ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 23, 2016

NOTICE OF MEETING AND

MANAGEMENT PROXY AND INFORMATION CIRCULAR

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF NEW MILLENNIUM IRON CORP. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF NEW MILLENNIUM IRON CORP. TO BE HELD ON JUNE 23, 2016.

TO BE HELD AT:
St. Andrew's Club and Conference Centre,
Main Dining Room
150 King Street West - 27th Floor,
Toronto, Ontario, M5H 1J9

At 2:00 pm

Dated: May 25, 2016

NEW MILLENNIUM IRON CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 23, 2016

NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL AND SPECIAL MEETING (the "**Meeting**") of holders of common shares of New Millennium Iron Corp. (the "**Company**") will be held at St. Andrew's Club & Conference Centre, Main Dining Room at 150 King Street West – 27th Floor, Toronto, Ontario, M5H 1J9, at 2:00 pm (EDT), on June 23, 2016 for the following purposes:

1. to receive and consider the consolidated financial statements of the Company for the financial years ended December 31, 2015 and 2014, and the report of the auditor thereon;

2. to fix the number of directors of the Company to be elected at the Meeting at nine (9);

3. to elect the Board of Directors of the Company for the ensuing year;

4. to appoint the auditor of the Company for the ensuing year and to authorize the Board of Directors to fix the auditor's remuneration;

5. to approve the ordinary resolution, as more particularly set forth in the accompanying Management Information Circular prepared for the purpose of the Meeting to approve the unallocated options of the stock option plan of the Company;

6. to approve the special resolution, as more particularly set forth in the accompanying Management Information Circular prepared for the purposes of the Meeting to approve certain amendments to the Articles of the Company; and

7. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

DATED this 25th day of May, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

"*Robert Patzelt*"
Robert Patzelt
President and Chief Executive Officer

IMPORTANT

It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend the Meeting and would like your shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be received by Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

NEW MILLENNIUM IRON CORP.
MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR ("MANAGEMENT INFORMATION CIRCULAR") IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF NEW MILLENNIUM IRON CORP. (THE "COMPANY" or "NML") of proxies from the holders of common shares (the "**Common Shares**") for the annual general and special meeting of the shareholders of the Company (the "**Meeting**") to be held on June 23, 2016 at St. Andrew's Club & Conference Centre, Main Dining Room at 150 King Street West – 27th Floor, Toronto, Ontario, M5H 1J9, at 2:00 p.m. (EDT), or at any adjournment thereof for the purposes set out in the accompanying notice of meeting ("**Notice of Meeting**").

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

APPOINTMENT AND REVOCATION OF PROXIES

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

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Company's transfer agent, Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or by his authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Company or with Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used. In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting his shares or submitting a later dated proxy, provided it has been validly completed and filed prior to the proxy delivery deadline stipulated above.

ADVICE TO BENEFICIAL SHAREHOLDERS

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

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

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

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

VOTING OF PROXIES

Each shareholder may instruct their proxy how to vote their Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed and filed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification.

In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Company.

Voting by Internet

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

QUORUM

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

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at the effective date of this Management Information Circular (the "**Effective Date**"), which is May 25, 2016, the Company has 181,054,146 Common Shares issued and outstanding.

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

Holders of Common Shares of record at the close of business on May 24, 2016 (the "**Record Date**") are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of their Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than ten (10) days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

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

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

Note:
(1) Sandip Biswas, Dibyendu Bose and Chanakya Chaudhary, directors of the Company, are employees of Tata Steel Limited, the Company's strategic partner and indirect holder of approximately 26.2% of the total issued Common Shares.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

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

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

Robert Patzelt, President and Chief Executive Officer: The Company entered into an employment agreement (the "**Patzelt Employment Agreement**") effective January 13, 2014, with Robert Patzelt, which provided that Mr. Patzelt would act in the capacity of President and Chief Executive Officer of the Company. Under the terms of the Patzelt Employment Agreement, in the event of termination by the Company without just cause, Mr. Patzelt is entitled to a payment in the amount of eighteen (18) months of salary. In the event that there is a change of control, merger, amalgamation or reorganization of the Company or a sale of all or substantially all of its assets (a "**Trigger Event**") either the Company can terminate Mr. Patzelt's employment or if, as a result of the Trigger Event, Mr. Patzelt is demoted, has a substantial reduction in responsibilities or remuneration then Mr. Patzelt is entitled to resign his employment. Mr. Patzelt is entitled to a severance payment equal to eighteen (18) months of salary in the event of termination or if he resigns his employment upon a Trigger Event.

Mark Freedman, Chief Financial Officer: The Company entered into a consulting agreement (the "**Freedman Consulting Agreement**") effective February 10, 2016, with Balance Consultants Inc., which provides that Balance Consultants Inc. will supply the services of Mark Freedman to act as Chief Financial Officer of the Company. The Freedman Consulting Agreement may be terminated by the Company or Mr. Freedman, at any time, for any reason, without cause or entitlement to severance or termination pay, upon 60 days' notice. The Freedman Consulting Agreement is in effect until December 31, 2016, with additional terms as may be agreed upon by the Company and Balance Consultants Inc., and may be terminated by either party, as set forth above.

Rock Gagnon, Vice President Operations and Taconite Project Leader: The Company entered into an employment agreement (the "**Gagnon Employment Agreement**") dated February 11, 2015 with Rock Gagnon. The Gagnon Employment Contract does not contain any termination conditions.

Ernest Dempsey, Vice President Investor Relations & Corporate Affairs: The Company entered into an employment agreement (the "**Dempsey Employment Agreement**") dated February 11, 2015 with Ernest Dempsey. The Dempsey Employment Contract does not contain any termination conditions.

Stephen Fontanals, Vice President Finance and Administration: The Company entered into an employment agreement (the "**Fontanals Employment Agreement**") dated February 11, 2015 with Stephen Fontanals. The Fontanals Employment Contract does not contain any termination conditions.

The Corporate Governance and Compensation Committee

The responsibilities of the Corporate Governance and Compensation Committee in respect of compensation matters includes determining the compensation for the Named Executive Officers based on their performance and other factors. The Committee is currently comprised of all of the independent directors of the Company, being Kevin Bullock (Chair), Howard Lutley, Mario Caron, Lee Nichols and Pierre Seccareccia. The Committee met three times in the financial year ended December 31, 2015.

Relevant Education and Experience

Kevin Bullock, Chair of the Corporate Governance and Compensation Committee.

Mr. Bullock is currently CEO of Golden Reign Resources Ltd., a Vancouver, BC-based public minerals company, and is on the board of directors of B2Gold Corp., Anaconda Mining Inc. and Metallum Resources Inc., where he serves as Chairman.

Mr. Bullock has over 30 years' experience in all aspects of the mining industry, having served in operating, marketing and development, and financial roles. From 2003 to 2013, he was President, CEO and a Director of Volta Resources Inc. (previously Goldcrest Resources) and played an instrumental role in its listing on the TSX and eventual sale to B2Gold Corp. in December 2013. Earlier in his career, Mr. Bullock was Vice President – Corporate Development, for Kirkland Lake Gold Inc. He received a B. Eng. in Mining Engineering from Laurentian University in Sudbury, Ontario, and is a Professional Engineer in the province of Ontario and a member of the Canadian Institute of Mining & Metallurgy as well as the Society of Mining Engineers.

Howard Lutley

Mr. Lutley has more than 35 years' experience in corporate management, operations and engineering at energy and mining companies in the United Kingdom, Canada and the USA. He is President of HJ Lutley and Associates Inc., an independent energy and mining consulting company, and most recently was President and CEO of SilverWillow Energy Corporation, an in-situ oil sands focused company he founded in 2012 and which was sold in August 2015. Mr. Lutley is also the Non-Executive Chairman of the Board of Directors of the Company. He earlier was in key leadership roles with public companies developing major oil sands mining projects, and with consulting companies, primarily in surface mining. Mr. Lutley has conducted technical and due diligence reviews for financial institutions and corporations, and has served as an expert witness in regulatory hearings and arbitration proceedings.

In addition to consulting activities, Mr. Lutley has led the startup of a number of private energy and investment companies, including NRL Energy Ltd., one of Canada's first Coal Bed Methane companies. He holds a M.Sc. in Mineral Engineering from the University of Alberta and a B.Sc. in Mining Engineering from Imperial College, London University, United Kingdom. Mr. Lutley is a member of The Association of Professional Engineers, Geologists and Geophysicists of Alberta as well as a Fellow of the Canadian Institute of Mining and Metallurgy.

Mario Caron

Mr. Caron has 40 years of wide-ranging mining industry experience in project development, operations, the capital markets, and governance/disclosure best practices. He is currently on the boards of directors of Adventure Gold Inc., Algold Resources Ltd., Falco Resources Ltd., and Alloycorp Mining Inc., of which he serves as Non-Executive Chairman and Interim Chief Executive Officer, and previously was Non-Executive Chairman of Orusur Mining Inc.

Mr. Caron has also been president, CEO and a director of several companies involved in the exploration and development of metals and minerals in the Americas, Africa, Turkey and Southeast Asia, including Aldridge Minerals Inc., Axmin Inc., Tiberon Minerals Ltd. and Defiance Mining Corporation. Earlier in his career, Mr. Caron was Vice President Mining and Infrastructure for PricewaterhouseCoopers Securities Inc. He received a B. Eng. in Mining from McGill University, and is a member of the Quebec Order of Engineers as well as the Association of Professional Engineers of Ontario.

Lee Nichols

Mr. Nichols is currently the President and CEO of Terracon Geotechnique Ltd. ("**Terracon**") of Calgary, Alberta, a private consulting company. Mr. Nichols received a Bachelor of Science in Engineering (Engineering Geology Option) from Queen's University of Kingston, Ontario, in 1963, and a Master of Science in Geology and Civil Engineering from Syracuse University of Syracuse, New York in 1966. He is a Registered Professional Engineer and Professional Geologist in the Provinces of Alberta and British Columbia, a Member of the Canadian Geotechnical Society, and a Member of the Canadian Institute of Mining, Metallurgy and Petroleum.

Mr. Nichols has over 52 years of experience in the mining industry. Projects related to Mr. Nichols' work with Terracon include resource estimates, geotechnical evaluations for mines tailings, and dump structures and ground control systems. Mr. Nichols has also served as a ground control expert to governmental organizations in the Northwest Territories and Nunavut in Canada and to many mining companies in Canada and the United States of America.

