

**AXMIN Inc.**  
**120 Adelaide Street West, Suite 800**  
**Toronto, Ontario, M5H 1T1**  
**Canada**

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

NOTICE IS HEREBY GIVEN THAT an annual and special meeting (the "Meeting") of shareholders of AXMIN Inc. (the "Company") will be held in at the offices of the Company's counsel, Fasken Martineau DuMoulin LLP, 24<sup>th</sup> Floor, Bay Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6, Canada on Friday, June 07, 2013 at 9:00 a.m. (Toronto time), for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the financial year ended December 31, 2012, together with the auditors' report thereon;
2. To elect the directors of the Company;
3. To reappoint Ernst & Young LLP, Chartered Accountants, as auditors for the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
4. To consider and, if thought appropriate, pass an ordinary resolution approving the continuation of the Company's stock option plan; and
5. To transact such other business as properly may be brought before the Meeting or any adjournment or postponement thereof.

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

The board of directors of the Company fixed the close of business on May 07, 2013 as the record date for the determination of the shareholders entitled to notice of the Meeting, and any adjournment or postponement thereof.

*Registered shareholders* who are unable to attend the Meeting in person are requested to sign and return the enclosed form of proxy to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1. To be effective, proxies must be deposited in the manner described in the Circular, by 9:00 a.m. (Toronto time) on June 05, 2013, or delivered to the Chairman of the meeting on the day of the Meeting or any adjournment or postponement thereof prior to the time for voting.

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

DATED at Toronto, Ontario, May 14, 2013.

BY ORDER OF THE BOARD

"Signed"

Shirley Kozel  
Secretary



# AXMIN Inc.

## MANAGEMENT INFORMATION CIRCULAR

April 30, 2013

### SOLICITATION OF PROXIES

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of AXMIN Inc. (the "Company") for use at the annual and special meeting of shareholders of the Company (the "Meeting") to be held at the offices of the Company's counsel, Fasken Martineau DuMoulin LLP, 24<sup>th</sup> Floor, Bay Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6, on Friday, June 07, 2013 at 9:00 a.m. (Toronto time), and at any and all adjournments or postponements thereof, for the purposes set forth in the attached notice of the Meeting (the "Notice"). It is expected that the solicitation of proxies will be made primarily by mail, but proxies may also be solicited personally by directors, officers or regular employees of the Company. Such persons will not receive any extra compensation for such activities. The cost of such solicitation will be borne by the Company. Unless otherwise indicated herein, information in this Circular is given as at April 30, 2013.

### APPOINTMENT, REVOCATION AND DEPOSIT OF PROXIES

The persons named in the enclosed form of proxy are officers or directors of the Company. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for him or her and on his or her behalf at the meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by striking out the names of the persons designated in the form of proxy and by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Company, c/o Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at any time prior to 9:00 a.m. (Toronto time) on June 05, 2013.

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

A shareholder who has given the enclosed form of proxy has the right to revoke the proxy (i) by instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized, and deposited at the registered office of the Company at any time prior to 9:00 a.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof; (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof; or (iii) in any other manner permitted by law. The Company's registered office is located at Suite 2400, Bay Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6.

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

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

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

### VOTING BY BENEFICIAL SHAREHOLDERS

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

Shareholders who hold Common Shares through their brokers, intermediaries, trustees, or other nominees (such shareholders being collectively called "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the share register of the Company as at the record date, May 07, 2013, may be recognized and acted upon at the Meeting. If Common Shares are shown on an account statement provided to a Beneficial Shareholder by a broker, then in

almost all cases the name of such Beneficial Shareholder will not appear on the share register of the Company. Such Common Shares will most likely be registered in the name of the broker or an agent of the broker. Such shares can only be voted by brokers, agents or nominees (“Intermediaries”) and can only be voted by them in accordance with instructions received from Beneficial Shareholders. **As a result, Beneficial Shareholders should carefully review the voting instructions provided by their broker, agent, or nominee with this Circular and ensure that they communicate how they would like their Common Shares voted in accordance with those instructions.**

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

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

#### RECORD DATE

The directors have fixed May 07, 2013 as the record date for the determination of shareholders entitled to receive notice of the Meeting. Only shareholders of record on such date are entitled to vote at the Meeting the Common Shares held by them by attending in person or by providing a completed and executed proxy as described above.

#### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Company consists of an unlimited number of common shares (each a “Common Share”) and an unlimited number of class A shares. At the Annual and Special Meeting of Shareholders held on June 28, 2011 the shareholders passed a special resolution authorizing the board of directors (the “Board”), in its sole discretion, to amend the articles of the Company to consolidate the Common Shares on the basis of a ratio within the range of one post-consolidation Common Share for every 8 pre-consolidation Common Shares (8:1) to one post-consolidation Common Share for every twenty-five pre-consolidation Common Shares (25:1), with the ratio to be selected and implemented by the Company’s Board by March 31, 2012. Accordingly, on February 15, 2012 the Board authorized the consolidation of the Common Shares on the basis of one post-consolidation Common Share for every ten pre-consolidation Common Shares (10:1) (the “Consolidation”) and the post-Consolidation Common Shares commenced trading on the TSX Venture Exchange on February 23, 2012.

Unless otherwise indicated, all figures disclosed herein are presented on a post-Consolidation basis. As of the date of this Circular, an aggregate of 79,740,881 Common Shares of the Company and no class A shares of the Company were issued and outstanding. Each such Common Share entitles the holder thereof to one (1) vote at all meetings of shareholders of the Company.

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

<i>Name and municipality of residence</i>	<i>Common shares held (#)</i>	<i>Total of common shares issued</i>
AOG Holdings BV <sup>(1)</sup> Breda, The Netherlands	16,161,467	20.3%
Dickson Resources Limited <sup>(2)</sup> Tortola, British Virgin Islands	15,800,000	19.8%

(1) AOG Holdings BV is a wholly-owned subsidiary of The Addax & Oryx Group Limited. AOG Holdings BV does not have

representation on the Board.

- (2) Dickson Resources Limited ("Dickson") acquired 15,800,000 units ("Units") of the Company, each Unit consisting of one (1) Common Share and one-half (1/2) common share purchase warrant (a "Warrant") of the Company on April 9, 2013 pursuant to the Subscription Agreement (defined below). Pursuant to the terms of the Subscription Agreement, the Company will issue 29,200,000 Units, provided the required shareholder approval is obtained at the special meeting of shareholders of the Company on May 23, 2013.

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

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

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

## **FINANCIAL STATEMENTS**

The audited financial statements of the Company and the auditors' report thereon to be received by the shareholders at the Meeting are as at and for the financial year ended December 31, 2012, with a comparison to the year ended December 31, 2011. The annual financial statements were audited by Ernst & Young LLP, Chartered Accountants, the current auditors of the Company.

## **ELECTION OF DIRECTORS**

### **Number of Directors**

Directors of the Company are elected annually by the shareholders. The articles of the Company provide that the number of directors to be elected shall be a minimum of three (3) and a maximum of ten (10). The by-laws and articles of the Company provide that the number of directors of the Company shall be determined from time to time by a resolution of the directors. By resolution in writing dated April 29, 2013, signed by all of the directors of the Company, the directors authorized that the number of directors to be elected at the Meeting is five (5).

### **Information Regarding Nominees for Directors**

Except for Bright Chiu, all of the management's nominees to the Board are currently directors of the Company. As of the date hereof, the TSX Venture Exchange (the "TSXV") has not approved Bright Chiu or Lucy Yan as directors of the Company. Each of Bright Chiu and Lucy Yan have given an undertaking to the Company to resign if deemed to be unsuitable to be a director of the Company by the TSXV. Management of the Company does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

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

The following table sets out the name of each person proposed to be nominated for election as a director, her/his present principal occupation(s) or employment(s), any position held with the Company, the date on which she/he was first elected or appointed a director of the Company, and the approximate number of common shares of the Company beneficially owned, directly or indirectly, or over which she/he exercises control or direction as at the date of this Circular. Since Lucy Yan and Joe Tai were appointed subsequent to the last annual meeting and Bright Chiu has been just nominated, their principal occupations are disclosed for the preceding five years.

<i>Name of proposed nominee Province or state and country of residence</i>	<i>Principal occupation(s)</i>	<i>Director since</i>	<i>Shares of the Company beneficially owned, controlled or direct<sup>(1)</sup> (#)</i>
Bright Chiu <sup>(4)</sup> Vancouver, British Columbia Canada	Business Consultant and a Director of Terra Nova Industries Ltd. (a private company involved in market research, export and import and educational training) for more than five years.		
George Roach London, England United Kingdom	President and Chief Executive Officer of the Company; also Chief Executive Officer, Executive Chairman and a director of Premier African Minerals Ltd. (African based mineral exploration company).	June 29, 2010	210,593 <sup>(2)</sup>
Joe Tai <sup>(4)</sup> Vancouver, British Columbia Canada	Managing Director of CWN Capital Inc. (Hong Kong based investment firm) since 2009, and President and Chief Executive Officer and a director of ChineseWorldNet.com Inc. (Chinese financial information platform) since 2000.	April 15, 2013	
David de Jongh Weill Singapore	Executive Chairman and a Director of Patrimoine Pte. Ltd. (corporate finance advisory company), Executive Chairman and a Director of Patrimoine International Limited (holding company), and a Partner of Patrimoine Partners LLP (corporate finance advisory and investment management firm).	June 29, 2010	73,285 <sup>(3)</sup>
Lucy Yan <sup>(4)</sup> Vancouver, British Columbia Canada	Freelancer since June 2007 and Chairman of the Board and a director of Dickson Resources Limited (investment firm) since November 27, 2012.	April 15, 2013	

- (1) The information as to shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective proposed directors individually.
- (2) George Roach also has a 1/7<sup>th</sup> interest in a family trust that owns 1,026,729 Common Shares and 166,665 Warrants.
- (3) David de Jongh Weill also has 586,831 Common Shares and 166,665 Warrants owned by a family trust.
- (4) Joe Tai and Lucy Yan were appointed to the Board effective April 15, 2013 pursuant to the Initial Appointment Right (as defined below). Bright Chiu, Joe Tai and Lucy Yan have been appointed as nominees pursuant to the Second Appointment Right (as defined below).

### Committees of the Directors

The Company currently has five governing committees of the Board and the memberships of each committee are listed in the table below. As Robert Shirriff and Alexander du Plessis will not be standing for re-election at the meeting, it is anticipated that at a Board meeting scheduled to follow the Meeting, the Board will review the membership of each Committee and appoint the required members as well as the Chair of each Committee.

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

<i>Committee</i>	<i>Composition</i>	<i>Members</i>	<i>Chair</i>
Safety, Health and Sustainable Development <sup>(2)</sup>	Two directors	Alexander du Plessis <sup>(3)</sup> and George Roach	Alexander du Plessis <sup>(3)</sup>
Technical <sup>(4)</sup>	Two directors	Alexander du Plessis <sup>(3)</sup> and George Roach	Alexander du Plessis <sup>(3)</sup>

- (1) Robert Shirriff will not be standing for re-election at the Meeting.
- (2) At the Board meeting held on April 25, 2012 the Board approved that the Health, Safety and Environment Committee be renamed as the Safety, Health and Sustainable Development Committee and a new Charter for the Committee was approved.
- (3) Alexander du Plessis will not be standing for re-election at the Meeting.
- (4) At the Board meeting held on April 25, 2012 the Board established a Technical Committee and approved a Charter for the Technical Committee.

