek Clarification**

Directors and officers should refer questions relating to this Code or its application to a particular situation to the President.

Employees should refer questions relating to this Code or its application to a particular situation to their immediate manager. If the issue is one which the employee feels unable to discuss with his/her immediate manager then the matter should be discussed with the President.

All disclosure to the President shall be kept strictly confidential unless, in the sole opinion of the President, the matter disclosed constitutes an actual or potential threat of serious harm to the Company, to another director, officer or employee of the Company or to the general public.

#### **14. Reporting Breaches of this Code**

Save for the President, all directors and officers are required to report breaches of this Code, including violations of laws, rules, regulations or Company policies, to the President or if they feel unable to discuss this with the President, then to the Chairman. The President is required to report breaches of this Code, including violations of laws, rules, regulations or Company policies, to the Chairman or if he/she feels unable to discuss this with the Chairman then to the Board of Directors.

Employees are required to report breaches of this Code, including violations of laws, rules, regulations or Company policies, to their immediate supervisor or if they feel unable to discuss this with their immediate supervisor then to the President or the Chairman.