Pierre Seccareccia, FCPA, FCA

Mr. Seccareccia, Fellow of the Ordre des comptables professionnels agréés du Québec has over 35 years' experience in various areas of financial consulting and management. He is a director of numerous companies, including Ovivo Inc., Boralex Inc., WSP Global Inc., Ivanhoe Cambridge Inc., Angèle Dubeau & la Pietà, Fondation de la Famille Lemaire and Fondation Québécoise du cancer.

Previously head of the Quebec PricewaterhouseCoopers ("**PwC**") practice, Mr. Seccareccia has significant experience in compensation matters for PwC, and is familiar with compensation practices of his former clients. He is a member of the Institute of Corporate Directors (Canada) and of the National Association of Corporate Directors (U.S.).

Compensation Plan and Policies

The Corporate Governance and Compensation Committee is charged with the periodic review of, and recommendation to the Board of Directors with respect to, annual compensation, corporate benefits, bonuses and when authorized by the shareholders, option based awards to the NEOs of the Company and such other members of executive management as it is designated to consider. Management of the Company is charged with establishing compensation for the other non-executive employees of the Company, although the proposed compensation to such employees is reviewed by the Committee as part of its function to ensure that compensation paid to NEOs is appropriate on a comparative basis to that paid to other employees of the Company. The Company's executive compensation is in line with the executive compensation at other mining companies of similar size, stage and scope.

The Corporate Governance and Compensation Committee annually reviews the compensation of the NEOs, in the context of comparable entities (in particular, junior iron ore companies), to determine the competitiveness of the proposed compensation. The Committee also assesses performance, considering both financial and non-financial objectives of the annual incentive plan.

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

The Corporate Governance and Compensation Committee has reviewed practices about other companies and has adopted policies that are adapted to the Company's needs. On at least an annual basis, the Committee receives information obtained from public records that provides a comparative executive compensation analysis (with comparisons focussed on publicly reported compensation paid to junior iron ore and other junior mining companies) and has strived to ensure that annual compensation for the CEO and CFO fall between the highest and lowest total compensation paid to the CEOs and CFOs of the comparative group. While the Committee has previously considered engaging a compensation consultant and received proposals in that regard, it was determined by the Committee that the significant costs of such an engagement were not justified having regard to the size of the executive team. The Company has engaged external human resources recruitment firms to source and attract senior officers and in the course of that work, has received advice relating to the compensation range required to secure the services of such officers.

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

- Excellence in establishing and executing strategies and transactions that will maintain and protect the Company's assets and produce significant value for the shareholders over the long term;
- Management vision and an entrepreneurial approach;
- Quality of decision-making;
- Strength of leadership; and
- Record of performance over the long term.

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

The Company's compensation plan has consisted of the elements below:

- base salaries;
- annual bonuses;

- option based awards;
- defined contribution pension plan; and
- insurance benefit plan.

A description of each element and its purpose is described below. However, as discussed, there presently is no approval to issue option-based awards.

Base Salaries

The purpose of the base salary is to attract and retain executives by providing a competitive base compensation. The level of base salary for each NEO is determined by the level of responsibility and the importance of the position to the Company, within competitive industry ranges. The Corporate Governance and Compensation Committee makes recommendations to the Board of Directors regarding base salaries of the NEOs. The salaries were set at a level for 2015 within ranges paid by comparable Canadian junior iron ore and other junior mining companies.

Annual Bonuses

The annual bonuses are a short-term variable compensation element, designed to reward executives on an annual basis for achieving the Company's business objectives. The Company's business objectives are generally established by the Board of Directors at the start of each year. Determination of the amount of bonus awarded to each NEO is based on an assessment by the Corporate Governance and Compensation Committee (after receiving input from management) of several factors including appraisal of the NEO's performance against stated objectives (which included in 2014 and 2015, a plan to significantly reduce expenditures) and contribution of the individual to overall progress of the Company in achieving its stated business objectives. The purpose of the annual bonus is to pay for performance, align the executive's economic interest with the Company's business objectives and to motivate and retain the executives.

Option-based Awards

At the last annual general and special meeting of the shareholders of the Company held on June 25, 2015, the motion to approve the unallocated options issuable under the Company's stock option plan was not approved, and therefore the Company is currently unable to grant any additional stock options. When available for grant, the objective of granting stock options to the NEOs is to incentivize the executives to maximize shareholder value on a long term basis. The Company is of the view that stock options, if used as incentive compensation properly, align the interests of the NEOs to those of the Company and its shareholders.

Management of the Company makes a proposal to the Corporate Governance and Compensation Committee regarding the issuance of stock options to executive officers. The Committee reviews management's proposal in light of the benchmarking analysis prepared by management referred to above and then makes recommendations to the Board of Directors in respect of the issuances of such stock options. NEOs are excluded from the decision making process regarding all compensation, including option-based compensation, to be awarded to them. Previous grants of option-based awards are taken into account when considering new grants to the NEOs. During 2015, there were no stock options issued to any of the NEOs.

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

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

Defined Contribution Pension Plan

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

Insurance Benefit Plan

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

Compensation Risk Management

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

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

The Compensation Committee's Decision-Making Process

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

The Corporate Governance and Compensation Committee considers it important that total compensation (cash and all other employment-related costs incurred by the Company) reflect the Company's entrepreneurial roots and corporate culture. The various elements of executive compensation, the relative weighting allocated to cash compensation versus options, and the mix of annual as opposed to long-term incentives, is not quantified by the Committee on the basis of a formulaic approach. The Committee reviews each compensation element in the context of the compensation mix (fixed versus variable) determined in accordance with the Company's executive compensation policy.

Annual Review by the Compensation Committee

The Corporate Governance and Compensation Committee reviews the total compensation of each NEO annually. The Committee's review covers all forms of compensation and the Committee considers a number of factors, including in particular the compensation paid by other junior iron ore and other junior mining companies. The comparative evaluation is not based on a mathematical formula that integrates specific, weighted performance measures. Rather, the Committee qualitatively considers such factors in the context of the overall challenges and achievements of the Company, be they financial or strategic in nature.

In addition to the analysis described above, the Corporate Governance and Compensation Committee obtained the recommendations of the Chief Executive Officer in reviewing the compensation of each of the NEOs, other than the Chief Executive Officer, together with the evaluation of the performance of each such NEO, other than the Chief Executive Officer, for the prior year. In respect of the Chief Executive Officer, the evaluation of the performance was conducted solely by the Committee.

Components of Executive Compensation

A - Base Salary

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

For 2015, increases in salary were generally fixed at 1.6%, excluding one adjustment due to a promotion. The Corporate Governance and Compensation Committee believes the increases for the applicable NEOs were in line with general increases granted in the market for comparable positions, taking into account the total compensation for comparable positions in companies in the reference groups specified above.

B - Incentive Compensation

The Corporate Governance and Compensation Committee believes it to be appropriate, in the context of a junior iron ore company, to determine executive incentive compensation using a review and global assessment of the performance of the Company, in terms of responding to challenges and achieving specified objectives consistent with the Company's strategy, and specific individual contributions that were consistent with that strategy, among others, rather than adhering to a formulaic approach.

Summary Compensation Table

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

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year Ended Dec.31	Salary ($)	Share-Based Awards ($)[1]	Option-Based Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)[4]	All Other Compen-sation ($)[5]	Total Compen-sation ($)
					Annual Incentive Plans [3]	Long-Term Incentive Plans			
Robert Patzelt[6][7] President and Chief Executive Officer	2015	390,129[7]	Nil	Nil	175,000	Nil	12,066	7,369	584,564
	2014	345,083[7]	Nil	108,000	Nil	Nil	10,673	6,003	469,759
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Freedman[8] Chief Financial Officer	2015	226,379	Nil	Nil	15,000	Nil	Nil	Nil	241,379
	2014	226,770	Nil	60,200	Nil	Nil	Nil	Nil	286,970
	2013	204,607	Nil	126,000	30,000	Nil	Nil	Nil	360,607
Rock Gagnon[9] Vice President Operations and Taconite Project Leader	2015	270,971	Nil	Nil	17,800	Nil	8,380	7,369	304,520
	2014	266,646	Nil	43,680	Nil	Nil	8,247	6,234	324,807
	2013	253,674	Nil	47,250	Nil	Nil	4,529	17,063	322,516
Ernest Dempsey Vice President, Investor Relations and Corporate Affairs	2015	211,853	Nil	Nil	17,200	Nil	6,552	3,633	239,238
	2014	208,524	Nil	40,320	Nil	Nil	6,449	3,251	258,544
	2013	203,158	Nil	78,750	30,000	Nil	3,642	12,656	328,206
Stephen Fontanals[10] Vice President, Finance and Administration	2015	203,401	Nil	Nil	16,800	Nil	6,291	7,369	233,862
	2014	177,677	Nil	38,920	Nil	Nil	5,495	6,234	228,326
	2013	183,560	Nil	56,700	25,000	Nil	3,101	3,379	271,741

Notes:

(1) "**Share-Based Awards**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(2) "**Option-Based Awards**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The "grant date fair value" has been determined by using the Black-Scholes option pricing model. See discussion below.

(3) Amounts referred to in this column are paid as cash bonuses and are attributable to the immediately preceding financial year.

(4) Amounts referred to in this column are the Company's payments to the individual's defined contribution plan which the Company began effective June 1, 2013.

(5) Amounts referred to in this column relating to prior to June 1, 2013, were paid as a gross up in an individual's salary in lieu of benefits. Effective as of June 1, 2013 the Company began a benefits plan for its employees and as such the amounts in this column subsequent to that date refer to insurance benefits paid by the Company on behalf of the individual.

(6) The Named Executive Officers did not receive any additional compensation for serving as a director of the Company. Mr. Patzelt was the only Named Executive Officer who also was a director during 2015. Messrs. Patzelt and Mr. Journeaux were the only Named Executive Officers who also were directors during 2014. Mr. Journeaux was the only Named Executive Officer who also was a director in 2013.

(7) Mr. Patzelt was appointed President and Chief Executive Officer on January 13, 2014, based on an annualized salary for that year of $350,000. The 2015 salary includes an adjustment to offset the expected taxable benefit that would be payable due to a change in Mr. Patzelt's conditions of employment.

(8) The Company paid no salary directly to Mr. Freedman. The amounts disclosed, other than option-based awards, represent compensation paid to Balance Consultants Inc., a company which is wholly-owned by Mr. Freedman, for consulting services provided to the Company, as per the Freedman Consulting Agreement.

(9) Mr. Gagnon was Vice President Process Plant and Engineering until his appointment as Vice President Operations and Taconite Project Leader on October 28, 2014.