The Company also has a Disclosure Policy Committee with responsibility for overseeing the Company's disclosure practices. The Charter of the Committee states that the Committee shall consist of not less than five members being the Chairman, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Investor Relations Manager and a non-executive member of the Board who is selected by the Board taking into account prior experience, probable availability, and her/his individual independence and objectivity. Accordingly, the current members of the Disclosure Policy Committee are David de Jongh Weill (Chairman), George Roach (CEO), Janina Dusza (CFO), Robert Shirriff (the non-executive director) and Judith Webster (the Vice President, Investor Relations).

The Mandate for each committee of the Board is more fully set forth commencing on page 25 under the heading *Board Committees and their Mandates*.

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

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

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

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

- a. is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director, CEO or CFO of any company (including the Company) that:
  - i. was the subject, while the proposed director was acting in that capacity as a director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days; or
  - ii. was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- b. is, as at the date of this Circular, or has been within ten (10) years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating

to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- c. has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- d. has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- e. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## **APPOINTMENT OF AUDITORS**

Ernst & Young LLP, Chartered Accountants, are the current auditors of the Company. Shareholders of the Company will be asked at the Meeting to reappoint Ernst & Young LLP as the Company's auditors to hold office until the next annual meeting of shareholders and to authorize the directors to fix the remuneration of the auditors. **Unless otherwise specified, the persons named in the enclosed form of proxy will vote FOR the said appointment of Ernst & Young LLP as the auditors of the Company and authorizing the directors to fix the remuneration of the auditors.**

## **CONTINUATION OF STOCK OPTION PLAN**

At the Meeting, the shareholders will be asked to consider and, if thought appropriate, approve by ordinary resolution the continuation of the Company's Stock Option Plan 2005 (the "Stock Option Plan"), a copy of which is annexed hereto as Schedule "A". The Stock Option Plan was previously approved by ordinary resolution of the shareholders on June 26, 2012.

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

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

### **RESOLVED THAT:**

1. the Stock Option Plan of the Company (the "Plan") annexed as Schedule "A" to the management information circular of the Company dated April 30, 2013 be and is hereby approved, confirmed and ratified on the terms and conditions set out in the Plan;
2. the Board of Directors be and is hereby authorized to make any and all additions, deletions and modifications to the Plan as may be necessary or advisable to give effect to these resolutions or as may be required by applicable regulatory authorities;
3. the Company is authorized to reserve and issue up to ten percent (10%) of the total number of common shares in the capital of the Company outstanding from time to time for issuance upon exercise of stock options pursuant to the Plan;
4. the Board of Directors from time to time is hereby authorized to grant options in the capital stock of the Company pursuant to and in accordance with the Plan; and
5. any officer or director of the Company be and is hereby authorized to execute all such deeds, documents and other writings and perform such acts as may be necessary in order to give effect to the Plan.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The Compensation Committee of the Board makes recommendations to the Board regarding compensation policies and the compensation of directors and senior officers. The members of the Compensation Committee are George Roach, Robert Shirriff and David de Jongh Weill. Robert Shirriff and David de Jongh Weill are independent and George Roach is not independent. As mentioned above, Robert Shirriff will not be standing for re-election and it is anticipated that his replacement will be appointed to the Compensation Committee at the scheduled Board meeting of the newly elected Board following the Meeting. Each member of the Compensation Committee has direct experience in executive compensation matters as a member of various boards and has held senior leadership positions in various organizations, which experiences assist the Compensation Committee in making decisions on the suitability of the Company's compensation practices and policies. Since all of the members have had experience in matters of executive compensation, the Board believes that the Compensation Committee collectively has the knowledge, experience and background required to fulfil its mandate.

Since the Compensation Committee reviews and makes recommendations to the Board on all of the Company's compensation

policies and practices and maintains oversight thereof, the risks associated therewith are considered to be low, particularly since the Company's compensation package is not linked to the Company's revenue generated by the individual nor linked to or based on any short term objective. The Board is ultimately responsible for considering the risks associated with the Company's compensation policies and practices, if any.

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

The Compensation Committee further believes that it is appropriate to establish compensation practices and compensation levels that are comparable to other similar mining companies. The Committee also considers the particular responsibilities related to the position, the experience level of the individual, as well as the necessary compensation required to retain the executive officer involved. The Compensation Committee believes that the elements of the compensation for the senior executives are in line with peer group companies which prior to 2011 were informally reviewed by the Compensation Committee. The compensation for senior executives in the junior mining industry depends on various factors including (but not limited to): advancement of a given project, the location of the project, the political risk, the language and skills required and the individual's experience. Therefore, due to these factors, commencing in the year 2011 no set benchmark of specific companies is utilized by the Compensation Committee of the Company, either formally or informally.

The Compensation Committee performed benchmarking exercises in late August 2008 for the hiring of Alexander Dann, the Vice-President Finance and CFO (from September 2008 to January 8, 2012). The companies involved in the benchmarking exercise included the previous employers of Mr. Dann. On January 25, 2012, Janina Dusza, who at that time was performing the Controller function for the Company, was appointed as the CFO to replace Mr. Dann who had resigned. The Board determined that as she was assuming all the duties and responsibilities of Mr. Dann, she would be paid the same salary.

In view of the location of the Company's project and the technical skills required, early in 2011 the Company engaged the search firm, SBP Selection, to assist in the recruitment of a Chief Operating Officer for the Company. SBP Selection is a search firm that specializes in the placement of senior executives across the natural resource, oil and gas and financial services sectors, with special emphasis on placing people globally. SBP Selection was provided with the criteria that the candidate must have the relevant experience and expertise to be responsible for the operations of the Company, in particular the design, construction, commissioning and operation of the Company's Passendro Project in the Central African Republic. Since SBP Selection is in the recruitment business and as such has information of the compensation required to employ such a candidate and has information of the compensation payable by mining companies in the Company's peer group, the Compensation Committee and the Board relied on its recommendations in hiring Graham Hill as the Chief Operating Officer in April 2011. The Company paid SBP Selection US\$94,167 for its services in recruiting Mr. Hill.

On January 25, 2012, Judith Webster, the then Manager, Investor Relations, was promoted to Vice President, Investor Relations. Her increased salary was determined by a review of the salaries paid for her position in comparable companies based on a survey that had been conducted by The Canadian Investor Relations Institute.

Each senior executive is employed for his or her skills to perform specific tasks and their base salary is fixed accordingly. In 2008 the Company implemented an Incentive Compensation Plan for the executive group of employees (See below under *Incentive Plan Awards*). Therefore, prior to 2011, the compensation of most senior executives was comprised of three (3) components: namely, a base salary, a bonus reflecting the achievements of objectives of the Company and the individuals, and the grant of initial stock options pursuant to the Stock Option Plan referred to above and more particularly outlined below under the *Option-based Awards* section. Commencing in 2011, in view of the Company's current stage of development and its financial position, compensation consists of only two (2) components: namely, a base salary and the grant of stock options and the entitlement to bonuses was not included in employment agreements or used as an employment incentive. As a result, the Company no longer utilizes the Incentive Compensation Plan for the executive group of employees (see below under *Incentive Plan Awards*) and, therefore, no annual objectives or targets are set. Currently, Judith Webster is the only executive with the bonus provisions in her employment agreements as she was employed by the Company prior to 2011. As no bonuses were paid during the year 2012, no predetermined objectives were set for Ms. Webster during the year 2012.

With the exception of George Roach, the President and CEO of the Company, at the time of employment each senior executive entered into an employment agreement with the Company with standard clauses covering salaries and termination and change of control provisions. The highlights of the employment agreements for the Named Executive Officers ("NEOs") are outlined below under the section entitled *Narrative Discussion* under the *Summary Compensation Table*.

In view of the Company's financial situation at the time of George Roach's appointment as President and CEO in June 2010, and his interest in assisting the Company in preserving the funds required to advance the development of the Company's properties, Mr. Roach elected to receive a larger number of options in lieu of a salary during 2010. As a result, no benchmark exercise was performed prior to his appointment. In April 2011, in view of the considerable amount of work and time Mr. Roach

was devoting to the Company's business, the Compensation Committee and the Board reviewed the matter and an agreement was reached on suitable compensation based on time devoted. In addition, to ensure that all expenses incurred by Mr. Roach on behalf of the Company are reimbursed to him, the Compensation Committee and the Board agreed on an additional monthly reimbursement to cover reasonable infrastructure costs, including office space, personal assistant services and other miscellaneous expenses incurred in the performance of his duties for the Company. At the recommendation of the Compensation Committee and approved by the Board, the Company entered into an employment agreement with Mr. Roach on April 25, 2012. The particulars of his compensation and information regarding his employment agreement are further described below in the *Narrative Discussion* under the *Summary Compensation Table*.

During 2012, no formal review of salaries and compensation was conducted and other than Janina Dusza and Judith Webster none of the NEOs received any salary or other compensation increases due to the financial constraints of the Company. The salary increases for Janina Dusza and Judith Webster were as a result of their promotions.

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

### **Option-based Awards**

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

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

On March 10, 2012, at the recommendation of the Compensation Committee, the Board granted options to the directors, officers and senior management. Particulars of options granted to the NEOs and to the directors are shown in the respective *Summary Compensation Tables* below.

### **Summary Compensation Table**

During the fiscal year ended December 31, 2012, the Company had five NEOs namely, George Roach, President and CEO, Graham Hill, Chief Operating Officer, Alexander Dann, Vice-President and CFO (until January 8, 2012), Janina Dusza, CFO (from January 25, 2012), and Judith Webster, Vice President, Investor Relations (from January 25, 2012).

The following table (presented in accordance with Form 51-102F6 – *Statement of Executive Compensation ("Form 51-102F6")* under National Instrument 51-102 – *Continuous Disclosure Obligations*) sets forth all annual, long term and other compensation payable to the NEOs for services rendered in all capacities to the Company and its subsidiaries for the three financial years ended December 31, 2012.

The Company does not have a share-based award plan other than the Stock Option Plan referred to above. The Company also does not have a pension plan or a long-term incentive plan. As mentioned above, an Annual Incentive Plan for the executive group of employees was implemented by the Board in 2008. The particulars of the plan are outlined below under *Incentive Plan Awards* and no awards were granted under this plan during 2012. No long-term non-equity incentive compensation was granted to any of the NEOs and no non-equity incentive plan awards were made based on the performance of the Company's share price.

The amounts in the following table and footnotes are expressed in United States dollar currency to conform to the presentation currency in the financial statements of the Company and any reference to the Company's share price is expressed in Canadian dollar currency. The compensation awarded and paid was in the Canadian dollar currency and it was translated to the United States dollar currency using the average foreign exchange rate for the 2012 year of \$0.9994 Canadian dollar to United States dollar.

