



Dear Shareholder:

The board of directors and management of Noront Resources Ltd. cordially invite you to attend the Company's 2015 Annual and Special Meeting of Shareholders. The meeting will take place at Bennett Jones LLP, One First Canadian Place, 100 King Street West, 34<sup>th</sup> Floor – Boardrooms A&B, Toronto, Ontario, Canada, at 10:00 a.m. (Toronto time) on June 8, 2016.

In connection with this meeting, you will find enclosed the notice of meeting, management information circular and form of proxy for the meeting. The Company's Annual Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2015 is available on the internet on the SEDAR website at [www.sedar.com](http://www.sedar.com), and is available on the Company's website located at [www.norontresources.com](http://www.norontresources.com).

It is important that all shareholders be represented at the meeting. Therefore, please take a moment to complete, date and sign the enclosed form of proxy, and return it as instructed, or follow the instructions included with the form of proxy to vote by telephone or over the Internet.

We look forward to seeing you at the meeting.

Yours truly,

***(signed) "Alan Coutts"***

Alan Coutts

President and Chief Executive Officer



### **Notice of Annual and Special Meeting of Shareholders**

Notice is hereby given that the Annual and Special Meeting of Shareholders of Noront Resources Ltd. ("Noront" or the "Company") will be held at Bennett Jones LLP, One First Canadian Place, 100 King Street West, 34<sup>th</sup> Floor – Boardrooms A & B, Toronto, Ontario, Canada at 10:00 a.m. (Toronto time) on June 8<sup>th</sup>, 2016 (the "Meeting"), for the following purposes:

1. to receive the consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards for the year ended December 31, 2015 and the Auditors' Report thereon;
2. to elect directors;
3. to appoint auditors;
4. to consider and, if thought advisable, to re-approve by ordinary resolution the Noront Stock Option Plan, as described in the management information circular of the Company accompanying and forming part of this Notice (the "Circular");
5. to transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

Particulars of the foregoing matters are set forth in the Circular. The Company has elected to use the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 ("Notice-and-Access Provisions") for this Meeting. Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders of the Company by allowing the Company to post the Circular and any additional materials online. Shareholders will still receive a form of proxy ("Form of Proxy") and may choose to receive a hard copy of the Circular. The Company will not use procedures known as 'stratification' in relation to the use of Notice-and-Access Provisions.

Please review the Circular carefully and in full prior to voting in relation to the matters set out above, as the Circular has been prepared to help you make an informed decision on such matters. The Circular is available on the website of the Company's transfer agent at [www.envisionreports.com/NOTQ2016](http://www.envisionreports.com/NOTQ2016), on the website of the Company at [www.norontresources.com](http://www.norontresources.com) and under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Any shareholder who wishes to receive a paper copy of the Circular should contact the Company's transfer agent, Computershare Investor Services Inc., at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, Fax: (416) 263-9524, toll-free: 1-866-962-0498, international (514) 982-8716. A registered shareholder may call 1-866-964-0492 to obtain additional information about the Notice-and-Access Provisions. Non-registered shareholders of the Company may call 1-877-907-7643 to obtain additional information about the Notice-and-Access Provisions or to request to receive a paper copy of the Circular.

In order to be represented by proxy at the Meeting, registered shareholders of the Company must complete, date and sign the Form of Proxy, or other appropriate form of proxy and, in either case, (i) deliver the completed proxy to the Company's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 in the addressed prepaid envelope enclosed; or (ii) submit the completed proxy to Computershare Investor Services Inc., facsimile number (416) 263-9524 or 1-866-249-7775 by no later than 10:00 a.m. on **Monday June 6<sup>th</sup>, 2016** or, if such meeting is adjourned, at the latest 48 hours prior to the adjourned meeting, excluding Saturdays, Sundays and statutory holidays. Registered shareholders of the Company may also vote by telephone or over the Internet. Instructions on how to vote by telephone or over the Internet are provided in the Circular and Form of Proxy. Non-registered shareholders of the Company should follow the instructions on how to complete their voting instruction form or form of proxy and vote their shares on the forms that they receive or contact their broker, trustee, financial institution or other nominee for instructions.