(10) Mr. Fontanals was Director of Operations Research until his appointment as Vice President Finance and Administration on October 28, 2014.

Narrative Discussion

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

Incentive Plan Awards

Stock Option Plan

The Plan was approved by shareholders of the Company on June 5, 2012, but an ordinary resolution to approve the unallocated stock options issuable pursuant to the Plan required by TSX policies was not approved at the annual general and special meeting of shareholders held on June 25, 2015. Accordingly, no stock options may currently be issued under the Plan in accordance with TSX policies.

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

(a) the aggregate number of Common Shares reserved for issuance to any one person under the Plan, shall be determined by the Board of Directors but no person shall be granted an option which exceeds the maximum number permitted by a relevant exchange or other regulatory body;

(b) no single person may be granted Options to purchase a number of Common Shares equaling more than 5% of the issued Common Shares of the Company in any 12 month period unless the Company has obtained disinterested shareholder approval in respect of such grant;

(c) the number of Common Shares issuable at any time to insiders (as such term is defined in the Securities Act (Alberta) under the Plan, and any other security based compensation arrangements of the Company, cannot exceed 10% of the issued and outstanding Common Shares;

(d) the number of Common Shares issued to insiders, within any one year period, under the Plan and any other security based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares of the Company;

(e) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12 month period to any one consultant of the Company (or any of its subsidiaries); and

(f) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12 month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the Options vesting in any three month period.

As of the Effective Date, 7,326,000 Options (representing 4.05**%** of the issued and outstanding Common Shares) are granted to directors, officers, employees of, and consultants to, the Company (the "**Granted Options**"), leaving 10,779,415 Options (5.95%) remaining available for grant, in the event that an ordinary resolution approving the unallocated options is passed at the Meeting.

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

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

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

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

The Board of Directors may terminate or discontinue the Plan at any time without the consent of the option holders provided that such termination or discontinuance shall not alter or impair any option previously granted under the Plan. In addition, the Board of Directors may by resolution amend the Plan any options granted under it without further shareholder approval, to the extent that such amendments relate to among other things:

(a) altering, extending or accelerating the terms of vesting applicable to any Option or group of Options;

(b) altering the terms and conditions of vesting applicable to any Option or groups of Options;

(c) changing the termination provisions of an option, provided that the change does not entail an extension beyond the original expiry date of such Option;

(d) accelerating the expiry date in respect of an Option;

(e) determining the adjustment provisions pursuant to the Plan;

(f) amending the definitions contained in within the Plan and other amendments of a "housekeeping" nature; and

(g) amending or modifying the mechanics of exercise of the Options.

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

(a) reduce the exercise price of an Option held by an insider of the Company;

(b) extend the expiry date of an option held by an insider of the Company;

(c) amend the limitations on the maximum number of Common Shares reserved or issued to insiders of the Company under the Plan;

(d) increase the maximum number of Common Shares issuable pursuant to the Plan; or

(e) amend the amendment provisions of the Plan.

Where shareholder approval is sought for amendments under items (a), (b) and (c) above, disinterested shareholder approval is required.

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

Outstanding Share-Based Awards and Option-Based Awards

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

	Option-Based Awards				**Share-Based Awards**		
Name and Title	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised in-the- money Options [1][2] ($)**	**Number of Shares or Units of Shares that have not vested (#)**	**Market or Payout Value of Share-Based Awards that have not vested ($)**	**Market or Payout Value of Vested Share-Based Awards not paid out or distributed ($)**
Robert Patzelt President and Chief Executive Officer	400,000	0.42	March 31, 2019	N/A	N/A	N/A	N/A
Mark Freedman Chief Financial Officer	215,000 200,000 300,000 125,000	0.44 0.89 1.35 3.36	May 21, 2019 April 24, 2018 July 27, 2017 April 1, 2016	N/A N/A N/A N/A	N/A	N/A	N/A
Rock Gagnon Vice President Operations and Taconite Project Leader	156,000 75,000 200,000 50,000 130,000	0.44 0.89 1.57 1.35 3.36	May 21, 2019 April 24, 2018 October 4, 2017 July 27, 2017 April 1, 2016	N/A N/A N/A N/A N/A	N/A	N/A	N/A

Name and Title	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised in-the- money Options (1)(2) ($)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested ($)	Market or Payout Value of Vested Share-Based Awards not paid out or distributed ($)
Ernest Dempsey Vice President, Investor Relations and Corporate Affairs	144,000 125,000 250,000 175,000	0.44 0.89 1.35 3.16	May 21, 2019 April 24, 2018 July 27, 2017 April 29, 2016	N/A N/A N/A N/A	N/A	N/A	N/A
Stephen Fontanals Vice President, Finance and Administration	139,000 90,000 160,000	0.44 0.89 1.23	May 21, 2019 April 24, 2018 December 20,2016	N/A N/A N/A	N/A	N/A	N/A

Notes:

(1) Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

(2) The aggregate of the difference between the market value of the Common Shares as at December 31, 2015, being $0.07 per Common Share and the exercise price of the options.

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

Incentive Plan Awards - Value Vested or Earned During the Year

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

Name and Title	Option-Based Awards - Value vested during the year (1) ($)	Share-Based Awards - Value vested during the year ($)	Non-Equity Incentive Plan Compensation - Value earned during the year ($)
Robert Patzelt President and Chief Executive Officer	Nil	Nil	Nil
Mark Freedman Chief Financial Officer	Nil	Nil	Nil
Rock Gagnon Vice President Operations and Taconite Project Leader	Nil	Nil	Nil
Ernest Dempsey Vice President, Investor Relations and Corporate Affairs	Nil	Nil	Nil
Stephen Fontanals Vice President, Finance and Administration	Nil	Nil	Nil

Note:

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

Pension Plan Benefits

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

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

Name and Title	Accumulated value at start of year ($)	Compensatory ($)(1)	Accumulated value at year end ($)
Robert Patzelt President and Chief Executive Officer	10,673	12,066	22,739
Mark Freedman Chief Financial Officer	Nil	Nil	Nil
Rock Gagnon Vice President Operations and Taconite Project Leader	12,776	8,380	21,156
Ernest Dempsey Vice President, Investor Relations and Corporate Affairs	10,091	6,552	16,643
Stephen Fontanals Vice President, Finance and Administration	8,596	6,291	14,887

Note:

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

Termination and Change of Control Benefits

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

Pursuant to the Patzelt Employment Agreement, in the event of termination of the Patzelt Employment Agreement by the Company without just cause, Mr. Patzelt is entitled to a payment in the amount of eighteen (18) months of salary. The Patzelt Employment Agreement may be terminated by the Company immediately upon notice being given in the event of cause or by Mr. Patzelt, at any time, for any reason, without entitlement to severance or termination pay, upon 30 days' notice. In the event that there is a change of control, merger, amalgamation or reorganization of the Company or a sale of all or substantially all of its assets (a "**Trigger Event**") either the Company can terminate Mr. Patzelt's employment or if, as a result of the Trigger Event, Mr. Patzelt is demoted, has a substantial reduction in responsibilities or remuneration then Mr. Patzelt is entitled to resign his employment. Mr. Patzelt is entitled to a severance payment equal to eighteen (18) months of salary in the event of termination or if he resigns his employment upon a Trigger Event. The Patzelt Employment Agreement is in effect until terminated by either party, as set forth above.

The Freedman Consulting Agreement may be terminated by the Company or Mr. Freedman, at any time, for any reason, without cause or entitlement to severance or termination pay, upon 60 days' notice. The Freedman Consulting Agreement is in effect until December 31, 2016.

For the financial year ended December 31, 2015, Robert Patzelt would have been entitled to a payment of $603,480 upon termination without cause or if he resigned as a result of a Trigger Event.

DIRECTOR COMPENSATION

During the year ended December 31, 2015, the Company had fourteen (14) directors that served for at least a portion of the year, one (1) of which, Robert Patzelt, President and Chief Executive Officer, was also a Named Executive Officer. For a description of the compensation paid to the Named Executive Officers of the Company who also acted as directors of the Company, see "*EXECUTIVE COMPENSATION*".

Director Compensation Table

The following tables set forth all compensation provided to directors who are not also Named Executive Officers ("**Other Directors**") of the Company for the financial year ended December 31, 2015.

Current Directors

Name	Fees Earned ($)	Share-Based Awards ($) [1]	Option-Based Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compen-sation ($)	Total ($)
Howard Lutley[3]	3,750	Nil	Nil	Nil	Nil	Nil	3,750
Lee Nichols	30,000	Nil	Nil	Nil	Nil	Nil	30,000
Pierre Seccareccia	30,000	Nil	Nil	Nil	Nil	Nil	30,000
Sandip Biswas	30,000	Nil	Nil	Nil	Nil	Nil	30,000
Dibyendu Bose	30,000	Nil	Nil	Nil	Nil	Nil	30,000
Chanakya Chaudhary[4]	27,500	Nil	Nil	Nil	Nil	Nil	27,500
Kevin Bullock[5]	11,129	Nil	Nil	Nil	Nil	Nil	11,129
Mario Caron[3]	3,750	Nil	Nil	Nil	Nil	Nil	3,750

Notes:

(1) "**Share-Based Awards**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(2) "**Option-Based Awards**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The "grant date fair value" has been determined by using the Black-Scholes option pricing model.

(3) Mr. Mario Caron and Mr. Howard Lutley were appointed as Directors of the Company on November 15, 2015.

(4) Mr. Chanakya Chaudhary was appointed as a Director of the Company on February 4, 2015.

(5) Mr. Kevin Bullock was appointed as a Director of the Company on August 18, 2015.

Former Directors

Name	Fees Earned ($)	Share-Based Awards ($) (1)	Option-Based Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compen-sation ($)	Total ($)
John Schindler(3)	26,250	Nil	Nil	Nil	Nil	Nil	26,250
Roy Hudson(4)	15,000	Nil	Nil	Nil	Nil	Nil	15,000
General (Ret) Rick Hillier(5)	26,250	Nil	Nil	Nil	Nil	44,000(8)	70,250
Koushik Chatterjee(6)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dean Journeaux(7)	Nil	Nil	Nil	Nil	Nil	166,207(9)	166,207

Notes:

(1) "**Share-Based Awards**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(2) "**Option-Based Awards**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The "grant date fair value" has been determined by using the Black-Scholes option pricing model.

(3) Mr. John Schindler resigned as a Director of the Company on November 15, 2015.

(4) Mr. Roy Hudson resigned as a Director of the Company on June 25, 2015.