Name and Principal Position	Year	Salary (US\$)	Share-based Awards \$	Option-based awards <sup>(1)</sup> (US\$)	Non-equity incentive plan compensation (\$)		Pension	All other compensation (US\$)	Total Compensation (US\$)
					Annual incentive plan	Long-term incentive plans			
George Roach <sup>(2)</sup> President & CEO (from June 14, 2010)	2012	\$179,892	N/A	\$121,544	N/A	N/A	N/A	\$ 95,942	\$397,378
	2011	\$136,364	N/A	Nil	N/A	N/A	N/A	\$113,131	\$249,495
	2010	Nil	N/A	\$ 37,533	N/A	N/A	N/A	Nil	\$ 37,533
Graham Hill <sup>(3)</sup> Chief Operating Officer (from May 8, 2011)	2012	\$359,784	N/A	\$48,971	N/A	N/A	N/A	Nil	\$408,755
	2011	\$236,031	N/A	\$28,283	N/A	N/A	N/A	\$50,505	\$314,819
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alexander Dann <sup>(4)</sup> Vice-President Finance & CFO (until January 8, 2012)	2012	\$ 20,870	N/A	Nil	N/A	N/A	N/A	Nil	\$ 20,870
	2011	\$222,222	N/A	Nil	N/A	N/A	N/A	Nil	\$222,222
	2010	\$213,592	N/A	\$15,013	N/A	N/A	N/A	\$72,615	\$436,338
Janina Dusza <sup>(5)</sup> CFO (from January 25, 2012)	2012	\$214,668	N/A	\$31,830	N/A	N/A	N/A	Nil	\$246,498
	2011	\$ 28,733	N/A	\$ 2,798	N/A	N/A	N/A	Nil	\$ 31,521
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Judith Webster <sup>(6)</sup> Vice President, Investor Relations (from January 25, 2012)	2012	\$175,968	N/A	\$24,308	N/A	N/A	N/A	Nil	\$200,276
	2011	\$124,925	N/A	N/A	N/A	N/A	N/A	Nil	\$124,925
	2010	\$124,925	N/A	\$ 4,000	N/A	N/A	N/A	Nil	\$128,925

- (1) As mentioned above, the fair value of the options granted is determined at the time of the grant in accordance with a valuation methodology identified in IFRS 2. *Share-Based Payment*. The Company used the Black Scholes option pricing model to estimate the fair value of the options granted using the following assumptions: weighted average risk-free interest rate, expected share price annual volatility, weighted average expected life (years), estimated forfeiture rate and expected dividend yield. All option-based awards amounts relating to the pre-Consolidation years of 2011 and 2010 were revised to reflect the post-Consolidated number of awards.
- (2) George Roach became President and CEO on June 14, 2010 and has been a director of the Company since June 29, 2010 but did not receive any compensation as a director or officer during 2010 and did not receive compensation as a director during 2011 and 2012. The option-based award in 2010 consisted of 5,000,000 stock options granted June 29, 2010 at an exercise price of CDN\$0.10 and a fair value of approximately CDN\$0.08 per share, which on a post-Consolidation basis have become 500,000 stock options with an exercise price of CDN\$1.00. The option-based award in 2012 consisted of 250,000 stock options granted on March 10, 2012 at an exercise price of CDN\$0.60 and a fair value of approximately CDN\$0.49 per share. The amounts disclosed in *All Other Compensation* represent the amounts paid to Mr. Roach to compensate for his infrastructure costs as described above under *Compensation Discussion and Analysis*.
- (3) Graham Hill became Chief Operating Officer on May 8, 2011. The option-based award in 2011 consisted of 3,500,000 stock options granted May 8, 2011 at an exercise price of CDN\$0.10 and a fair value of approximately CDN\$0.08 per share, which on a post-Consolidation basis have become 350,000 stock options at an exercise price of CDN\$1.00. The option-based award in 2012 consisted of 100,000 stock options granted on March 10, 2012 at an exercise price of CDN\$0.60 and a fair value of approximately CDN\$0.49 per share. Included in *All Other Compensation* for the year 2011 is CDN\$50,000 paid to Mr. Hill as a relocation allowance.
- (4) Alexander Dann was Vice-President Finance and CFO from September 2008 until January 8, 2012. From June 29, 2010 to June 28, 2011, Mr. Dann was also a director of the Company, but did not receive any compensation in that capacity. Included under the *All Other Compensation* column is a retention bonus of \$71,197 paid to Mr. Dann in June 2010 on the reconstitution of the Board and management of the Company. The option-based awards consisted of 500,000 stock options granted September 2, 2008 at an exercise price of CDN\$0.15 and a fair value of CDN\$0.097 per share, which on a post-Consolidation basis became 50,000 stock options with an exercise price of CDN\$1.50, and 2,000,000 stock

options granted June 29, 2010 at an exercise price of CDN\$0.10 and a fair value of approximately CDN\$0.08 per share, which on a post-Consolidation basis became 200,000 stock options with an exercise price of CDN\$1.00. As a result of his resignation, all of his options expired on May 3, 2012 pursuant to the terms of the Stock Option Plan.

- (5) Janina Dusza became the CFO on January 25, 2012 and prior thereto she was Controller for the Company from June 3, 2009 until her appointment as the CFO. From June 03, 2009 to September 30, 2011, Ms. Dusza performed the function of Controller and was employed through a recruiting agency. On October 1, 2011 she commenced full-time employment with the Company and concurrently she was awarded 350,000 stock options at an exercise price of CDN\$0.10 and a fair value of approximately CDN\$0.08 per share, which on a post-Consolidation basis have become 35,000 stock options at an exercise price of CDN\$1.00. The option-based award in 2012 consisted of 65,000 stock options granted on March 10, 2012 at an exercise price of CDN\$0.60 and a fair value of approximately CDN\$0.49 per share.
- (6) Judith Webster became Vice President, Investor Relations on January 25, 2012 and prior thereto she was Manager, Investor Relations since July 1, 2002. The option-based award in 2010 consisted of 500,000 stock options granted June 29, 2010 at an exercise price of CDN\$0.10 and a fair value of approximately CDN\$0.08 per share, which on a post-Consolidation basis have become 50,000 stock options with an exercise price of CDN\$1.00. The option-based award in 2012 consisted of 50,000 stock options granted on March 10, 2012 at an exercise price of CDN\$0.60 and a fair value of approximately CDN\$0.49 per share.

### **Narrative Discussion**

As mentioned under the *Compensation Discussion and Analysis* section above, each NEO has entered into an employment agreement with the Company.

A summary of the employment agreements of each of the NEOs in effect during the year ended 2012 follows.

#### ***George Roach***

Effective June 14, 2010, George Roach was appointed as President and CEO of the Company. He was appointed as a director on June 29, 2010, for which he does not receive fees. As reported above under *Compensation Discussion and Analysis*, from June 14, 2010 until March 31, 2011, Mr. Roach did not receive compensation for his services as President and CEO. Effective April 1, 2011, the Compensation Committee recommended and the Board approved an annual compensation of CDN\$180,000 plus a monthly reimbursement fee of CDN\$8,000 to cover Mr. Roach's infrastructure costs.

On April 25, 2012 the Company entered into an employment agreement with Mr. Roach providing for his continued employment as President and CEO for an indefinite period. The agreement provides that although Mr. Roach is not a full-time employee and is engaged in other businesses, he will devote such time as is required for the performance of his duties as President and CEO of the Company. The agreement further provides that Mr. Roach will continue to receive an all-inclusive annual gross salary of CDN\$180,000, and that such compensation would be reviewed by the Compensation Committee on an annual basis. Additionally, Mr. Roach will continue to receive reimbursement of up to CDN\$8,000 per month (or such other amount as may subsequently be agreed to in writing) to cover reasonable infrastructure costs for a satellite office, including office space, personal assistant support and other related miscellaneous expenses. Mr. Roach is entitled to 20 working days vacation per year or such other vacation time as may be agreed to by Mr. Roach and approved by the Board upon the recommendation of the Compensation Committee. Mr. Roach is also entitled to participate in the Company's Stock Option Plan and was granted 5,000,000 options at an exercise price of CDN\$0.10 on June 29, 2010, which, as a result of the Consolidation, became 500,000 options at an exercise price of CDN\$1.00. Upon the recommendation of the Compensation Committee and approval by the Board, on March 10, 2012 Mr. Roach was granted 250,000 options exercisable at CDN\$0.60 per common share, which options will expire in March 2017 pursuant to the terms of the Stock Option Plan. The particulars of Mr. Roach's options are disclosed in the table below.

Mr. Roach's agreement also provides for termination payments which are described below in the section entitled *Termination and Change of Control Benefits*.

#### ***Graham Hill***

On April 27, 2011, the Company entered into an employment agreement with Graham Hill which became effective on May 8, 2011 upon his appointment as Chief Operating Officer of the Company. The agreement was initially for a period of one year. On April 25, 2012 the agreement was extended indefinitely upon the same terms and conditions. The terms are substantially as follows: Mr Hill, as Chief Operating Officer, would be paid a base salary of CDN\$360,000 to be reviewed annually by the President and CEO; he would be provided with international benefit insurance coverage, including casualty evacuation coverage to the extent his health and other qualifications make him eligible to participate; he is entitled to 35 working days vacation per year; he would receive an initial relocation allowance of CDN\$50,000; and, if required to reside outside of London, England for any extended period of time, the Company is obligated to pay living expenses which could include, among other things, house, furniture, technology and car allowance. Mr Hill is also entitled to participation in the Company's Stock Option Plan and received an initial grant of 3,500,000 options on May 8, 2011 at an exercise price of CDN\$0.10, which, as a result of the Consolidation,

became 350,000 options at an exercise price of CDN\$1.00. Upon the recommendation of the Compensation Committee and approval by the Board, on March 10, 2012 Mr. Hill was granted 100,000 options exercisable at CDN\$0.60 per common share, which options expire in March 2017 pursuant to the terms of the Stock Option Plan. The particulars of Mr. Hill's stock options are disclosed in the table below.

Mr. Hill's agreement also provides for termination payments which are described below in the section entitled *Termination and Change of Control Benefits*.

#### **Alexander Dann**

Effective from September 1, 2008, the Company entered into an employment agreement with Alexander Dann for an indefinite period. In November 2011, Mr. Dann submitted his resignation as a result of which he ceased being Vice-President Finance and CFO on January 8, 2012 and his agreement was terminated effective February 3, 2012. The terms of his agreement were substantially as follows: he would be paid a base salary of CDN\$220,000, to be reviewed annually by the President and CEO and approved by the Compensation Committee; he would be entitled to participate in any benefit plan and program offered generally to executives of the Company; he was entitled to 20 working days vacation per year; and he was entitled to participation in the Stock Option Plan under which he received an initial grant of 500,000 options at an exercise price of CDN\$0.15 and was granted 2,000,000 options on June 29, 2010 at an exercise price of CDN\$0.10. As a result of the Consolidation, Mr. Dann's stock options became 50,000 options at an exercise price of CDN\$1.50 and 200,000 options at an exercise price of CDN\$1.00, respectively, as disclosed in the table below. Pursuant to the Stock Option Plan and in view of Mr. Dann's resignation, all of the 250,000 options granted to Mr. Dann expired on May 3, 2012.