Toronto, Ontario, April 29, 2016.

***BY ORDER OF THE BOARD OF DIRECTORS***

***(signed) "Alan Coutts"***

Alan Coutts  
President and Chief Executive Officer

**MANAGEMENT INFORMATION CIRCULAR**

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**INFORMATION CIRCULAR  
MANAGEMENT SOLICITATION**

**FORWARD-LOOKING INFORMATION**

This management information circular (the “Circular”) includes certain “forward-looking information” within the meaning of applicable Canadian securities legislation. All information, other than statements of historical facts, included in this Circular that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company’s businesses, operations, plans and other such matters, are forward-looking information.

When used in this Circular, the words “estimate”, “plan”, “anticipate”, “expect”, “intend”, “believe” and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Examples of such forward-looking information include information regarding results and expectations for 2016 and future time periods, including, but not limited to, availability of financing, interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, metal prices, demand for metals, currency exchange rates, cash operating margins, expenditures on property, plant and equipment, increases and decreases in exploration activity, changes in project parameters, joint venture operations, resources and anticipated grades and recovery rates and are or may be based on assumptions and/or estimates related to future economic, market and other factors and conditions.

**MANAGEMENT INFORMATION CIRCULAR**

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management (the “Management”) of Noront Resources Ltd. (“Noront” or the “Company”) for use at the Annual and Special Meeting of Shareholders (the “Meeting”) of the Company to be held at 10 a.m. (Toronto Time), at Bennett Jones LLP, One First Canadian Place, 100 King Street West, 34<sup>th</sup> Floor – Boardrooms A & B, Toronto, Ontario, Canada on Wednesday June 8<sup>th</sup>, 2016 for the purposes set out in the notice of meeting filed under the Company’s profile at [www.sedar.com](http://www.sedar.com) (“Notice of Meeting”).

**SOLICITATION OF PROXIES**

The provided form of proxy is being solicited by the Management of the Company. The solicitation is being made primarily by mail, subject to the use of Notice-and-Access Provisions (as hereinafter defined) in relation to the delivery of the Circular, but proxies may also be solicited by employees or agents of the Company, personally, in writing, by e-mail or by telephone. The entire cost of the solicitation will be borne by the Company.

**VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

Each shareholder of record will be entitled to one (1) vote for each common share registered in the name of such shareholder.

Only the holders of record of the common shares of the Company (the “Common Shares”) at the close of business (Toronto time) on April 29, 2016 (the “Record Date”) will be entitled to receive notice of the Meeting and to vote at the Meeting.

The authorized capital of the Company presently consists of an unlimited number of Common Shares, of which 280,517,796 Common Shares are issued and outstanding as fully paid and non-assessable as of the Record Date. The Common Shares of the Company are listed on the TSX Venture Exchange (the “TSX-V”), as a Tier 1 company, under the symbol “NOT”.

To the knowledge of the directors and executive officers of the Company, there are no parties who beneficially own, or exercise control or direction, directly or indirectly, over securities carrying 10% or more of the voting rights attached to any class of securities of the Company, with the exception of Resource Capital Fund V L.P. (“RCF”) which holds 56,528,487 Common Shares, constituting approximately 20.16% of the Common Shares. RCF has the right to nominate two directors to the board of directors of the Company (the “Board”) of which one of their nominees must be independent of RCF. Baosteel Resources International Co. Ltd. (“Baosteel”) has the right to nominate one director to the Board. The respective nominees to the Board are: David Thomas (RCF nominee), Sybil Veenman (RCF nominee) and Yuanqing Xu (Baosteel nominee). Please refer to “Particulars of Matters to be Acted Upon – Election of the Board of Directors” herein for additional information.