(5) General (Ret) Hillier resigned as a Director of the Company on November 15, 2015.

(6) Mr. Koushik Chatterjee resigned as a Director of the Company on February 4, 2015.

(7) Mr. Dean Journeaux resigned as a Director and Executive Vice-Chairman of the Company on August 18, 2015.

(8) This amount represents consulting fees paid to a company controlled by General (Ret) Hillier.

(9) This amount represents consulting fees paid to a company controlled by Mr. Dean Journeaux.

Narrative Discussion

During the financial year ended December 31, 2015, directors of the Company, other than the President and Chief Executive Officer and Executive Vice-Chairman, each received annual retainer fees for Board and Board Committee representation, as listed above. In 2015, the total aggregate cash compensation (which includes director's fees and consulting fees for non-executive services) paid to the directors for services rendered in their capacity as directors and consultants was $250,129. In addition, directors are reimbursed for reasonable expenses incurred in respect of their activities as directors.

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

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following tables set forth details of all awards outstanding for each Other Director of the Company as of the most recent financial year end, including awards granted before the most recently completed financial year.

Current Directors

	Option-Based Awards				Share-Based Awards		
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised in-the- money Options(1)(2) ($)**	**Number of Shares or Units of Shares that have not vested (#)**	**Market or Payout Value of Share-Based Awards that have not vested ($)**	**Market or Payout Value of Vested Share- Based Awards not paid out or distributed ($)**
Howard Lutley	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Lee C.G. Nichols	122,500 175,000 200,000 125,000	0.44 0.89 1.35 3.36	May 21, 2019 April 24, 2018 July 27, 2017 April 1, 2016	N/A N/A N/A N/A	N/A	N/A	N/A
Pierre Seccareccia	105,000 150,000 175,000 125,000	0.44 0.89 1.35 3.36	May 21, 2019 April 24, 2018 July 27, 2017 April 1, 2016	N/A N/A N/A N/A	N/A	N/A	N/A
Sandip Biswas	70,000 100,000 150,000	0.44 0.89 1.35	May 21, 2019 April 24, 2018 July 27, 2017	N/A N/A N/A	N/A	N/A	N/A
Dibyendu Bose	70,000	0.44	May 21, 2019	N/A	N/A	N/A	N/A
Chanakya Chaudhary	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Kevin Bullock	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Mario Caron	Nil	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

(2) The aggregate of the difference between the market value of the Common Shares as at December 31, 2015, being $0.07 per Common Share and the exercise price of the options.

Former Directors

	Option-Based Awards				Share-Based Awards		
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised in-the- money Options(1)(2) ($)**	**Number of Shares or Units of Shares that have not vested (#)**	**Market or Payout Value of Share-Based Awards that have not vested ($)**	**Market or Payout Value of Vested Share- Based Awards not paid out or distributed ($)**
John Schindler	70,000 100,000 150,000 125,000	0.44 0.89 1.35 3.36	May 21, 2019 April 24, 2018 July 27, 2017 April 1, 2016	N/A N/A N/A N/A	N/A	N/A	N/A
Roy Hudson	70,000 100,000 150,000 125,000	0.44 0.89 1.35 3.36	May 21, 2019 April 24, 2018 July 27, 2017 April 1, 2016	N/A N/A N/A N/A	N/A	N/A	N/A
General (Ret) Rick Hillier	70,000 100,000 150,000 350,000	0.44 0.89 1.35 1.43	May 21, 2019 April 24, 2018 July 27, 2017 December 6, 2016	N/A N/A N/A N/A	N/A	N/A	N/A
Koushik Chatterjee	Nil	N/A	N/A	N/A	N/A	N/A	N/A

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised in-the- money Options[(1)(2)] ($)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested ($)	Market or Payout Value of Vested Share- Based Awards not paid out or distributed ($)
Dean Journeaux	275,000 250,000 400,000 270,000	0.44 0.89 1.35 3.36	May 21, 2019 April 24, 2018 July 27, 2017 April 1, 2016	N/A N/A N/A N/A	N/A	N/A	N/A

Notes:

(1) Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

(2) The aggregate of the difference between the market value of the Common Shares as at December 31, 2015, being $0.07 per Common Share and the exercise price of the options.

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

Incentive Plan Awards - Value Vested or Earned During the Year

The following tables set forth the values of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for Other Directors of the Company.

Current Directors

Name	Option-Based Awards - Value vested during the year ($) [(1)]	Share-Based Awards - Value vested during the year ($)	Non-Equity Incentive Plan Compensation - Value earned during the year ($)
Howard Lutley	Nil	Nil	Nil
Lee Nichols	Nil	Nil	Nil
Pierre Seccareccia	Nil	Nil	Nil
Sandip Biswas	Nil	Nil	Nil
Dibyendu Bose	Nil	Nil	Nil
Chanakya Chaudhary	Nil	Nil	Nil
Kevin Bullock	Nil	Nil	Nil
Mario Caron	Nil	Nil	Nil

Notes:

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

Former Directors

Name	Option-Based Awards - Value vested during the year ($) [(1)]	Share-Based Awards - Value vested during the year ($)	Non-Equity Incentive Plan Compensation - Value earned during the year ($)
John Schindler	Nil	Nil	Nil
Roy Hudson	Nil	Nil	Nil
General (Ret) Rick Hillier	Nil	Nil	Nil
Koushik Chatterjee	Nil	Nil	Nil
Dean Journeaux	Nil	Nil	Nil

Notes:

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

Other Compensation

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)[(1)]
Equity compensation plans approved by security holders	11,047,000 Common Shares	$1.49 per Common Share	7,058,414 Common Shares
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	11,047,000 Common Shares	$1.49 per Common Share	7,058,414 Common Shares

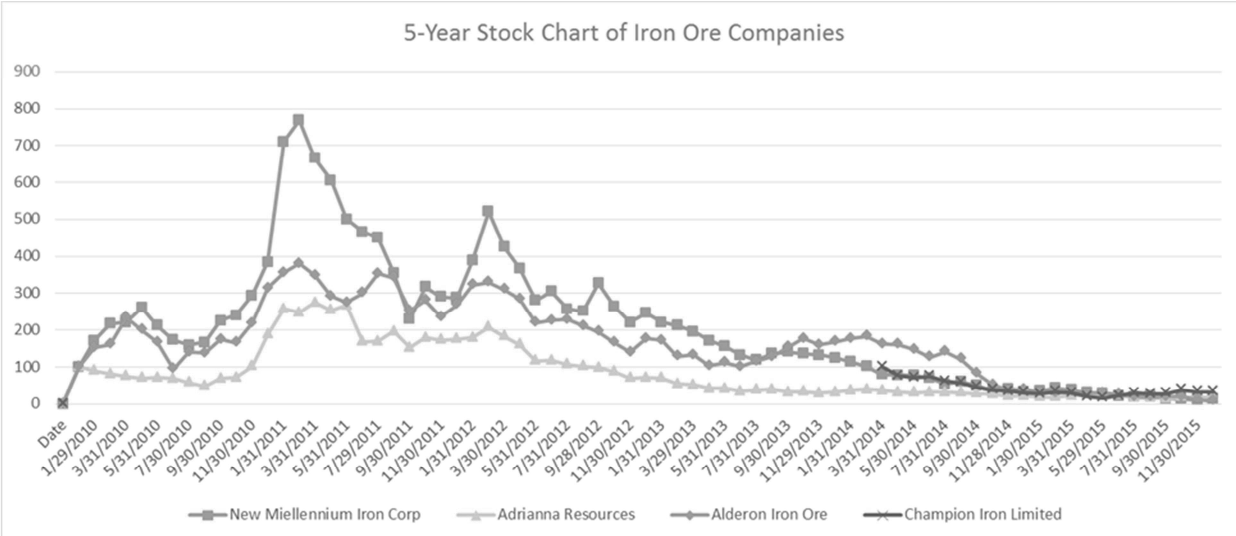
Note:

(1) The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed 10% of the Company's issued and outstanding shares. Accordingly, the number of Common Shares remaining available for future issuance will increase as the outstanding number of Common Shares increases. During 2015, there were no options that were exercised for Common Shares. At December 31, 2015, 181,054,146 Common Shares were issued and outstanding. At the last annual general and special meeting of the shareholders of the Company held on June 25, 2015, the motion to approve the unallocated options issuable under the Plan was not approved, and therefore no stock options may currently be issued under the Plan.

PERFORMANCE GRAPHS

The past two years have been among the most challenging ever for the iron ore industry. Iron ore prices have plunged due to weaker demand in China at a time when significant new supply from previously committed projects in Australia and Brazil continues to flood the market. Combined, these factors have resulted in weak financing conditions and sharp declines in share prices for all mining companies.

The following graph illustrates NML's share price performance over the past five years relative to other junior mining companies of similar size and stage of development. As the chart suggests, NML's share price performance is consistent with peer company trends.



The following graph compares the yearly change in cumulative shareholder return over a five-year period (assuming that a $100 investment was made on December 31, 2010) on the Common Shares of the Company with the cumulative total return of the S&P/TSX Capped Diversified Metals & Mining Index from December 31, 2010 to December 31, 2015.

The comparison to a broader metals and mining index is helpful to illustrate the challenging environment that NML and the overall mining industry have operated in over the past several years. It should be noted that the index is comprised of more senior mining companies with revenue producing mines.

While NML's share price performance against peers and the broader market is an important determinant of building shareholder value, it paints an incomplete picture of the Company's progress. It is important to understand that there is a strong correlation between share price performance and metals prices, which have fallen significantly over the reporting period as is well known.