Mr. Dann was also eligible for a bonus on predescribed annual objectives and performance under the Annual Incentive Plan. No bonus was paid to Mr. Dann in 2012 during his tenure as Vice-President Finance and CFO. Mr. Dann's agreement also provided for termination payments which are described below in the section entitled *Termination and Change of Control Benefits*.

#### **Janina Dusza**

Janina Dusza commenced employment with the Company as a Controller on June 03, 2009. Initially, Ms. Dusza was employed through a recruiting agency until September 30, 2011. The Company entered into an employment agreement with Ms. Dusza on September 20, 2011 pursuant to which Ms. Dusza was employed directly by the Company effective October 1, 2011 at an all-inclusive gross salary of CDN\$115,000 per annum. Upon her promotion to the position of CFO effective January 25, 2012, her employment agreement was amended to recognize the respective added duties and responsibilities of the CFO position and, accordingly, her annual base salary was increased to CDN\$220,000, to be reviewed annually by the President and CEO. Pursuant to her employment agreements, the terms are substantially as follows: in addition to the payment of the increased gross salary, Ms. Dusza is entitled to 20 working days vacation and to participate in any applicable benefit plan offered generally to executives of the Company and to be reimbursed for all reasonable travel, entertainment or other expenses incurred in the performance of her duties. Additionally, Ms. Dusza is entitled to participate in the Company's Stock Option Plan and received an initial grant of 350,000 options at an exercise price of CDN\$0.10 on October 1, 2011, which, as a result of the Consolidation, became 35,000 options at an exercise price of \$1.00. Upon the recommendation of the Compensation Committee and approval by the Board, on March 10, 2012 Ms. Dusza was granted 65,000 options exercisable at CDN\$0.60 per common share, which options expire in March 2017 pursuant to the terms of the Stock Option Plan. The particulars of Ms. Dusza's stock options are disclosed in the table below.

Pursuant to her amended agreement effective January 25, 2012, the bonus entitlement on predescribed annual objectives and performance under the Annual Incentive Plan was cancelled. The amended agreement provides that Ms. Dusza will be eligible to participate in any new bonus plan as and when implemented by the Company.

Ms. Dusza's agreement also provides for termination payments which are described below in the section entitled *Termination and Change of Control Benefits*.

#### **Judith Webster**

Judith Webster commenced employment with the Company as Manager, Investor Relations effective July 1, 2002. On September 1, 2008, her employment agreement was restated and amended to include an increase in her annual gross salary to CDN\$125,000, to be reviewed annually by the President and CEO. Upon her promotion to Vice President, Investor Relations effective January 25, 2012 her employment agreement was further amended as at that date and her gross salary was increased to CDN\$180,000. Pursuant to her employment agreement, the terms are substantially as follows: in addition to the payment of the increased gross salary, Ms. Webster is entitled to 20 working days vacation and to participate in any applicable benefit plan offered generally to executives of the Company and to be reimbursed for all reasonable travel, entertainment or other expenses incurred in the performance of her duties. Additionally, Ms. Webster is also entitled to participate in the Company's Stock Option Plan and was granted 500,000 options at an exercise price of CDN\$0.10 on June 29, 2010, which, as a result of the Consolidation, became 50,000 options at an exercise price of CDN\$1.00. Upon the recommendation of the Compensation Committee and approval by the Board, on March 10, 2012 Ms. Webster was granted 50,000 options exercisable at CDN\$0.60

per common share which options will expire in March 2017 pursuant to the terms of the Stock Option Plan. Particulars of Ms. Webster's options are disclosed in the table below.

Pursuant to the September 1, 2008 restated agreement, Ms. Webster is also eligible for a bonus on predescribed annual objectives and performance. No bonus was paid to Ms. Webster in 2012 and as the Annual Incentive Plan was discontinued in 2011, no objectives were set.

Ms. Webster's agreement also provides for termination payments which are described below in the section entitled *Termination and Change of Control Benefits*.

## INCENTIVE PLAN AWARDS

### Narrative Discussion

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

On June 23, 2008 the Board approved an Annual Incentive Plan ("AIP") for the Company's senior management. The AIP provided a framework for the grant of bonuses to designated individuals based on mutually agreed upon pre-described annual personal and corporate objectives and performance with the targets set out in the individual NEOs employment agreements. While the performance goals are to be stipulated in the NEOs employment agreements and the AIP, any bonus to be paid is subjective and is also dependent upon the Company's financial situation. Judith Webster is the only NEO who has bonus provisions in her employment agreements as she was hired prior to the cancellation of the AIP in 2011. No bonus was paid under the AIP during the year 2012 and no performance objectives were predescribed during 2012.

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

Information with respect to the grant of stock options is more particularly described below in the *Outstanding Option-Based Awards and Share-Based Awards* section of this Circular.

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

As mentioned previously, the Company does not have a share-based award plan.

The following table sets out all stock option-based awards granted to the NEOs which were outstanding at the end of the most recently completed financial year and which reflect the Consolidation. During 2012, upon the recommendation of the Compensation Committee, the Board granted options to each of the NEOs on March 10, 2012. No options previously granted were amended, cancelled, replaced or modified. The table below shows all options held by the NEOs as at December 31, 2012 on a post-Consolidation basis. No options were exercised by any of the NEOs during the year ended December 31, 2012.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money options (US\$)	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 (\$)
George Roach President and CEO	500,000 250,000	1.00 0.60	June 28, 2015 March 9, 2017	Nil Nil	N/A	N/A	N/A
Graham Hill Chief Operating Officer	350,000 100,000	1.00 0.60	May 7, 2016 March 9, 2017	Nil Nil	N/A N/A	N/A N/A	N/A N/A
Alexander Dann <sup>(1)</sup> Vice-President Finance and CFO (until January 8, 2012)	50,000 200,000	1.50 1.00	May 3, 2012 May 3, 2012	Nil Nil	N/A N/A	N/A N/A	N/A N/A

Name	Number of securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money options (US\$)	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 (\$)
Janina Dusza <sup>(2)</sup> CFO (from January 25, 2012)	35,000 65,000	1.00 0.60	Sept. 30, 2016 March 9, 2017	Nil Nil	N/A N/A	N/A N/A	N/A N/A
Judith Webster <sup>(3)</sup> Vice President, Investor Relations (from January 25, 2012)	50,000 50,000	1.00 0.60	June 28, 2015 March 9, 2017	Nil Nil	N/A N/A	N/A N/A	N/A N/A

- (1) As mentioned above, pursuant to the Stock Option Plan and in view of Mr. Dann's resignation, all of the 250,000 options granted to Mr. Dann expired on May 3, 2012.
- (2) As mentioned above, prior to Janina Dusza's appointment as CFO, she was Controller to the Company and the options granted to her on October 1, 2011 were granted to her in that capacity and prior to her becoming an NEO.
- (3) As mentioned above, prior to Judith Webster's appointment as Vice President, Investor Relations, she was Manager, Investor Relations and the options granted to her on June 29, 2010 were granted to her in that capacity and prior to her becoming an NEO.

#### Incentive Plan Awards Table

The following table sets out values of incentive stock options held by the NEOs during the year 2012.

Name	Option-based awards – Value vested during the year (US\$)	Share-based awards – Value vested during the year (US\$)	Non-equity incentive plan compensation – Value earned during the year (US\$)
George Roach President and CEO	Nil	N/A	N/A
Graham Hill Chief Operating Officer	Nil	N/A	N/A
Alexander Dann Vice-President Finance and CFO (until January 8 2012)	Nil	N/A	N/A
Janina Dusza CFO (from January 25, 2012)	Nil	N/A	N/A
Judith Webster Vice President, Investor Relations (from January 25, 2012)	Nil	N/A	N/A

## Equity Compensation Plan Information

The following table sets forth, as of December 31, 2012, information concerning securities authorized for issue under the Stock Option Plan on a post-Consolidation basis, which is the only equity compensation plan of the Company.

	<i>Securities to be issued upon exercise of outstanding options (#)</i>	<i>Weighted average exercise price of outstanding options (CDN\$)</i>	<i>Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (#)</i>
<i>Plan Category</i>	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>
Equity compensation plans approved by security holders (the only such plan is the stock option plan)	3,900,000	\$0.85	2,427,422
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	3,900,000	\$0.85	2,427,422

## Long-Term Incentive and Deferred Compensation Plans

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

## PENSION PLAN BENEFITS

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

## TERMINATION AND CHANGE OF CONTROL BENEFITS

Each of the NEOs employment agreements under the heading *Narrative Discussion* under the *Statement of Executive Compensation* section of this Circular, provides for the treatment of compensation upon resignation and the entitlement to receive compensation in the event of termination with or without cause, or from a change of control of the Company. The following discussion describes the potential payments for each NEO upon termination as provided in their employment agreements. As a result of Mr. Dann’s resignation, his employment agreement was terminated, and no additional payments were made to him as a result of his resignation.

### *Resignation*

The employment agreements for each of George Roach, Graham Hill, Janina Dusza and Judith Webster stipulate, and the employment agreement for Alexander Dann provided, that they may resign at any time upon giving 90 days written notice to the Company. The Company may waive the notice in whole or in part by paying all salary, vacation pay, benefits and any outstanding expenses accruing to the end of the notice period and the NEO shall not be entitled to any further payments with regard to his/her employment or the termination thereof following the 90-day period, except for accrued payments thereunder.

### *Retirement*

None of the NEOs agreements contain provisions relating to retirement. In the event of any retirement by an NEO, the Company will pay to the NEO all salary, vacation pay, benefits and any outstanding expenses accruing to the end of the retirement date.

### *Constructive Termination*

The employment agreement for Alexander Dann provided that his agreement would immediately terminate at the option of Mr. Dann, if (i) his title or responsibilities were reduced in any material manner; (ii) the remuneration payable to him is reduced in any manner; or (iii) his participation in the Company’s Stock Option Plan was materially changed, unless such changes had been agreed to by Mr. Dann. In the event that Mr. Dann did not agree to these changes and elected to terminate his

employment by written notice to the Company, the Company was obligated to: (i) pay Mr. Dann a lump sum payment equal to 18 months salary, less any applicable deductions; and (ii) continue any and all benefits for 18 months or, in the alternative, provide to Mr. Dann a lump sum payment equal to the Company's cost for such benefits. In addition, all options granted to Mr. Dann would immediately vest.

None of the other NEOs employment agreements contain provisions relating to constructive termination.