### NOTICE AND ACCESS

“Notice-and-Access Provisions” means provisions concerning the delivery of proxy-related materials to shareholders found in section 9.1.1 of National Instrument 51-102 - Continuous Disclosure Obligations (“NI 51-102”), in the case of registered shareholders, and section 2.7.1 of National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”), in the case of non-registered (or beneficial) shareholders (“Non-Registered Shareholders”), which would allow an issuer to deliver an information circular forming part of proxy-related materials to shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

The Notice-and-Access Provisions are a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting issuer's website and sometimes the transfer agent's website) rather than delivering such materials by mail. The Notice-and-Access Provisions can be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners will be entitled to request delivery of a paper copy of the information circular at the reporting issuer's expense.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Company. In order for the Company to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting the Circular (and if applicable, other materials) electronically on a website that is not SEDAR, the Company must send a notice-and-access notification (the “Notification”) to shareholders, including Non-Registered Shareholders, indicating that the proxy-related materials have been posted and explaining how a shareholder can access them or obtain a paper copy of those materials from the Company. This Circular has been posted in full on the Company's transfer agent's website at <http://www.envisionreports.com/NOTQ2016>, on the Company's website at [www.norontresources.com](http://www.norontresources.com) and under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). In order to use Notice-and-Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the materials to be posted on the applicable website and other materials to be delivered to shareholders. The Notification, which requires the Company to provide basic information about the Meeting and the matters to be voted on, explain how a shareholder can obtain a paper copy of the Circular and any related financial statements and MD&A, and explain the Notice-and-Access Provisions process. The Notification has been delivered to shareholders by the Company, along with the applicable voting document (a form of proxy in the case of registered shareholders or a voting instruction form in the case of Non-Registered Shareholders).

The Company will not rely upon the use of 'stratification'.

The Company will not send proxy-related materials directly to Non-Registered Shareholders and such materials will be delivered to Non-Registered Shareholders through their broker or other intermediary. The Company intends to pay for the intermediary to deliver to objecting Non-Registered Shareholders the proxy-related materials and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary* of NI 54-101.

Any registered shareholder who wishes to receive a paper copy of this Circular must make contact with the Company's transfer agent, Computershare Investor Services Inc. (the "Transfer Agent") at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, Fax: (416) 263-9524, toll-free: 1-866-962-0498, international: (514) 982-8716. Any Non-Registered Shareholder of the Company who wishes to receive a paper copy of this Circular may call 1-877-907-7643. In order to ensure that a paper copy of the Circular can be delivered to a requesting shareholder in time for such shareholder to review the Circular and return a proxy or voting instruction form prior to the deadline to receive proxies, it is strongly suggested that a shareholder ensure their request is received in advance of 10:00 a.m. on Monday June 6<sup>th</sup>, 2016.

All registered shareholders may call 1-866-964-0492 (toll-free) in order to obtain additional information regarding the Notice-and-Access Provisions. Non-Registered Shareholders of the Company may call 1-877-907-7643 to obtain additional information about the Notice-and-Access Provisions.

## VOTING INFORMATION

### Voting by Proxy

Voting by proxy means that you are giving the person or people named on your form of proxy (the "proxy holder") the authority to vote your Common Shares for you at the Meeting or any adjournment thereof. A form of proxy (the "Form of Proxy") has previously been provided.

You can choose from three different ways to vote your shares by proxy:

1. by mail or delivery;
2. by telephone; or
3. on the Internet.

**A shareholder has the right to appoint a person, who need not be a shareholder, other than the persons designated in the Form of Proxy, to attend and act on behalf of the shareholder at the Meeting.** Unless you appoint someone else to be your proxy holder in accordance with the instructions provided herein, the directors or officers who are named on the Form of Proxy will vote your Common Shares for you. If you appoint someone else, he or she must be present at the Meeting to vote your Common Shares.

If you are voting your Common Shares by proxy, the Transfer Agent must receive your completed form of proxy by no later than 10:00 a.m. on Monday June 6<sup>th</sup>, 2016 or, if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the adjourned meeting.

### Registered and Non-Registered (or Beneficial) Shareholders

**You are a registered shareholder** if your name appears on your share certificate. You will receive the Form of Proxy if you are a registered shareholder.