Despite challenging market conditions, NML made advancements on a number of fronts as follows:

- Carried out feasibility studies and published related technical reports on two of its large taconite properties in the Labrador Trough;

- Completed exploration programs on five other taconite properties, which established NML among the largest holders of NI 43-101 magnetite iron ore deposits;

- Initiated a plan to re-scope the outcomes from the combined $61 million taconite study and exploration investments into a development option that can better NML's market entry positioning when conditions improve;

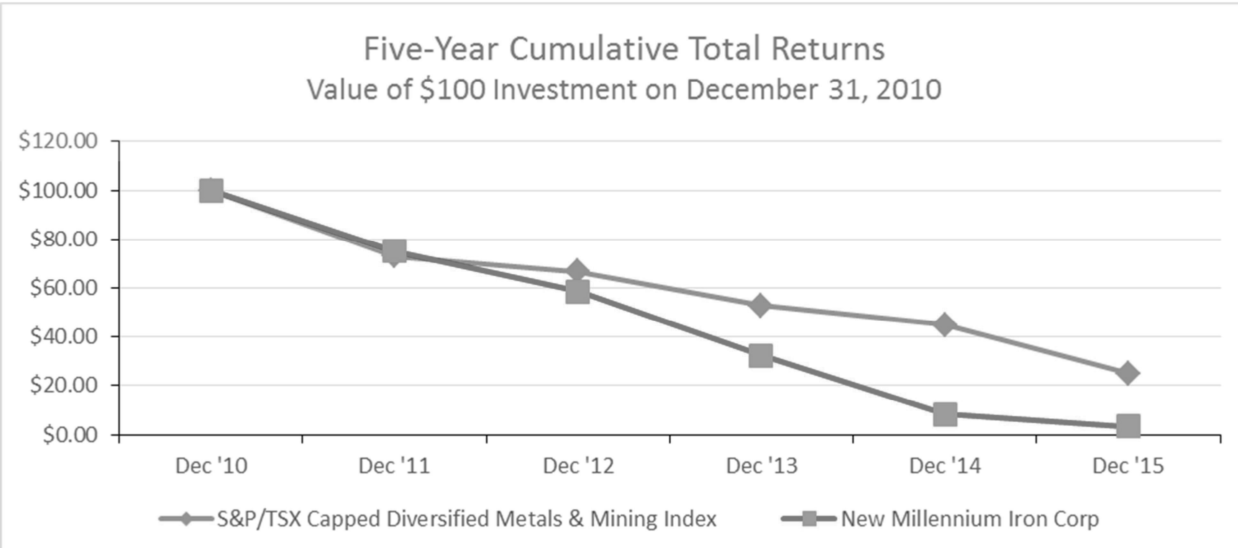
- Renewal of NML's board of directors has strengthened our broader mining, project development, capital markets and transactional expertise;

- Completed a series of restructuring and cost-cutting activities designed to preserve working capital and assets into 2018;

- Transitioned organizationally through succession planning involving our founders and a new generation of management with the skills, energy and experience now in place to carry forward our strategy; and

- NML maintains a 6% interest in Tata Steel Minerals Canada Ltd. ("TSMC"), which is 94%-owned by Tata Steel Global Minerals Holdings Pte. Ltd. ("TSG"), a Tata Steel group company. TSMC is the owner and operator of a direct shipping ore project near Schefferville, Quebec, which has commenced production and shipping.

On these combined measures, NML has delivered progress despite depressed global and iron ore sector market conditions, and stands well positioned as against its peers.



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

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

Mr. Biswas, Mr. Chaudhary and Mr. Bose are employees of Tata Steel Limited, the Company's strategic partner and indirect holder, through **TSG**, of approximately 26.2% of the total issued Common Shares. On December 30, 2011, the closing of the transfer of assets into Tata Steel Minerals Canada Ltd. (previously defined as "**TSMC**") was completed which resulted in TSG owning 80% of TSMC and the Company owning the remaining 20%. Pursuant to a subsequent agreement between TSG and the

Company, the Company's ownership interest in TSMC has been diluted to 6% as the Company decided to not fund equity cash calls by TSMC. The Company was also paid 80% of the DSO Project costs incurred to closing. TSG has also entered into a binding heads of agreement dated March 6, 2011 (the "**Taconite HOA**") with the Company pursuant to which TSG has exercised its exclusive right to negotiate and settle a proposed transaction in respect of the Company's LabMag and KéMag Projects (collectively, the "**Taconite Project**").

MANAGEMENT CONTRACTS

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

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

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

AUDIT COMMITTEE

Audit Committee Charter

The Company's Audit Committee Terms of Reference is attached as Schedule "A" to the Annual Information Form dated March 28, 2016, for the year ended December 31, 2015 and filed on SEDAR at www.sedar.com on March 30, 2016, which is incorporated by reference herein.

Audit Committee Composition

As at the date hereof, the Audit Committee is comprised of the following members:

Pierre Seccareccia(2)	Independent(1)	Financially literate(1)
Howard Lutley	Independent(1)	Financially literate(1)
Lee Nichols	Independent(1)	Financially literate(1)

Notes:

(1) As defined by National Instrument 52-110 ("NI 52-110").

(2) Chairman of the Audit Committee.

Relevant Education And Experience

All of the members of the Audit Committee have been either directly or indirectly involved in the preparation of the financial statements, filing of quarterly and annual financial statements, dealing with auditors, or as a member of the Audit Committee. All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements.

Pierre Seccareccia, F.C.P.A, F.C.A.

Mr. Seccareccia is Chair of the Audit Committee. Mr. Seccareccia, Fellow of the Ordre des comptables professionnels agréés du Québec has over 35 years' experience in various areas of financial consulting and management. Until 2002, he was the Managing Partner of the Montreal office of PricewaterhouseCoopers. He is a director of numerous companies, including Ovivo Inc., Boralex Inc., WSP Global Inc., Fondation de la Famille Lemaire, Ivanhoe Cambridge Inc., Angèle Dubeau & la Pietà and Fondation Québécoise du cancer.

Howard Lutley

Mr. Lutley has more than 35 years' experience in corporate management, operations and engineering at energy and mining companies in the United Kingdom, Canada and the USA. He is President of HJ Lutley and Associates Inc., an independent energy and mining consulting company, and most recently was President and CEO of SilverWillow Energy Corporation, an in-situ oil sands focused company he founded in 2012 and which was sold in August 2015. He earlier was in key leadership roles with public companies developing major oil sands mining projects, and with consulting companies, primarily in surface mining. Mr. Lutley has conducted technical and due diligence reviews for financial institutions and corporations, and has served as an expert witness in regulatory hearings and arbitration proceedings.

In addition to consulting activities, Mr. Lutley has led the startup of a number of private energy and investment companies, including NRL Energy Ltd., one of Canada's first Coal Bed Methane companies. He holds a M.Sc. in Mineral Engineering from the University of Alberta and a B.Sc. in Mining Engineering from Imperial College, London University, United Kingdom. Mr. Lutley is a member of The Association of Professional Engineers, Geologists and Geophysicists of Alberta as well as a Fellow of the Canadian Institute of Mining and metallurgy.

Lee Nichols

Mr. Nichols holds a Bachelor of Science (Geological Engineering) degree from Queen's University, Kingston, Ontario and a Master of Science in Geology and Civil Engineering from Syracuse University, New York. Mr. Nichols has over 52 years' experience in geotechnical engineering, mine and tailings facilities development and design, groundwater and mine dewatering studies, water quality studies, environmental studies, surface hydrology, ore reserve estimates and international experience. He is currently President of Terracon Geotechique Ltd., a geotechnical consulting firm and a director of Poplar Creek Resources Inc.

Audit Committee Oversight

At no time since the commencement of the Company's financial year ended December 31, 2015, was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance On Certain Exemptions

At no time since the commencement of the Company's financial year ended December 31, 2015, has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (securities regulatory authority exemption).

Pre-Approval Policies And Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services other than the general requirements under the heading "External Auditors" of the Audit Committee Terms of Reference which states that the Audit Committee must pre-approve any non-audit services to the Company and the fees for those services.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in each of the two fiscal years noted below for audit and other fees are as follows:

Financial Year Ending	Audit Fees[(1)]	Audit Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
2015	$115,211	$57,299	$19,226	Nil
2014	$98,354	$38,147	$17,283	Nil

Notes:

(1) These fees include professional services provided by the external auditors for audits of the annual financial statements and related regulatory filings.

(2) These fees relate to the review of interim financial statements and related regulatory filings.

(3) These fees include professional services for tax compliance and tax advice.

(4) These fees include any other permitted services not included in any of the above-stated categories.

CORPORATE GOVERNANCE

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

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

Board of Directors

The Board of Directors is currently comprised of nine members. All of these individuals are nominated for election at the Meeting. Messrs. Lutley, Nichols, Seccareccia, Bullock and Caron are the independent directors of the Company.

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

Messrs. Biswas, Chaudhary and Bose are employees of Tata Steel Limited, the Company’s strategic partner and indirect holder, through TSG of approximately 26.2% of the total issued Common Shares. On December 30, 2011, the closing of the transfer of assets into TSMC was completed which resulted in TSG owning 80% of TSMC and the Company owning the remaining 20% (which, as disclosed above, has been reduced to 6%). TSG has also entered into the Taconite HOA with the Company pursuant to which TSG has exercised its exclusive right to negotiate and settle a proposed transaction in respect of the Taconite Project. As a result, Messrs. Biswas, Chaudhary and Bose are not independent directors under NI 58-101.

NI 58-101 suggests that the Board of Directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a director’s independent judgment. As disclosed above, the Board of Directors is comprised of a majority of independent directors. The independent judgment of the Board of Directors in carrying out its responsibilities is the responsibility of all directors. The Board of Directors of the Company facilitates independent supervision of management through meetings of the Board of Directors. In addition, the Board of Directors have free access to the Company’s external auditors, legal counsel and to any of the Company’s officers.

The independent directors held two meetings during the year ended December 31, 2015. The Board ensures open and candid discussion among its independent directors by continuously monitoring situations where a conflict of interest or perceived conflict of interest with respect to a director may exist. In cases where such a conflict of interest or perceived conflict of interest is identified, it is addressed in accordance with the *Business Corporations Act* (Alberta). The Board may determine that it is appropriate to hold an in camera session excluding a director with a conflict of interest or perceived conflict of interest or such director may consider that it is appropriate to recuse himself from considering and voting with respect to the matter under consideration.

Howard J. Lutley was appointed as the Non-Executive Chairman of the Board of Directors effective May 25, 2016, and is independent. In accordance with the mandate of the Chairman, the Chairman presides at all meetings of the Board of Directors and, unless otherwise determined, at all meetings of shareholders. Among other things, the Chairman is to ensure that the Board of Directors has adequate resources, especially by way of full, timely and relevant information to support its decision-making requirements. The Chairman is also to meet periodically with the Chief Executive Officer and Corporate Secretary to review governance issues including the level of communication between management and the Board of Directors. The Chairman is also to endeavour to ensure that reasonable procedures are in place to allow directors to engage outside advisors at the expense of the Company in appropriate circumstances.

Directorships and Meeting Attendance

The following table sets forth: (i) the name of each reporting issuer, other than the Company, of which a director of the Company is also a director; and (ii) the attendance record for each director for the 14 meetings of the Board of Directors held during the year ended December 31, 2015.