#### *Termination Without Cause*

The employment agreement for Alexander Dann provided that in the event the Company had terminated him without cause, he would be entitled to compensation equal to 18 times his monthly gross salary, less the applicable deductions, as well as the continuation of his benefits for a period of 18 months or receive a lump sum payment as compensation therefor. The employment agreement for George Roach provides that the Company may terminate his employment at any time by giving Mr. Roach written notice of termination or pay in lieu of such notice, or any combination thereof, at the Company's discretion, equal to 18 months of his current annual salary, less all required withholdings and deductions. Graham Hill's agreement provides that the Company may terminate his employment for reasons other than cause by providing Mr. Hill with notice of termination or pay in lieu of such notice, at the Company's discretion, equal to the greater of: (i) three (3) months' salary; or (ii) Mr. Hill's entitlements under the Ontario *Employment Standards Act, 2000*. The Company may also permit Mr. Hill to continue to participate in the Company's international benefit coverage for the period of notice. The employment agreements for each of Janina Dusza and Judith Webster provide that the Company may, without cause, terminate their agreements by providing a lump sum payment equal to three (3) times their monthly gross salary, less deductions, and continue all benefits for three (3) months after the termination.

#### *Termination With Cause*

Alexander Dann's agreement provided and all of the other NEOs employment agreements provide that their employment may be terminated by the Company for Cause, in which event they shall immediately cease rendering services and the Company shall pay them only those accrued amounts payable under their employment agreement to the date that the agreement is terminated. "Cause" as used in the agreements means: (i) a material and wilful breach of the provisions of the agreement which has not been cured to the satisfaction of the Company within 10 days of written notice of such breach; (ii) a conviction of the NEO or a plea of guilty by the NEO of a criminal act involving fraud or dishonesty; (iii) fraud; (iv) misappropriation or theft of any of the Company's property or assets; or (v) just cause at common law.

#### *Termination on Change of Control*

The employment agreements for each of George Roach and Graham Hill define "Change of Control" to mean: (i) where an active person or group of persons acting jointly or in concert (other than the company or a person that directly or indirectly controls, is controlled by or is under common control with the company) acquires ownership or control of 50% or more of the outstanding securities carrying voting rights for the election of the board of directors of the Company, whether acquired in a single transaction or a series of transactions and does not include passive investors; (ii) the sale, lease or transfer of all or substantially all of the Company's assets to any other person(s) or corporation that is/are not an affiliate of the Company; or (iii) any merger, amalgamation, arrangement or other reorganization by the Company with another person(s) or corporation that is not, prior to the merger, amalgamation, arrangement or reorganization, an affiliate of the Company and in which voting securities of the Company possessing more than 50% of the total combined voting power of the Company's outstanding securities are transferred to a person(s) or corporation different from the person(s) or corporation holding those securities immediately prior to such transaction and the composition of the board of directors following such transaction is such that the directors of the Company prior to the transaction constitute less than 50% of the board of directors' membership following the transaction. However, a Change of Control shall not be deemed to have occurred if such Change of Control results solely from the issuance, in connection with a bona fide financing or series of financings by the Company or any of its affiliates, of voting securities of the Company or any of its affiliates or any rights to acquire voting securities of the Company or any of its affiliates which are convertible into voting securities of the Company.

In the event of a Change of Control and Mr. Roach's employment is terminated without cause by the Company or any successor entity within a nine (9) month period following the Change of Control then the Company will provide Mr. Roach with the following: (i) pay equal to 18 months of his then current annual base salary, less all required statutory deductions and withholdings; (ii) all other accrued amounts payable by the Company to Mr. Roach to the date that his agreement is terminated; and (iii) all share options held by Mr. Roach shall vest immediately on or prior to such Change of Control in accordance with the terms and conditions of the Company's Stock Option Plan.

In the event of a Change of Control, Mr. Hill can elect to terminate his agreement due to the Change of Control or within one (1) year following the Change of Control elect to terminate his employment and upon such termination, Mr. Hill is entitled to receive on his termination date: (i) a lump sum payment equal to 12 months of his base salary, less applicable statutory deductions; and (ii) all of Mr. Hill's outstanding options shall immediately vest pursuant to the terms of the Company's Stock Option Plan.

The employment agreement for Alexander Dann defined and the employment agreement for each of Janina Dusza and Judith Webster define "Change of Control" to mean: (i) where an active person or group of persons acting jointly or in concert (other than a person that is a Registered Dealer and other than the Company or a person that directly or indirectly controls, is controlled by or is under common control with the Company), acquires ownership or control of 30% or more of the outstanding securities of the Company carrying voting rights for the election of the board of directors of the Company, whether acquired in a single transaction or a series of transactions and does not include passive investors; (ii) the sale, lease or transfer of all or substantially all of the Company's assets to any other person(s) or corporation that is/are not an affiliate of the Company; or (iii) any merger, amalgamation, arrangement or other reorganization by the Company with another person(s) or corporation in which voting securities of the Company possessing more than 50% of the total combined voting power of the Company's outstanding securities are transferred to another person(s) or corporation different from the person(s) or corporation holding those securities immediately prior to such transaction and the composition of the board of directors following such transaction is such that the directors of the Company prior to the transaction constitute less than 50% of the board of directors' membership following the transaction. However, a Change of Control shall not be deemed to have occurred if such Change of Control results solely from the issuance, in connection with a bona fide financing or series of financings by the Company or any of its affiliates, of voting securities of the Company or any of its affiliates or any rights to acquire voting securities of the Company or any of its affiliates which are convertible into voting securities of the Company.

In the event of a Change of Control, Mr. Dann had the right, exercisable at any time within a one (1) year period thereafter, to terminate his employment upon providing notice to the Company. If he terminated his agreement within the one (1) year period, or within one (1) year following the Change of Control, his agreement and employment was terminated by the Company for any reason, then the Company would on the termination date: (i) pay a lump sum payment equal to 18 times his monthly gross salary, less applicable statutory deductions; (ii) pay a lump sum payment equal to one and a half ( 1 ½) times the annual Company cost of any benefits provided to Mr. Dann; (iii) pay a lump sum payment equal to all other accrued amounts, including any bonus under the Company bonus plan, payable by the Company to Mr. Dann under his agreement to the termination date; and (iv) all options held by Mr. Dann would immediately vest.

Janina Dusza's employment agreement provides that if a Change of Control occurs at any time during the term of her agreement and her employment is terminated by the Company for any reason other than for Cause within 18 months of the Change of Control, then the Company shall on the termination date: (i) pay to Ms. Dusza a lump sum amount equal to her base annual salary, less applicable statutory deductions; (ii) continue all current benefits for 12 months or pay to Ms. Dusza an amount equal to the Company's annual cost of any benefits provided to her; (iii) pay to Ms. Dusza all outstanding vacation and wages accrued to the date her agreement is terminated; and (iv) have all options held by Ms. Dusza immediately vest.

Judith Webster's employment agreement provides that if a Change of Control occurs at any time during the term of her agreement, then Ms. Webster will have the right, exercisable at any time within a one year period thereafter, to terminate her employment upon providing notice to the Company. If Ms. Webster terminates her employment pursuant to this right or within one year following the Change of Control, her agreement and Ms. Webster's employment is terminated by the Company for any reason, then the Company shall on the termination date: (i) pay to Ms. Webster an amount equal to the sum of her annual base salary, less applicable statutory deductions; (ii) continue all benefits for 12 months or pay to Ms. Webster an amount equal to the Company's annual cost of any benefits provided to her; (iii) pay to Ms. Webster all other accrued amounts payable by the Company to her to the date her agreement is terminated; and (iv) have all options held by Ms. Webster immediately vest.

Other than as disclosed herein, the Company does not have any other compensatory plans, contracts or arrangements whereby the NEOs would be entitled to receive compensation in the event of the resignation, retirement or any other termination of employment of such individual's employment or from a Change of Control of the Company or any subsidiary of the Company or a change in such individual's responsibilities following a Change in Control.

The table below summarizes the US\$ equivalent payments that would have been paid to the NEOs in office during 2012 pursuant to termination and on a change of control as of December 31, 2012.

<i>Payments Required On Termination or Change of Control</i>			
<i>(US\$)</i>			
<i>Name</i>	<i>Salary</i>	<i>Benefits <sup>(5)</sup></i>	<i>Total</i>
George Roach <sup>(1)</sup> President & CEO	\$269,838 - \$269,838	Nil	\$269,838 - \$269,838
Graham Hill <sup>(2)</sup> Chief Operating Officer	\$89,946 - \$359,784	Nil	\$89,946 - \$359,784
Alexander Dann <sup>(3)</sup> Vice-President Finance and CFO (until January 8, 2012)	\$ 4,967 - \$219,868	Nil	\$54,967 - \$219,868

<i>Payments Required On Termination or Change of Control</i> (US\$)			
<i>Name</i>	<i>Salary</i>	<i>Benefits <sup>(b)</sup></i>	<i>Total</i>
Janina Dusza <sup>(4)</sup> Chief Financial Officer (from January 25, 2012)	\$54,967 - \$219,868	Nil	\$54,967 - \$219,868
Judith Webster <sup>(4)</sup> Vice President , Investor Relations (from January 25, 2012)	\$44,973 – \$179,892	Nil	\$44,973 – \$179,892

- (1) During 2011, Mr. Roach did not have an employment agreement and was not entitled to any benefits and was therefore not entitled to any payments in the event of termination or Change of Control. Pursuant to Mr. Roach's employment agreement entered into on April 25, 2012, in the event of termination and a Change of Control, he would be entitled to receive a salary payment of US\$269,838. As there is no benefit clause in Mr. Roach's agreement, there would be no entitlement to a benefit payment.
- (2) Mr. Hill is a member of the Company's international benefit plan and the amount disclosed in the Benefits column represents the amount payable to him pursuant to the plan in the event of termination without cause and according to his employment agreement no benefit payment is required on a Change of Control. The salary amounts represent what would have been paid to him in the event of termination without cause and on a Change of Control. No such payments were paid to him during the year ended December 31, 2012.
- (3) Alexander Dann was a member of the Company's benefit plan for its senior executives and the amount disclosed in the Benefits column represents the amount payable to him pursuant to the plan in the event of termination without cause and on a Change of Control. The salary amount represents what would have been paid to him in the event of termination without cause and on a Change of Control. No such payments were paid to Mr. Dann during the year ended December 31, 2012.
- (4) The salary amounts for Janina Dusza and Judith Webster represent what would have been paid to them in the event of termination without cause and on a Change of Control. No such payments were paid to either of them during the year ended December 31, 2012.
- (5) The NEOs perquisites and personal benefits as required by paragraph 3.1(10)(a) are less than CND\$50,000.

## **DIRECTOR COMPENSATION**

### **Narrative Discussion**

At the Annual and Special Meeting of Shareholders held on June 26, 2012, the following persons were elected as directors: Alexander du Plessis, Ozge Erdem, Robert Metcalfe, George Roach, Robert Shirriff and David de Jongh Weill. On October 29, 2012 Robert Metcalfe resigned as a director and Chairman of the Board. Subsequent to the year end, in connection with Dickson's Initial Appointment Right and in order for the Board to meet Canadian residency requirements under the *Canada Business Corporations Act*, Ozge Erdem tendered her resignation effective March 23, 2013. Alexander du Plessis and Robert Shirriff are not standing for re-election at the Meeting. Directors of the Company who are also NEOs are not compensated for their services in their capacity as directors.