**You are a non-registered (or beneficial) shareholder** if your bank, trust company, securities broker or other financial institution holds your shares for you (your nominee). If you are a non-registered (or beneficial) shareholder, you will receive a voting instruction form or form of proxy from the Company, the institution that holds your shares or their respective agents.

### How to vote — Registered Shareholders

1. By proxy
  - (a) By mail or delivery

- (i) To vote by mail or delivery, your paper proxy must be completed, signed, dated and returned in accordance with the instructions on the Form of Proxy.
- (b) By telephone
  - (i) To vote by telephone, call the toll-free number shown on the Form of Proxy. Using a touch-tone telephone to select your voting preferences, follow the instructions of the “vote voice” and refer to the directions on the Form of Proxy.
  - (ii) Note that voting by telephone is not available if you wish to appoint a person as a proxy holder other than the persons named on the Form of Proxy. In such a case, your proxy should be voted by mail, delivery or the Internet.
- (c) On the Internet
  - (i) To vote your proxy on the Internet, visit the website address as shown on the Form of Proxy. Follow the on-line voting instructions given on the Form of Proxy.
- (d) By appointing another person to go to the Meeting and vote your Common Shares for you
  - (i) This person does not have to be a shareholder.
  - (ii) Strike the names that are printed on the Form of Proxy and write the name of the person you are appointing in the space provided. Complete your voting instructions, date and sign the Form of Proxy, and return it to the Transfer Agent as instructed.
  - (iii) Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting.
  - (iv) At the Meeting, the person appointed should see the scrutineers from the Transfer Agent at the registration table.

2. In person at the Meeting

You do not need to complete or return the Form of Proxy.

You should see a representative of the Transfer Agent before entering the Meeting to register your attendance at the Meeting.

Voting in person at the Meeting will automatically cancel any proxy you completed and submitted earlier.

**How to vote — Non-Registered (or beneficial) Shareholders**

The Company has elected to distribute copies of the Notice of Meeting, this Circular and the Form of Proxy (collectively the “Meeting Materials”) directly to Non-Registered Shareholders utilizing the Notice-and-Access Provisions. Intermediaries often use service companies to forward the Meeting Materials to non-registered owners of the Common Shares.

If you are a non-registered owner of Common Shares and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf. In such case, the Company (and not the intermediary holding Common Shares on your behalf) assumes responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the Form of Proxy.



If you have received the Meeting Materials indirectly through your nominee or your nominee's agent, you will receive the nominee's form of proxy, which is substantially similar to the Form of Proxy, the sole purpose of which is to instruct the registered holder of the Common Shares (i.e. the nominee) how to vote on your behalf (the "Voting Instruction Form").

1. By proxy

- (a) Please contact your nominee or the Company if you have not received a Voting Instruction Form or the Form of Proxy.
- (b) In most cases, you will receive a Voting Instruction Form that allows you to provide your voting instructions by telephone, on the Internet or by mail or delivery. If you want to provide your voting instructions on the Internet, go to the website noted on your Voting Instruction Form or Form of Proxy and follow the instructions on the screen.
- (c) Some Voting Instruction Forms may be required to be completed and returned, as directed in the instructions provided; or have been pre-authorized by your nominee indicating the number of shares to be voted, which is to be completed, dated, signed and returned to the Transfer Agent by mail.

2. In person at the Meeting

- (a) The Transfer Agent does not have access to the names or holdings of our Non-Registered Shareholders. That means you can only vote your Common Shares in person at the Meeting if you appoint yourself proxy holder by printing your name in the space provided on the Voting Instruction Form or Form of Proxy provided to you.
- (b) Your vote will be taken and counted at the Meeting.
- (c) Prior to the Meeting, you should see the scrutineers from the Transfer Agent at the registration table.

**Completing the Form of Proxy**

On any ballot that may be called for at the Meeting, the Common Shares represented by the enclosed Form of Proxy will be voted or withheld from voting in accordance with the instructions of the shareholder indicated thereon and, where a choice is specified, the Common Shares will be voted accordingly.