Name	Name of Reporting Issuers	Attendance Record at the Company's 2015 Board Meetings
Howard Lutley(1)(8)	None	3/3 (100%)
Lee C.G. Nichols(1)	Poplar Creek Resources Inc.	14/14 (100%)
Robert Patzelt	None	14/14 (100%)
Dean Journeaux(2)	None	8/8 (100%)
John Schindler(3)	None	11/11 (100%)
Roy Hudson(4)	DualEx Energy International Inc.	7/7 (100%)
Pierre Seccareccia	WSP Global Inc.	12/14 (86%)
	Boralex Inc.	
	Ovivo Inc.	
General Rick Hillier(3)	Atlantis System Company	11/11 (100%)
Koushik Chatterjee(5)	The Tinplate Company of India Limited	N/A
	Tata Metalinks Limited	
	Tata Steel Odisha Limited	
	Tata Steel Limited	
	Tata Steel (Thailand) Public Company Limited, Thailand	
Dibyendu Bose	None	7/14 (50%)
Sandip Biswas	None	3/14 (21%)
Chanakya Chaudhary(6)	None	6/13 (46%)
Kevin Bullock(7)	Metallum Resources Inc.	6/6 (100%)
	B2Gold Corp.	
	Anaconda Mining Inc.	
Mario Caron(8)	Alloycorp Mining Inc.	3/3 (100%)
	Algold Resources Ltd.	
	Adventure Gold Inc.	
	Falco Resources Ltd.	

Notes:

(1) Mr. Lutley was appointed as the Non-Executive Chairman of the Board of Directors effective May 25, 2016. Mr. Lutley replaces Mr. Nichols who remains a director of the Company.
(2) Mr. Journeaux resigned as a Director of the Company on August 18, 2015.
(3) Mr. Schindler and General (Ret) Hillier resigned as Directors of the Company on November 15, 2015.
(4) Mr. Hudson resigned as a Director of the Company on June 25, 2015.
(5) Mr. Chatterjee resigned as a Director of the Company effective February 4, 2015.
(6) Mr. Chaudhary was appointed as a Director of the Company on February 4, 2015.
(7) Mr. Bullock was appointed as a Director of the Company on August 18, 2015.
(8) Messrs. Lutley and Caron were appointed as Directors of the Company on November 15, 2015.

Board Mandate

The mandate of the Board of Directors is set out as Exhibit 1 to the Company's Management Information Circular dated May 10, 2015, and filed on SEDAR at www.sedar.com on May 20, 2015, which is incorporated by reference herein.

Position Descriptions

The Board of Directors has developed written position descriptions for the Chairman. The Company also has a written description for its committee chair positions.

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

Orientation and Continuing Education

The Company has prepared a Board Policy Manual which provides a comprehensive introduction to the Board and its committees. New directors are also expected to meet with management of the Company to discuss and better understand the Company's business and will be advised by counsel to the Company of their legal obligations as directors of the Company. In 2015, the three new directors, Messrs. Bullock, Caron and Lutley, each completed a comprehensive all day orientation at the office of the Company.

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

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

Ethical Business Conduct

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

The Board of Directors has established a Whistle Blower Policy and established the complaint procedure for concerns about any aspect of the Company's activities and operations. A toll free anonymous Hotline number, fax number, and email address has been established as part of the complaint procedure. An independent firm has been engaged to receive all confidential communication and provide the Company's representative with a transcript of any complaint.

Conflicts of Interest

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

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

Nomination of Directors

The terms of reference for the Corporate Governance and Compensation Committee (which is constituted of all independent directors) provides that the director nomination process be undertaken by the Corporate Governance and Compensation Committee in the absence of the appointment of a nominating committee. Since the last annual general and special meeting of the shareholders of the Company held on June 25, 2015, the Company has provided to the Corporate Governance and Compensation Committee additional professional external resources, which included a seasoned board member who had recently lead a significant board renewal process. These resources expanded the abilities of search, recruitment, review, background checks and interview capacity. Potential nominees were provided from numerous sources including board members, senior management, external advisors, recruitment personnel and the Institute of Corporate Directors. Since the above noted shareholder meeting on June 25, 2015, three new members have been appointed to the Board of Directors and various committees of the Board. Work in this regard continues.

Compensation

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

1. Preparing the Company's response to applicable securities laws or stock exchange rules when required, and explaining as required any differences between the Company's governance system and policies and the recommended governance standards by securities regulators;

2. Developing and monitoring the Company's general approach to corporate governance issues as they may arise;

3. Proposing changes as necessary from time to time to respond to particular governance recommendations or guidelines from regulatory authorities and ensuring that all appropriate or necessary governance systems remain in place and are periodically reviewed for effectiveness;

4. Ensuring that all members of the Board have been informed of and are aware of their duties and responsibilities as a director of the Company;

5. Ensuring that the Company has in effect adequate policies and procedures to allow the Company to meet all of its continuous disclosure requirements;

6. Ensuring that the Company has in effect adequate policies and procedures to identify and manage the principal risks of the Company's business;

7. Developing and monitoring the Company's policies relating to trading in securities of the Company by insiders as well as communication and confidentiality;

8. Annually reviewing areas of potential personal liability of directors and ensuring reasonable protective measures are in place;

9. Causing the Board to annually review its definition of an "independent" director;

10. Developing written corporate governance guidelines and mandate for the Board in which it explicitly acknowledges responsibility for the stewardship of the Company and considers (i) measures for receiving feedback from stakeholders and (ii) expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials;

11. Developing clear position descriptions for the Chairman of the Board and the Chair of each Board Committee, and together with the CEO, developing a clear position description for the CEO, which includes delineating management's responsibilities and developing the corporate goals and objectives that the CEO is responsible for meeting;

12. Assessment of the Board, its committees and each individual director in respect of effectiveness and contribution;

13. Developing a comprehensive orientation and continuing education program for all directors;

14. Developing a written code of business conduct and ethics that is applicable to all directors, officers and employees of the Company;

15. Considering the appointment of a nominating committee in respect of the recruitment of prospective directors (or the establishment of a nominating function within an existing Board Committee) and if thought appropriate, developing a written charter or terms of reference for such committee in developing a process for selecting, recruiting and evaluating the performance of new directors; and

16. Periodically considering the need for special policies of the Company, initiated by the Board, in unique or emerging policy areas such as corporate ethics, gender equality and sexual harassment.

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

<u>Other Board Committees</u>

The Company has one other standing Board committee at this time (other than the Audit Committee and the Corporate Governance and Compensation Committee, each discussed above), as follows:

Environment, Health and Safety Committee

This Committee is responsible for the duties delegated to it by the Board of Directors to enable the Board to fulfill its oversight responsibilities in relation to proposing polices to ensure environmental "best practices" and due diligence in the development and implementation of systems and programs for management of health, safety and environmental matters and to ensure the Company's compliance with applicable laws. The committee is also responsible for reviewing, reporting and making recommendations to the Board about the Company's policies, standards, practices and performance with respect to its corporate responsibility in relation to health, safety and environment. The Environment, Health and Safety Committee is comprised of Messrs. Nichols, Patzelt and Caron, with Mr. Caron as Chair.

Assessments

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

Director Term Limits and Other Mechanisms of Board Renewal

The Company has not adopted term limits for the directors on its Board. However, all of the directors are required to assess their own effectiveness on an annual basis, as disclosed above. When considering the composition of the Board of Directors, the Chairman and the other members of the Board take into consideration the skill matrix of all Board members to ensure that the Board possesses the requisite experience, expertise and business and operational insight to effectively guide the Company.

Policies Regarding the Representation of Women on the Board

The Company has not adopted a written policy relating to the identification and nomination of women directors. The Company is committed to a merit based system for board composition, while recognizing the benefits of providing diversity on its Board, be it in the form of gender, age, cultural heritage or geographic representation. The Board of Directors, when considering qualified director nominees, takes the background of all directors into consideration.

Consideration of the Representation of Women in the Director Identification and Selection Process

The Board of Directors includes the gender of a potential candidate as one component in the overall list of factors it considers when considering director nominations for election and re-election.

Consideration Given to the Representation of Women in Executive Officer Appointments

When considering executive officer appointments, the President and Chief Executive Officer, and the Corporate Governance and Compensation Committee consider the number of women currently employed in senior executive positions, both on an absolute basis and also on a relative basis compared to the number of senior executives. As in the director selection process, the gender of a potential candidate is one component in the overall list of factors that the Corporate Governance and Compensation Committee, and the President and Chief Executive Officer consider when selecting candidates.

Company's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

The Board of Directors has not adopted a target regarding women on the Board of Directors or in senior executive positions. Given the size of the Company, the number of senior executives and the stage of the Company's development, the Board of Directors is committed to selecting candidates that the Board considers best suited to the Company's strategy, risk and operations.

Number of Women on the Board and in Executive Officer Positions

There are currently no women on the Board. One of the executive officers of the Company is a woman, representing 16% of the executive officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

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

1. Report and Financial Statements

The Board of Directors of the Company has approved all of the information in the audited consolidated financial statements of the Company for the years ended December 31, 2015 and 2014 and the report of the auditor thereon.

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

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

At the Meeting, it will be proposed that nine (9) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at nine (9).**

3. Election of Directors

The Company currently has nine (9) directors and all of these directors are being nominated for re-election. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Company presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Company that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Effective Date.

On March 28, 2013, the Board of Directors approved an amendment to the Corporate Governance Guidelines to include a majority voting policy for the election of directors for non-contested shareholder meetings. Pursuant to the majority voting policy, any director nominee who receives from the votes cast a greater number of votes "withheld" from his or her election than votes "for" his or her election must submit his or her resignation, to take effect upon acceptance by the Board. The Board is then required to publicly disclose in a press release its decision whether or not to accept a director's offer of resignation.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board of Directors.

Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Company or the provisions of the *Business Corporations Act* to which the Company is subject.