At the Board meeting held on June 29, 2010, the directors, based on the recommendations of the Compensation Committee of the Board, determined the compensation payable to the directors according to the following schedule:

	<i>Annual Retainer</i> CDN \$	<i>Chair</i> CDN \$
Directors	30,000	45,000
Audit Committee	5,000	10,000
Other Committees	2,000	4,000

On April 25, 2012, the Board renamed the Health, Safety and Environment Committee to be the Safety, Health and Sustainable Development Committee and created a new Technical Committee. Alexander du Plessis was appointed to be Chair of each of these Committees. On May 28, 2012, at the recommendation of the Compensation Committee, the Board approved that commencing April 1, 2012, an annual fee of US\$10,000 be paid to Alexander du Plessis as Chair of the Safety, Health and Sustainable Development Committee and an annual fee of US\$10,000 be paid to him as Chair of the Technical Committee.

Prior to becoming a director, Alexander du Plessis provided technical consulting services to the Company through a company related to him, Extract Consultancy Limited, pursuant to an agreement between the Company and Extract Consultancy Limited dated September 19, 2011 that was amended on April 01, 2012 to modify the fees to be at a fixed annual amount of US\$140,000, billed and payable monthly.

During the financial year ended December 31, 2012, the Company had no other arrangements or agreements for compensating any director or any related companies to any director for services as consultants or experts.

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

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

### Director Compensation Table

The following table sets forth all compensation provided to the directors for the year ended December 31, 2012.

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

During 2012, upon the recommendation of the Compensation Committee, the Board granted options to each of the directors on March 10, 2012. The Company used the Black Scholes option pricing model to estimate the fair value of the options granted using the following assumptions: weighted average risk-free interest rate, expected share price annual volatility, weighted average expected life (years), estimated forfeiture rate and expected dividend yield.

Other than as reported in the table below, no directors of the Company were compensated during the financial year ended December 31, 2012 for services in their capacity as directors. George Roach, as President and CEO, does not receive fees in his capacity as a director.

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

Name <sup>(1)</sup>	Fees earned (US\$)	Share-based awards	Option-based awards <sup>(2)</sup> (US\$)	Non-equity Incentive plan compensation	Pension value	All other compensation (US\$)	Total (US\$)
Alexander du Plessis <sup>(3)</sup>	\$37,487	N/A	\$133,699	N/A	N/A	Nil	\$171,186
Ozge Erdem	\$36,978	N/A	\$ 24,308	N/A	N/A	Nil	\$ 61,286
Robert Metcalfe <sup>(4)</sup>	\$44,435	N/A	\$ 24,308	N/A	N/A	Nil	\$ 68,743
Robert Shirriff	\$39,640	N/A	\$ 24,308	N/A	N/A	Nil	\$ 63,948
David de Jongh Weill <sup>(5)</sup>	\$50,033	N/A	\$ 24,308	N/A	N/A	Nil	\$ 74,341

(1) George Roach, President and CEO and a director, did not receive directors' fees. His compensation as a NEO is disclosed under the section entitled *Summary Executive Compensation Table* above.

(2) As mentioned above, the fair value of the options granted is determined at the time of the grant in accordance with a valuation methodology identified in IFRS 2. *Share-Based Payment*. The Company used the Black Scholes option pricing model to estimate the fair value of the options granted using the following assumptions: weighted average risk-free interest rate, expected share price annual volatility, weighted average expected life (years), estimated forfeiture rate and expected dividend yield.

(3) Alexander du Plessis was appointed a director effective April 25, 2012. Included in the *Fees Earned Column* is the

amount of US\$15,000 that Prof. du Plessis received in his capacity as Chair of each of the Safety, Health and Sustainable Development and the Technical Committees. Also as described above, Prof. du Plessis is a sub-contractor to Extract Consultancy Limited, a company that was engaged by the Company to provide technical consulting services. In aggregate, Extract Consultancy Limited earned US\$147,189 for consulting services rendered during 2012.

- (4) Robert Metcalfe resigned as a director and Chairman of the Board on October 29, 2012.
- (5) David de Jongh Weill was appointed as Chairman of the Board effective October 30, 2012.

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

### Narrative Discussion

As disclosed elsewhere herein, the Company does not have a share-based award plan, a pension plan or a non-equity incentive plan for its directors.

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

The following table sets out all stock option-based awards granted to non-executive directors outstanding as at December 31, 2012 on a post-Consolidation basis. As indicated above, upon the recommendation of the Compensation Committee, the Board granted options to each of the directors on March 10, 2012. No options previously granted were amended, cancelled, replaced or modified and no options were exercised by any of the directors during the year. The table below shows all options held by the directors as at December 31, 2012. All options granted prior to the Consolidation were revised to reflect the number of options after the Consolidation.

Option-Based Awards					Share-Based Awards		
Name <sup>(1)</sup>	Number of securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money options (US\$)	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 (\$)
Alexander du Plessis	275,000	0.60	Mar. 9, 2017	Nil	N/A	N/A	N/A
Ozge Erdem	250,000 50,000	1.00 0.60	June 28, 2015 Mar. 9, 2017	Nil Nil	N/A N/A	N/A N/A	N/A N/A
Robert Metcalfe <sup>(2)</sup>	250,000 25,000	1.00 0.60	Jan. 27, 2013 Jan. 27, 2013	Nil Nil	N/A N/A	N/A N/A	N/A N/A
Robert Shirriff	5,000 250,000 50,000	1.50 1.00 0.60	Nov. 30, 2013 June 28, 2015 Mar. 9, 2017	Nil Nil Nil	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A
David de Jongh Weill	250,000 50,000	1.00 0.60	June 28, 2015 Mar. 9, 2017	Nil Nil	N/A N/A	N/A N/A	N/A N/A

- (1) The outstanding options held by George Roach were granted in his capacity as a NEO and are disclosed in the NEOs' *Outstanding Options Based Awards and Share-Based Awards* table at page 14.
- (2) As Robert Metcalfe resigned as a director and Chairman of the Board on October 29, 2012, pursuant to the terms of the Stock Option Plan his vested options remained eligible for exercise for 90 days following his termination. All of Mr. Metcalfe's options expired unexercised on January 27, 2013.

## Incentive Plan Awards Table

The following table sets out values of incentive stock options held by the non-executive directors as at December 31, 2012.

<i>Name</i>	<i>Option-based awards – Value vested during the year (US\$)</i>	<i>Share-based awards – Value vested during the year (US\$)</i>	<i>Non-equity incentive plan compensation – Value earned during the year (US\$)</i>
Alexander du Plessis	Nil	N/A	N/A
Ozge Erdem	Nil	N/A	N/A
Robert Metcalfe <sup>(1)</sup>	Nil	N/A	N/A
Robert Shirriff	Nil	N/A	N/A
David de Jongh Weill	Nil	N/A	N/A

- (1) As mentioned above, Robert Metcalfe resigned as a director and Chairman of the Board on October 29, 2012. Pursuant to the terms of the Stock Option Plan, his vested options remained eligible for exercise for 90 days following his termination. All of Mr. Metcalfe's options expired unexercised on January 27, 2013.

### Indebtedness of Directors and Executive Officers

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

### AUDIT COMMITTEE

#### The Audit Committee's Charter

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

#### Composition of the Audit Committee

During the year 2012 until October 29, 2012, the members of the Audit Committee were Ozge Erdem, Robert Metcalfe and David de Jongh Weill, with Mr. Weill serving as Chair of the Committee. As a result of Mr. Metcalfe's resignation effective October 29, 2012, George Roach was appointed a member of the Audit Committee to fill the vacancy on the Committee effective November 20, 2012. Subsequent to the year end, on March 23, 2013 Ozge Erdem resigned as a director of the Company and on April 15, 2013, Joe Tai was appointed as a member of the Audit Committee to fill the vacancy created by Ms. Erdem's resignation.

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

To be considered independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Company. A "material relationship" is a relationship which could, in the view of the Board be reasonably expected to interfere with the exercise of a member's independent judgment. Also, to be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Based on these requirements, only Messrs. Tai and Weill are considered to be independent and all members are financially literate.

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

- Ozge Erdem (member during 2012 until March 23, 2013) is a director of Patrimoine International Limited (holding company) and a Partner and Compliance Officer at Patrimoine Partners LLP (corporate finance advisory and

investment management firm); has legal experience and is a member of the Bar in England, Wales and a qualified lawyer in Turkey.

- Robert Metcalfe (member during 2012 until October 29, 2012) is legal counsel at Metcalfe, Blainey & Burns LLP. He has many years of experience as a director on boards of public sector companies as well as serving as a member and/or chairman of numerous audit, compensation and corporate governance committees.
- George Roach (member since November 20, 2012) is a director and the President and CEO of the Company. He has many years of experiences as a director on boards of public sector companies as well as serving as a member and/or chairman of numerous committees of the various boards.
- Joe Tai (member since April 15, 2013) is Managing Director of CWN Capital Inc. and a director, President and CEO of ChineseWorldNet.com Inc. He has been a director and/or officer and a member of various committees of several publicly listed companies and has an understanding of generally accepted accounting principles and statements; an understanding of internal controls over financial reporting; and an understanding of audit committee functions.
- David de Jongh Weill is a director and Chairman of the Board of the Company. He is also a director and Executive Chairman of Patrimoine Pte. Ltd. (corporate finance advisory company) the Executive Chairman and a director of Patrimoine International Limited (holding company) and a Partner of Patrimoine Partners LLP (corporate finance advisory and investment management firm). He has a Bachelor of Business Administration in International Business, Master of Business Administration, Masters in Law and Accounting, Masters in Decision Sciences and is a member of the Bar in England and Wales.

### Audit Committee Oversight

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

### Reliance on Certain Exemptions

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

### Pre-Approval Policies and Procedures

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

### External Auditor Service Fees (By Category)

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

<i>Financial year ended</i>	<i>Audit fees <sup>(1)</sup> (CDN\$)</i>	<i>Audit related fees <sup>(2)</sup> (CDN\$)</i>	<i>Tax fees <sup>(3)</sup> (CDN\$)</i>	<i>All other fees <sup>(4)</sup> (CDN\$)</i>
December 31, 2012	65,000	Nil	13,200	Nil
December 31, 2011	96,000	Nil	13,200	37,500

- (1) The aggregate fees billed related to the fiscal year audit, notwithstanding when the fees were billed or when the services were rendered.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit fees" column.
- (3) The aggregate fees for tax compliance, tax advice and tax planning for services rendered from January through December of the fiscal year, notwithstanding when the fees were billed.
- (4) The aggregate fees billed in relation to services rendered for the acquisition of AfNat Resources Limited in 2010, the conversion to the International Financial Reporting Standards on transition, and the disposition of the Company's Sierra Leone assets.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### Corporate Governance Practices

Corporate governance relates to the activities of the Board, the members of which are elected by, and are accountable to, the Company's shareholders. The Board views effective corporate governance as an essential element for the ongoing well-being of the Company and its shareholders. Although the Board has not implemented a Board Mandate, the Board discharges its responsibilities directly and through its committees as listed on page 6. Additionally, the Board reviews the Company's corporate governance practices on an ongoing basis to ensure that they provide for effective stewardship of the Company.