Name, Municipality of Residence, Office and Date Became a Director	**Present Occupation and Positions Held During the Last Five Years**	**Number and Percentage of Common Shares Held or Controlled as at the Effective Date(1)(2)**
Howard J. Lutley(3)(4) Cochrane, Alberta Non-Executive Chairman. Director since November 15, 2015	President of HJ Lutley and Associates Inc., an independent energy and mining consulting company, and most recently was President and CEO of SilverWillow Energy Corporation, until August 2015.	Nil
Lee C.G. Nichols(3)(4)(5) Sherwood Park, Alberta Director since August 8, 2003	Professional engineer, consulting engineer and President of Terracon Geotechnique Ltd. from 1983 to present.	1,890,974 (1.04%)
Robert Patzelt, Q.C.(5) Halifax, Nova Scotia President and Chief Executive Officer. Director since January 13, 2014	President and Chief Executive Officer of the Company. Prior thereto, Senior Vice-President, Corporate Development of Scotia Investments Limited from 1988 to January 2014.	Nil
Pierre Seccareccia, FCPA, FCA(3)(4) Montreal, Quebec Director since November 13, 2007	Corporate director. Fellow of the Ordre des comptables professionnels agréés du Québec with over 35 years' experience in various areas of financial consulting and management. Until 2002, he was the Managing Partner of the Montreal office of PricewaterhouseCoopers LLP.	30,000 (<1%)
Sandip Biswas Mumbai, India Director since October 27, 2011	Group Executive Vice President Finance of Tata Steel Limited. Has held various positions within Tata Steel Limited since 2005.	Nil
Dibyendu Bose Kolkata, India Director since December 6, 2013	Group Director (Investments & New Ventures) of Tata Steel Limited. Has held various positions within Tata Steel Limited since 1986.	Nil
Chanakya Chaudhary New Delhi, India Director since February 4, 2015	Group Director – Corporate Communications & Regulatory Affairs of Tata Steel Limited. Has held various positions within Tata Steel Limited since 1988.	Nil
Kevin Bullock(4) Toronto, Ontario Director since August 18, 2015	CEO of Golden Reign Resources Ltd., a Vancouver, BC based public minerals company, and is on the boards of directors of B2Gold Corp., Anaconda Mining Inc. and Metallum Resources Inc., where he serves as Chairman. From 2003 to 2013, he was President, CEO and a Director of Volta Resources Inc. (previously Goldcrest Resources).	Nil
Mario Caron(4)(5) Toronto, Ontario Director since November 15, 2015	Director of Adventure Gold Inc., Algold Resources Ltd., Falco Resources Ltd., and Alloycorp Mining Inc., of which he serves as Non-Executive Chairman and Interim Chief Executive Officer, and previously was Non-Executive Chairman of Orusur Mining Inc.	Nil

Notes:

(1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Effective Date, based upon information furnished to the Company by the above individuals and/or management.

(2) Assumes a total of 181,054,146 Common Shares issued and outstanding as of the Effective Date.

(3) Member of the Audit Committee (Messrs. Seccareccia, Lutley and Nichols).

(4) Member of the Corporate Governance and Compensation Committee (Messrs. Bullock, Lutley, Nichols, Caron and Seccareccia).

(5) Member of the Environment, Health & Safety Committee (Messrs. Patzelt, Caron and Nichols).

Cease Trade Orders

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

(a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

No proposed director, within 10 years before the date of this Management Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

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

Penalties and Sanctions

No proposed director has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

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

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

Shareholder Nominations

Pursuant to the Advance Notice Bylaw adopted by the Board of Directors effective May 1, 2014 and ratified by the shareholders at the annual meeting held on June 25, 2014, any additional director nominations for the Meeting must have been received by the Company in compliance with the Bylaw on or before May 20, 2015. On the date of the deadline of May 20, 2015, the Company received a Notice of Nomination of Directors (the "**Notice**"),a copy of which is attached as Schedule "A" to this Management Information Circular, from W. Scott Leckie in respect of three director nominees who are expected to be nominated by Mr. Leckie at the Meeting, being himself, Daniel P. Owen and Biswajit Chanda (the "**Shareholder Nominees**").

The Notice was received after the Board of Directors had approved this Management Information Circular, including the proposed management nominees for election as directors. Management of the Company is disappointed that after the special meeting of shareholders held on March 15, 2016, at which resolutions to remove six of the current nine directors and appoint four new directors, which included Mr. Owen, were defeated, the Company will have another potentially divisive and costly contested director election just over three months later. The Company recently became aware of the intention for new nominations from Mr. Leckie, and had requested information as to the potential nominees, which was not provided with sufficient time for due and proper consideration by the Corporate Governance and Compensation Committee and the Board. However, the Company is continuing its Board renewal process and does intend, through its Corporate Governance and Compensation Committee, to consider these nominations after conclusion of the Meeting, along with other existing and new potential director candidates, as part of that process. Accordingly, the Management Designees intend to vote for the management nominees for election as directors as set out above and withhold their votes from the Shareholder Nominees.

4. Appointment of Auditor

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

5. Approval of Unallocated Options Pursuant to the Company's Plan

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

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

As at the Effective Date, the Company had Options to purchase 7,326,000 Common Shares (equal to approximately 4.05% of the outstanding Common Shares) outstanding under the Plan, leaving unallocated Options to purchase an aggregate of 10,779,415 Common Shares (equal to approximately 5.95% of the outstanding Common Shares) available for future grants based on the number of outstanding Common Shares.

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

At the annual and special meeting of shareholders held on June 25, 2015, an ordinary resolution to approve the unallocated stock options issuable pursuant to the Plan was not approved. Accordingly, the Company has not issued any stock options under the Plan since June 5, 2015. If approval is obtained at the Meeting, pursuant to the requirements of the TSX, the Company will not be required to seek further approval of the grant of unallocated Options under the Plan until June 23, 2019. If approval is not obtained at the Meeting, options which have not been allocated as of June 5, 2015 and options which are outstanding as of June 5, 2015 and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. Previously allocated options will continue to be unaffected by the approval or disapproval of the resolution.

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

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

> "**BE IT RESOLVED, as an ordinary resolution of the Company that:**
>
> **1. All unallocated options issuable pursuant to the stock option plan of the Company, as amended from time to time, are approved and authorized until June 23, 2019;**
>
> **2. The Company has the ability to continue granting options pursuant to the stock option plan of the Company until June 23, 2019, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and**
>
> **3. Any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer be necessary or desirable to carry out the foregoing resolution."**

In order for the resolution approving the unallocated options under the Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution approving the unallocated options under the Plan.**

6. <u>Amendment to the Company's Articles</u>

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to approve with or without variation, a special resolution to amend the Articles (the "**Amendment to Articles**") to permit meetings of shareholders of the Company to be held anywhere in Canada that the Board of Directors determine.

The Board of Directors is proposing the Company's Articles be amended, as the Company's Articles currently require that meetings of shareholders of the Company be held in Toronto, Ontario or anywhere in Alberta that the Directors determine. To allow the Company greater flexibility in terms of locations to hold shareholders' meetings, management and the Board of Directors believe it is in the best interests of the Company to amend the Articles to permit meetings of shareholders of the Company to be held anywhere in Canada that the Directors determine.

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

> **"BE IT RESOLVED as a special resolution of the Company that:**
>
> **1. the Company's Articles be amended to permit meetings of shareholders of the Company to be held anywhere in Canada that the Directors determine.**
>
> **2. the Board of Directors may, at its sole discretion, decide to not act on this special resolution without further approval or authorization from the shareholders of the Company; and**
>
> **3. any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this special resolution."**

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

OTHER BUSINESS

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

GENERAL

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

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is provided in the Company's comparative financial statements and management discussion and analysis available on SEDAR. A shareholder may contact the Company at 1303 Greene Avenue, 2nd floor, Montreal, Quebec H3Z 2A7, Attention: President and CEO, to obtain a copy of the Company's most recent financial statements and management discussion and analysis or obtain it through the Company's website at www.nmliron.com.

BOARD APPROVAL

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

SCHEDULE A

NOTICE OF NOMINATION OF DIRECTORS

(see attached)

NOTICE OF NOMINATION OF DIRECTORS

OF

NEW MILLENIUM IRON CORP.

(this "Notice")

SENT VIA ELECTRONIC MAIL

DATE: **May 20, 2016**

TO: **Robert Patzelt, Q.C., President and Chief Executive Officer**
NEW MILLENIUM IRON CORP. (the "Corporation" or "NML")

1303, avenue Greene, 2e étage
Montréal, Québec, Canada, H3Z 2A7

Suite 1000, 250 — 2nd Street S.W.
Calgary, Alberta, Canada, T2P 0C1

THE UNDERSIGNED, W. Scott Leckie (the "**Nominating Shareholder**"), being the registered holder or beneficial owner of 179,118 common shares of the Corporation that carry a right to vote at the annual general and special meeting of shareholders of the Corporation to be held on June 23, 2016, or any adjournment or postponement thereof, (the "**Meeting**") hereby nominates each of the following persons for election as a director at the Meeting (collectively, the "**Shareholder Nominees**"):

Name of nominee	**Age**	**Business address**	**Residence address**	**Principal occupation or employment**	**Number of common shares of the Corporation controlled or beneficially owned as of the date of this Notice**
W. Scott Leckie	56	2300 Yonge Street, Suite 1600, Toronto, Ontario, Canada, M4P 1E4	6 Collegeview Avenue, Toronto, Ontario, Canada, M5P 1.13	Principal and Portfolio Manager, Takota Asset Management Inc.	9,232,561(1)
Daniel P. Owen	80	71 Roxborough St W., Toronto, Ont. Canada. M5R 1T9	71 Roxborough St. W., Toronto, Ont. Canada, M5R 1T9	Investment Management, Chairman, Heli-Lynx Helicopter Services Inc.	1,127,220(2)
Biswajit Chanda	76	1958 Tupper, Montréal, Québec, H3H 1N5	1958 Tupper, Montréal, Québec, H3H 1N5	Consultant	2,071,000(3)

Notes

(1) W. Scott Leckie is the portfolio manager and principal of Takota Asset Management Inc. ("**Takota**"), which exercises control or direction over these shares. This number of shares includes certain shares owned by Daniel P. Owen over which Takota has discretionary authority.

(2) 893,043 of these shares are beneficially owned by Molin Holdings Limited, 203,520 of these shares are beneficially owned by Amanda Owen and 30,657 of these shares are beneficially owned by Zoe Owen. The aggregate amount of these shares are included in the 9,232,561 shares over which Takota exercises discretionary authority.

(3) 748,117 of these shares are beneficially owned by Biswajit Chanda, 1,170,000 of these shares are beneficially owned by 6309801 Canada Inc. and 152,883 of these shares are beneficially owned by Ingrid Chanda.

Further information concerning each of the Shareholder Nominees is set forth in Appendix "A" attached hereto.

The Nominating Shareholder is the portfolio manager and principal of Takota. Takota is a portfolio management company that creates and manages value-based investment portfolios focused on achieving long-term capital growth, or on generating income while preserving the potential for capital growth. As of the date hereof, the Nominating Shareholder, together with his associates and affiliates, beneficially owns, directly or indirectly, or exercises control or direction over, 9,232,561 common shares of the Corporation, representing approximately 5.1% of the issued and outstanding common shares of the Corporation (such percentage being based on the disclosure of issued and outstanding shares of the Corporation as at May 12, 2016).