As part of its review of the corporate governance practices of the Company pursuant to the requirements of National Instrument 58-101 "Disclosure of Corporate Governance Practices", in March 2008, the Board adopted a new charter of the Corporate Governance Committee (subsequently renamed the Corporate Governance and Nominating Committee), which is annexed hereto as Schedule "C".

The Board believes that at this stage its approach to corporate governance is appropriate and continues to work to align with the recommendations for TSX Venture Exchange-listed issuers contained in National Policy 58-201 "Corporate Governance Guidelines" ("NP 58-201"). However, as a result of the Corporate Governance and Nominating Committee's recent review, the Corporate Governance and Nominating Committee recommends that in the future it would be advisable for the Board to establish a Board Mandate.

### Composition of the Board

Management is proposing the election at the Meeting of five (5) nominees, four (4) of whom are current directors. Three (3) of the nominees for director are deemed to be independent. As indicated above under *Information Regarding Nominees for Directors*, subject to TSXV approval, the directors will hold her/his office until the next annual meeting of shareholders or until their respective successors are elected or appointed. The Board may appoint additional directors subsequent to the Meeting as provided in the by-laws and articles of the Company. Under NP 58-201, a director is considered to be "independent" if he or she has no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment. In addition, certain individuals are deemed, for the purposes of NP 58-201, to have material relationships with the Company. Under this definition, the proposed Board will have three (3) independent directors: Bright Chiu, Joe Tai and David de Jongh Weill. George Roach is the President and CEO and, accordingly, as an executive officer, is not independent. Lucy Yan is a controlling shareholder of Dickson, a major shareholder of the Company, and, accordingly, is not independent.

The following table discloses the proposed nominees for director, whether or not they are considered independent within the meaning of NP 58-201, and other directorships they hold with issuers that are or were reporting issuers or the foreign equivalent during 2012.

Name	Independence	Directorship(s) of other reporting issuer(s) (jurisdiction) <sup>(1)</sup> and reason for not being independent where applicable
Bright Chiu	Independent	
George Roach	Not independent	Mr. Roach is not independent by virtue of being President and CEO of the Company. He is also Chief Executive Officer, Executive Chairman and a director of Premier African Minerals Ltd. (British Virgin Islands company and AIM London listed); and the Chairman, Chief Executive Officer and a director of Ethiopian Potash Corp. (Canada).
Joe Tai	Independent.	Mr. Tai is President and CEO of ChineseWorldNet.com Inc. and a director thereof (Cayman Islands company and OTCQX U.S. listed). He is also a director of China Goldcorp Ltd. and Adex Mining Inc., both of which are incorporated in Ontario.
David de Jongh Weill	Independent.	
Lucy Yan	Not Independent	Ms. Yan is a controlling shareholder of Dickson Resources Limited, a major shareholder of the Company, and therefore is not independent.

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

## Ethical Business Conduct

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

In addition, in October 2011 the Board implemented an Anti-Bribery and Anti-Corruption Policy and monitoring program to reflect the Company's zero tolerance attitude to bribery and corruption and the responsibility of all directors, officers, employees and consultants of the Company to report any concerns or incidents to the Company's Compliance Officer. Janina Dusza, the CFO of the Company, has been appointed as the Compliance Officer and it is her responsibility to ensure that a copy of the policy is provided to each director, officer, employee and consultant of the Company.

## Board Committees and their Mandates

As reported above, the Board has established six committees, the mandates of which are set out below. The composition of the committees of the Board is set out under the heading *Committees of the Directors* under the section entitled *Election of Directors*. Except for the Safety, Health and Sustainable Development Committee and the Technical Committee, each committee has an independent director as chairman, and consists of all or a majority of independent directors.

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

*Audit Committee*, whose mandate is to:

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

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

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

*Corporate Governance and Nominating Committee*, whose mandate is to:

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

*Safety, Health and Sustainable Development Committee (previously the Health, Safety and Environment Committee)* was reorganized on April 25, 2012 and its current mandate is to:

- a. review and approve the development and implementation of policies and procedures related to safety, health and

- sustainable development in the conduct of the Company's affairs, and make recommendations thereon to the Board;
- b. consider global mining industry developments with regard to safety, health and sustainable development and make recommendations thereon to the Board;
  - c. ensure that risks to safety, health and sustainable development in the conduct of the Company's affairs are identified and appropriately addressed;
  - d. assist the Chief Executive Officer in recruiting senior safety, health and sustainable development staff and make recommendations to the Board with respect to such matters;
  - e. review, as the need arises, the Company's planned work programs and budgets to ensure that they make adequate provision for activities related to safety, health and sustainable development;
  - f. investigate, or cause to be investigated, any extraordinary negative safety, health or sustainable development performance in the conduct of the Company's affairs and make recommendations to the Board with respect to such matters; and
  - g. review the provision of information, training and protective equipment to people working at or visiting any of the Company's sites and make recommendations thereon to the Board and the management of the Company.

*Technical Committee* was formed on April 25, 2012 and its mandate is to:

- a. oversee the progress of the development of the Company's Passendro mine in the Central African Republic, and the technical standards applied to the design and engineering thereof, and make recommendations to the Board;
- b. assist the Chief Executive Officer in recruiting senior technical staff to the Company and make recommendations thereon to the Board;
- c. review, as the need arises, the Company's planned work programs and budgets to ensure that they are focussed on progressing exploration and development activities and make recommendations thereon to the Board;
- d. review, as the need arises, technical data from field activities and offer feedback to management; and
- e. review quarterly the maintenance in good standing of all the Company's mineral licenses and report thereon to the Board.

The mandate of the *Disclosure Policy Committee* is to ensure appropriate disclosure of all material information on a timely basis with broad dissemination in accordance with all applicable legal and regulatory requirements in Canada. Material information is deemed to be any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in a significant change in the market price or value of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decision.

### **Orientation and Continuing Education**

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

At this time, the Board has not implemented a formal continuing education program for its directors, due to the historical size and composition of the Board and the stage of the Company's development. The Corporate Governance and Nominating Committee encourages directors to attend appropriate education programs to ensure that directors maintain the skill and knowledge necessary to meet their obligations as directors of the Company, and the directors are reimbursed by the Company for such programs. The Corporate Governance and Nominating Committee and the Board are cognizant of the need to establish a formal program and it is anticipated that this issue will be addressed further in the fiscal year 2013.

### **Compensation**

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

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

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

### **Nomination of Directors**

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

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

### **Board and Committee Assessments**

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

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

Effective October 28, 2002, the Company put in place directors' and officers' liability insurance with liability coverage up to CDN\$5,000,000. The insurance is renewable on an annual basis. Upon the renewal on October 29, 2008, the coverage was increased up to \$CDN10,000,000 and the annual premium for the year up to November 28, 2013 was CDN\$30,267 (2012 - \$30,267).

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

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

On January 25, 2012, the Company announced the acquisition from Ferrum Resources Limited ("Ferrum Resources") of all of the issued and outstanding shares of Ferrum Centrafrique SA. ("Ferrum SA"), the CAR registered company that has lodged exploration licence applications for iron ore over the Topa Iron Belt, which is in the same areas licensed to the Company for gold exploration. As consideration for the acquisition, the Company has agreed to issue, but only if, as and when, the exploration licences are granted (the "Grant") to Ferrum SA and notice thereof has been publicly announced by the Company, such number of shares of the Company as will equal US\$10 million, based on the 20 day volume weighted average price commencing five trading days from the award of the licence, provided that the number of shares to be issued shall not exceed 9.9% of the Company's then issued and outstanding shares (on a non-diluted basis). In addition, if the Grant occurs Ferrum Resources will receive on the date of the grant 25% of the outstanding shares of Ferrum SA. The Company has also granted to Ferrum Resources a free-carried interest for the first US\$4 million of the Topa Project expenditures incurred after the date of the

agreement, provided that in the event the value of the Company's shares issued is less than US\$10 million, the free-carried interest will be increased in an amount equal to such difference, subject to a maximum free-carried interest of US\$10 million. In the event the exploration licences shall not have been granted within 24 months of the date of the agreement, the Company will be entitled, in its sole discretion, to wind up Ferrum SA, subject to first offering the shares of Ferrum SA to Ferrum Resources. George Roach, the Company's director, President and CEO is a director of Ferrum SA. He was a director of Ferrum Resources from May 2010 to December 2011.

#### **Subscription Agreement with Dickson Resources Limited**

On March 22, 2013, the Company entered into a subscription agreement (the "Subscription Agreement"), which was subsequently amended on March 26, 2013, with Dickson whereby Dickson agreed to purchase an aggregate of 45,000,000 Units at a price of \$0.15 per Unit (the "Subscription Price") on a private placement basis for aggregate gross proceeds of \$6,750,000 (the "Offering"). As stated elsewhere herein, Dickson is controlled by Lucy Yan, a current and proposed director of the Company. Ms. Yan does not hold any securities of the Company in her personal holdings.

Provided that the required shareholder approval (the "Shareholder Approval") is obtained on or before June 7, 2013, each Warrant will entitle the holder thereof to acquire one Common Share at the Subscription Price from the date that the Shareholder Approval is obtained (the "Shareholder Approval Date") until the date which is 24 months following the Shareholder Approval Date. In the event that Shareholder Approval is not obtained on or before June 7, 2013, the Warrants will immediately expire unexercised and shall have no further value and effect and Dickson will receive no further consideration in respect thereof. It is anticipated that the Shareholder Approval will be obtained at the special meeting of shareholders (the "Special Meeting") of the Company on May 23, 2013.

The Offering is occurring in two stages. On April 9, 2013 (the "Initial Closing Date"), Dickson purchased 15,800,000 Units, for an aggregate subscription price of \$2,370,000. Provided that the Shareholder Approval is obtained, on the day that is five business days after the Special Meeting, or on such other day as the Company and Dickson may agree, but no later than June 7, 2013, (the "Subsequent Closing Date") Dickson will purchase an additional 29,200,000 Units (the "Subsequent Subscribed Units") for an aggregate subscription price of \$4,380,000. Upon the issuance of the Subsequent Subscribed Units to Dickson, Dickson will become a new Control Person (as defined in the TSXV Corporate Finance Manual).

Pursuant to the Subscription Agreement, Dickson was granted the right to, at any time from the Initial Closing Date until the earlier of (i) the Subsequent Closing Date and (ii) the termination of the Subscription Agreement in accordance with its terms to appoint up to two additional members to the Board (the "Initial Appointment Right"). Upon receiving written notice from Dickson that it intended to exercise such appointment right, the Company agreed to use commercially reasonable efforts to assist in effecting the resignations of three of the directors of the Company and cause them to be replaced by such persons nominated by Dickson as soon as practicable following the receipt of such notice. Until the Initial Appointment Right was exercised or expired, Dickson had the right, upon written notice to the Company, to appoint one observer to the Board, with such appointed observer having the same rights as directors of the Company (including access to information and attendance at and participation in meetings), except that such observer would not have the right to vote in votes of the Board or to receive any remuneration from the Company in connection with his or her observer status.

In connection with the Initial Appointment Right, Ms. Ozge Erdem agreed to step down as a director of the Company effective March 23, 2013 and Joe Tai and Lucy Yan were appointed to the Board effective April 15, 2013.

In addition, pursuant to the Subscription Agreement, Dickson was also granted the right to, at any time from the Subsequent Closing Date until December 31, 2013, to appoint three of the five (or four of the six) members of the Board, as the case may be (the "Second Appointment Right"). Upon receiving written notice from Dickson that it intends to exercise such appointment right, the Company agreed to use commercially reasonable efforts to assist in effecting the resignations of three of the directors of the Company and cause them to be replaced by persons nominated by Dickson as soon as practicable following the receipt of such notice. Until the Second Appointment Right is exercised or expires, Dickson will have the right, upon written notice to the Company, to appoint up to three observers to the Board of the Company, with such appointed observers having the same rights as Directors of the Company (including access to information and attendance at and participation in meetings), except that they will not have the right to vote in votes of the Board or to receive any remuneration from the Company in connection with their observer status. By resolution in writing dated April 29, 2013, signed by all of the directors of the Company, the directors authorized that the number of directors to be elected at the Meeting is five (5). Pursuant to the Second Appointment Right, Dickson has appointed three nominees for election to the Board, being Bright Chiu, Joe Tai and Lucy Yan.

#### **Finder's Fee Agreement with CWN Capital Inc.**

Joe Tai, a current and proposed director of the Company, was appointed to the Board pursuant to the Initial Appointment Right (as defined herein). Mr. Tai is also the Managing Director of CWN Capital Inc. ("CWN"). Pursuant to a finder's fee agreement (the "Finder's Fee Agreement") between CWN and the Company dated March 25, 2013, the Company agreed to pay CWN a cash finder's fee (a "Cash Fee") equal to 8% of the gross proceeds for all equity related financings received by the Company from Dickson and that number of warrants ("Finder's Fee Warrants") of the Company as is equal to 8% of the Common Shares comprising part of such financings on the terms and conditions set out in the Finder's Fee Agreement. On April 9, 2013, CWN

was paid a Cash Fee of \$189,600 and was issued 1,264,000 Finder's Fee Warrants in connection with the issuance of the Initial Subscribed Units (as defined below) to Dickson. Provided that the Shareholder Approval is obtained and the Subsequent Subscribed Units are issued to Dickson pursuant to the Subscription Agreement, pursuant to the Finder's Fee Agreement CWN will be entitled to receive a Cash Fee of \$350,400 and 2,336,000 Finder's Fee Warrants.

Other than as disclosed above, there were no material interests, direct or indirect, of any informed person of the Company, any proposed director of the Company, or any known associates or affiliates of any informed person or proposed director, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

#### **MANAGEMENT CONTRACTS**

Neither the Company nor any of its subsidiaries have entered into Management Contracts with third parties.

#### **SHAREHOLDER PROPOSALS FOR NEXT MEETING**

The *Canada Business Corporations Act*, which governs the Company, provides that shareholder proposals must be received by March 1, 2014 to be considered for inclusion in the management information circular and the form of proxy for the 2014 annual meeting of shareholders, which is expected to be held in June, 2014.

#### **FINANCIAL STATEMENTS**

A copy of the Company's Annual Report consisting of the audited consolidated financial statements of the Company for the financial year ended December 31, 2012, being the Company's most recently completed financial year, together with the auditors' report thereon will be mailed to shareholders on May 14, 2013. The directors will place before the Meeting the said audited consolidated financial statements and auditors' report.

#### **ADDITIONAL INFORMATION**

A copy of this Circular is filed on the SEDAR website ([www.sedar.com](http://www.sedar.com)). Additional information relating to the Company may be obtained from the SEDAR website. Financial information for the year ended December 31, 2012 is provided in the Company's Annual Report for 2012 containing the financial statements and management's discussion and analysis of financial condition and results of operations, which is also filed on the SEDAR website ([www.sedar.com](http://www.sedar.com)). Shareholders of the Company may request free of charge copies of the Company's Circular and/or financial statements and management's discussion and analysis of financial condition and results of operations by contacting the Vice President, Investor Relations at (416) 368-0993; fax (416) 368-0997; or e-mail: [ir@axmininc.com](mailto:ir@axmininc.com).

#### **DIRECTORS' APPROVAL**

The contents and the sending of this Circular to the shareholders of the Company have been approved by the board of directors of the Company. Unless otherwise indicated herein, information contained in this Circular is given as at April 30, 2013.

DATED at Toronto, Ontario this 30th day of April, 2013.

BY ORDER OF THE BOARD

"Signed"

Shirley Kozel  
Secretary

# Schedule "A"

## AXMIN INC.

### Stock Option Plan 2005

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

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

#### 1. Purposes

The principal purposes of the Plan are:

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

#### 2. Reservation of Shares

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

#### 3. Eligibility

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

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

#### 4. Granting of Stock Options

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

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

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

5. **Exercise Price**

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

6. **Term and Exercise Periods**

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

7. **Non-Assignability**

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

8. **Payment of Exercise Price**

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

9. **Non-Exercise**

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

10. **Adjustment in Certain Circumstances**

In the event:

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

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

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

11. **Expenses**

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

12. **Compliance with Laws**

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

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

13. **Disinterested Shareholder Approval**

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

14. **Form of Stock Option Agreement**

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

15. **Amendments and Termination of Plan**

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

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

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

17. **Applicable Law**

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

18. **Stock Exchange**

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

## Schedule “B”

### AXMIN Inc.

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

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

#### Mandate

The Mandate of the Committee is to:

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

#### Membership

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

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

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

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

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

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

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

#### Actions of the Committee

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

- a. Those where the Committee will inform the Board of Directors that action has been taken in the interest of the Board of Directors and does not require prior approval by the Board of Directors. These include:

- i. review and approve the scope of the annual audit for the Company and its subsidiaries as recommended jointly by the external auditors and the Chief Executive Officer;
  - ii. [review and approve the scope of the Company's internal audit function;]
  - iii. [request the Chief Executive Officer to have the internal audit staff study a particular area of interest or concern;] and
  - iv. when requested by the Chairman of the Board of Directors during an Annual Meeting of Shareholders the Chairman of the Committee will answer questions on matters relating to the Committee's activities.
- b. Those where the Committee will review, study and then recommend action by the Board of Directors. These include:
- i. appoint external auditors;
  - ii. review major accounting policy changes before implementation;
  - iii. review registration statements and / or prospectuses or other offering documents for various regulatory bodies before signature by other members of the Board of Directors; and
  - iv. review annual audit reports and the content of proposed published reports.
- c. Those where the Committee will review, study and provide summary information reports to the Board of Directors when appropriate. These include:
- i. review trends in accounting policy changes proposed or adopted by organizations such as the Canadian Institute of Chartered Accountants, the provincial securities commissions and any relevant stock exchanges or corresponding bodies outside Canada;
  - ii. interview external auditors for review and analysis of strengths and weaknesses of the Company's financial staff, systems, adequacy of controls, and other factors that might be pertinent to the integrity of published financial reports;
  - iii. participate in financial review preceding publication of quarterly reports;
  - iv. review administration of the Company's "Conflict of Interest" policy as contained in the Company's "Director, Officer and Employee Code of Conduct";
  - v. review the performance of management and operating personnel under the Company's "Director, Officer and Employee Code of Conduct";
  - vi. review insurance programs for potential gaps and exposure as well as fraud;
  - vii. review reports on the Company or its subsidiaries by agencies of governments in countries where the Company or its subsidiaries operate; and
  - viii. review periodic securities filings by the Company and assure that adequate programs and procedures exist to comply with regulations of any relevant securities commissions and stock exchanges.

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

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

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

### **Committee Meeting Agenda**

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

#### **First Quarter**

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

- ix. [Review internal audit plan and scope for current year with director / officer responsible for internal audit.]
- x. [Examine areas of significant internal audit emphasis (e.g. exploration and development costs, salaries, receivables, etc).]
- xi. Discuss significant new and pending accounting, auditing, or reporting matters with external auditors.

#### Second Quarter

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

#### Third Quarter

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

#### Fourth Quarter / Financial Year End

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

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

## Schedule “C”

### AXMIN Inc.

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

##### Establishment

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

##### Mandate

The Mandate of the Committee is to:

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

##### Membership

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

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

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

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

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

##### Administrative Matters

The following general provisions shall have application to the Committee:

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

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

## **Duties**

The Committee will:

### *Governance Leadership*

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

### *Governance Documents*

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

### *Governance Disclosure*

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

### *Evaluations*

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

### *Director Nominations*

- Review and assess the size, composition and operation of the Board to ensure effective decision-making and make recommendations to the Board for consideration.
- After consulting with the Board Chair and individual directors, review and assess the size, composition and committee chairs of all Board committees and make recommendations to the Board for consideration.
- Identify and assess new candidates for appointment or nomination to the Board, including any nominee appropriately recommended by a shareholder, consider the performance, independence, competencies, skills, financial and technical acumen, and ability to devote sufficient time and resources to his or her duties of the candidate and the Board as a

whole, to ensure effective governance and satisfy applicable law and make recommendations to the Board for consideration.

- Annually review and recommend to the Board for consideration the individual directors proposed to be nominated for election at the next annual general meeting of shareholders of the Company.
- Annually review and recommend to the Board for consideration those individual directors to be designated as independent under applicable law.
- Regularly review and assess the Company's policies on tenure and terms of individual directors, the Board Chair and committee chairs and recommend any changes to the Board for consideration.

#### *Director Orientation / Education*

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

#### *Committee Reporting*

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

#### *Advisers / Resources*

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

#### *Other*

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

# Schedule “D”

AXMIN Inc.

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

### 1. Statement of Purpose

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

### 2. Scope of Application

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

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

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

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

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

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

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

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

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

### 4. Human Rights and Workplace Practices

The Company fosters a work environment that is free from discrimination, harassment, intimidation and hostility of any kind and practices the principle of equal employment opportunity without regard to race, religion, age, gender, disability, sexual orientation, nationality or political affiliation. The Company will not tolerate any form of forced,

compulsory or child labour in its sphere of influence. Additionally, the Company expects all directors, officers and employees to support and respect the protection of international human rights with their respective sphere of influence and ensure no complicity to human rights abuses.

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

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

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

## **5. Disclosure of Information**

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

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

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

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

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

## **7. Prohibited Payments**

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

## **8. Fair Dealing**

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

## **9. Conflicts of Interest**

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

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

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

conflict cannot be cured, the individual will resign from the board, if a director, or from their position with the Company, if an officer or employee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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