Further information concerning the Nominating Shareholder is set forth in Appendix "B" attached hereto.

The Nominating Shareholder reserves the right to amend this Notice, within a reasonable time following the receipt of the Corporation's management information circular in connection with the Meeting, regardless of the time limitations set out in Section 10(26) of By-Law No. IA of the Corporation.

[Remainder of this page is intentionally left blank]

DATED as of the date first above written.

Signature of Witness	**W. Scott Leckie**

APPENDIX "A"

This is Appendix "A" of the notice of nomination of directors of New Millenium Iron Corp. (the "Notice"). Capitalized terms used herein without definition have the meanings ascribed thereto in the Notice.

Shareholder Nominee Profiles

The following Shareholder Nominee profiles have been provided by each respective Shareholder Nominee.

W. Scott Leckie – Mr. Leckie is an experienced value investor, Portfolio Manager, and a founding partner of several companies. Mr. Leckie is an original partner of Aquilon Capital Corporation, a registered investment dealer and portfolio management firm which was organized in September 1990 and sold to National Bank Financial in March 2008. Mr. Leckie was Vice President and Portfolio Manager at National Bank Financial from March 2008 until April 2012. Mr. Leckie is currently the founder, Principal and Portfolio Manager of Takota. Mr. Leckie is also the founder of, and a partner in Takota Advisors, a firm offering the combined 90 years of its principals' experience in business transactions and advice to business owners. Mr. Leckie has served on several private and public company boards. Mr. Leckie served as temporary Chairman of the troubled Québec-based retailer Groupe Bikini Village Inc. ("**GBV**") which was reorganized and sold soon after his board tenure was complete.

Daniel P. Owen – Mr. Owen holds a B.Sc. (Econ.) from the London School of Economics and Political Science having specialized in accounting and law. Mr. Owen is a private investor and entrepreneur, currently Chairman and Chief Executive Officer of a private investment management company, Chairman of a helicopter conversion and enhancement company, and is formerly a Senior Vice President of Polysar Energy & Chemical Corporation (previously named Canada Development Corporation). Mr. Owen has served on the board of directors of a number of Canadian public companies and on the audit committees of these Canadian public companies. Mr. Owen also served on the board and, from time to time, all committees of Sherritt International Corporation from 1990 to 2012.

Biswajit Chanda – Mr. Chanda was a founder of LabMag Mining Corp, a predecessor of NML. He had been with NML since its inception in 2004 until his retirement in June 2015 as the Senior Vice President of Marketing and Strategy. Mr. Chanda has over 43 years of experience in the iron ore industry. He worked for 25 years with the Iron Ore Company of Canada, where he occupied various technical and senior management positions in engineering and process and quality improvements. In 1997, Mr. Chanda became an independent consultant and was involved internationally in the iron ore development field. Mr. Chanda's responsibilities at NML included strategic planning and special activities related to investor relations. He was also involved in the development of iron ore processes to ensure that product quality would meet market requirements. Mr. Chanda received his Bachelor of Technology in Civil Engineering from the Indian Institute of Technology, Kharagpur in 1962. He is a member of both the Ordre des ingenieurs du Québec and the Professional Engineers Ontario.

Other Information Concerning Shareholder Nominees

The table below sets out, as of the date hereof and in respect of each Shareholder Nominee, his name, province or state and country of residence, his principal occupation, business or employment within the five (5) preceding years, and the number of common shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by such Shareholder Nominee, which information has been furnished by each Shareholder Nominee.

Name and residence	Principal occupation. business or employment within the past five years	Number of common shares of the Corporation beneficially owned, or controlled or directed
W. Scott Leckie Ontario, Canada	Founder, Principal and Portfolio Manager of Takota Asset Management Inc. (April 2012 to present); director of Groupe Bikini Village Inc. (June 2013 to October 2014); Vice-President and Portfolio Manager at National Bank Financial (March 2008 to April 2012)	9,232,561[(1)]
Daniel P. Owen Ontario, Canada	Chairman and CEO of Molin Holdings Ltd. (June 1974 to present); Chairman of Heli-Lynx Helicopter Services Inc. (April 2004 to present); director of The Westaim Corporation (May 1996 to May 2015); director of Longford Energy Inc. (August 2012 to June 2013); director of Sherritt International Corporation (November 1995 to May 2012)	1,127,220[(2)]
Biswajit Chanda Québec, Canada	Consultant (June 2015 to present); Senior Vice-President, Market & Strategy of New Millennium Iron Corp. (August 2008 to May 2015)	2,071,000[(3)]

Notes

(1) W. Scott Leckie is the portfolio manager and principal of Takota, which exercises control or direction over these shares. This number of shares includes certain shares owned by Daniel P. Owen over which Takota has discretionary authority.

(2) 893,043 of these shares are beneficially owned by Molin Holdings Limited, 203,520 of these shares are beneficially owned by Amanda Owen and 30,657 of these shares are beneficially owned by Zoe Owen. The aggregate amount of these shares are included in the 9,232,561 shares over which Takota exercises discretionary authority.

(3) 748,117 of these shares are beneficially owned by Biswajit Chanda, 1,170,000 of these shares are beneficially owned by 6309801 Canada Inc. and 152,883 of these shares are beneficially owned by Ingrid Chanda.

Other than as disclosed in the chart above, none of the Shareholder Nominees has been or is currently a director of the Corporation, nor has any of the Shareholder Nominees held any other position or office with the Corporation or any of its affiliates within the last five (5) years.

To the knowledge of the Nominating Shareholder, no Shareholder Nominee is, as at the date hereof, or has been, within ten (10) years before the date hereof: (a) a director, chief executive officer or chief financial officer of any company that (i) was subject to a cease trade order, an order similar to a cease trade 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 (each, an "**order**"), in each case that was issued while the Shareholder Nominee was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the Shareholder Nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (b) a director or executive officer of any company that, while such Shareholder Nominee was acting in that capacity, or within one (1) year of such Shareholder Nominee 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; or (c) someone who became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such Shareholder Nominee, other than as set out below:

- Mr. Leckie was a director of GBV from June 2013 to October 2014. On February 17, 2015, GBV filed a notice of intention to make a proposal to its creditors in accordance with the *Bankruptcy and Insolvency Act* (Canada) and a trustee was retained. On March 31, 2015, GBV sold substantially all of its assets to Boutique La Vie en Rose Inc. for gross proceeds of approximately $3,790,000. On May 15, 2015, pursuant to a proposal in bankruptcy, which was approved by GBV's creditors on May 14, 2015, GBV filed articles of amendment which resulted in GBV becoming a wholly-owned subsidiary of Boutique La Vie en Rose Inc.

To the knowledge of the Nominating Shareholder, as at the date hereof, no Shareholder Nominee has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a Shareholder Nominee, other than as set out below:

- Mr. Leckie reached a settlement with Market Regulation Services Inc. in June 2005 whereby he agreed that he breached the Universal Market Integrity Rules by engaging in trading of shares of a public company, on behalf of a client, that involved no change of beneficial or economic ownership of the shares of such public company. It was acknowledged in the settlement that the trading activity was not carried out with the intent to manipulate the trading price of the shares of the public company or to deceive the market, and in fact the client received no benefit in connection with such trading. Mr. Leckie agreed to pay a fine of $100,000 and costs of $20,000.

To the knowledge of the Nominating Shareholder, none of the Nominating Shareholder, the Shareholder Nominees, the directors and officers of the Nominating Shareholder nor any of their respective associates or affiliates, has, or has had, any material interest, direct or indirect, in any transaction or proposed transaction since the beginning of the Corporation's most recently completed financial year which has materially affected or would materially affect the Corporation or any of its subsidiaries or affiliates, other than as set out below:

- Mr. Chanda provided services to the Corporation until May 31, 2015.

To the knowledge of the Nominating Shareholder, none of the Shareholder Nominees, the Nominating Shareholder, the directors and officers of the Nominating Shareholder nor any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter disclosed to date to be acted upon at the Meeting other than the election of directors.

To the knowledge of the Nominating Shareholder, none of the Shareholder Nominees or any of their respective associates or affiliates, is or has been indebted to the Corporation or any of its subsidiaries at any time since the beginning of the Corporation's most recently completed financial year or which have indebtedness to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding by the Corporation or any of its subsidiaries.

To the knowledge of the Nominating Shareholder, none of the Shareholder Nominees, the Nominating Shareholder, the directors and officers of the Nominating Shareholder nor any of their respective associates or affiliates, has any contract, arrangement or understanding with any person with respect to future employment by the Corporation or any of its affiliates, or future transactions to which the Corporation or any of its affiliates will or may be a party other than as set out below:

- There is a royalty agreement dated August 11, 2004, as amended by an agreement dated October 23, 2006, among the Corporation, the LabMag Limited Partnership and each of the royalty holders, which includes 6309801 Canada Inc. (a company controlled by Mr. Chanda), as supplemented by an addendum to the royalty agreement dated January 1, 2009, and as further amended by Amendment No. 2 to the royalty agreement dated September 25, 2009. Pursuant to the royalty agreement, each of the royalty holders have the right to receive royalties of 0.333% of the gross revenue from the sale of iron ore products processed by the LabMag Project, up to and including the iron oxide pellet stage. The Corporation has a right of first refusal to purchase the royalty interests.

To the knowledge of the Nominating Shareholder, there is no contract, arrangement or understanding between the Nominating Shareholder or its directors and officers (or their respective affiliates and associates), the Shareholder Nominees and any other person, other than the Shareholder Nominees' agreement to stand for election to the board of the Corporation.

APPENDIX "B"

*This is Appendix "B" of the notice of nomination of directors of New Millennium Iron Corp. (the "**Notice**"). Capitalized terms used herein without definition have the meanings ascribed thereto in the Notice.*

Information Concerning the Nominating Shareholder

As of the date hereof, the Nominating Shareholder, together with its associates and affiliates, beneficially owns, directly or indirectly, or exercises control or direction over, 9,232,561 common shares of the Corporation, representing approximately 5.1% of the issued and outstanding common shares of the Corporation.

None of the Nominating Shareholder, the directors and officers of Takota nor any of their respective associates or affiliates, beneficially owns, directly or indirectly, or exercises control or direction over, any securities of an affiliate of the Corporation.

For additional information regarding the Nominating Shareholder and its associates and affiliates, please see the Notice and Appendix "A" thereto.

RR DONNELLEY
Printed in Canada