You can choose to vote "For", "Against" or "Withhold", depending on the items listed on the Form of Proxy.

When you sign the Form of Proxy, you authorize Paul Parisotto, Alan Coutts or Gregory Rieveley, who are directors and/or officers of the Company, or the individual that you have named on the Form of Proxy in accordance with the instructions provided herein, to vote or withhold from voting your Common Shares for you at the Meeting according to your instructions on any ballot that may be called for. If you specify a choice on the Form of Proxy with respect to any matter to be acted upon at the Meeting, your Common Shares will be voted accordingly. **If you return the Form of Proxy and do not tell us how you want to vote your Common Shares, your vote will be counted: (i) FOR the election of the nominees for director listed under "Election of Directors"; (ii) FOR the appointment of the auditors named under "Appointment of Auditors"; and (iii) FOR the ordinary resolution re-approving the Stock Option Plan as described in this Circular.**

**Your proxy holder will also vote your Common Shares as s/he sees fit on any amendment or variation to matters identified in the Notice of Meeting or any other matter that may properly come before the Meeting.** As of the date of this Circular, Management is unaware of any such amendment, variation or other matter proposed or likely to come before the Meeting.

If you have appointed a person other than Paul Parisotto, Alan Coutts or Gregory Rieveley to vote your Common Shares and you do not specify how you want your Common Shares voted, your proxy holder will vote your Common Shares as he or she sees fit on each item and on any other matter that may properly come before the Meeting.

If you are an individual shareholder, you or your authorized attorney must sign the Form of Proxy. If you are a corporation or other legal entity, an authorized officer or attorney must sign the Form of Proxy.

### **Changing your vote**

You can revoke a vote you made by proxy by:

- voting again by telephone or on the Internet by no later than 10:00 a.m. on Monday June 6<sup>th</sup>, 2016 or, if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the adjourned Meeting;
- completing a form of proxy that is dated later than the form of proxy you are changing and mailing it or faxing it to the Transfer Agent or sending a notice to Noront Resources Ltd., 110 Yonge Street, Suite 400, Toronto, ON M5C 1T4, so that it is received by no later than 10:00 a.m. on Monday June 6<sup>th</sup>, 2016 or, if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the adjourned Meeting;
- giving a notice in writing to the Chairperson of the Meeting, at the Meeting or any adjournment thereof. The notice can be from you or your authorized attorney.

### **REVOCATION OF PROXIES**

You have the right to revoke your proxy at any time before it is exercised. Relevant provisions of the *Business Corporations Act* (Ontario) provide that you may revoke a proxy by depositing an instrument in writing, executed by yourself or by an attorney authorized in writing, at, or by transmitting, by telephonic or electronic means or any other manner permitted by law, a revocation to, the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or by depositing such instrument with the Chairperson of the Meeting on the day of the Meeting, or any adjournment thereof, or in any other manner permitted by law.

### **EFFECTIVE DATE**

The effective date of this Circular is April 29, 2016.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year, and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the appointment of auditors, or approval of incentive plans, except as disclosed herein.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### **Presentation of Financial Statements**

The audited financial statements for the year ended December 31, 2015 and the year ended December 31, 2014 (the "Audited Financial Statements") and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting of the auditors' report and the Audited Financial Statements for its last completed fiscal period will not

constitute approval or disapproval of any matters referred to therein. The Audited Financial Statements and the Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2015 and year ended December 31, 2014 have been mailed to shareholders of record and non-objecting beneficial shareholders. A copy of these financial statements can be obtained at [www.sedar.com](http://www.sedar.com). In the alternative, upon receiving a written request to the address on the first page of this Circular, the Company will mail a copy of the financial statements to you.

### **Election of the Board of Directors**

The shareholders of the Company have by special resolution empowered the board of directors to determine from time to time the number of directors within the minimum and maximum numbers provided in the Article of the Company. The board of directors of the Company presently consists of eight (8) directors. **Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the election as directors of the Company, the eight (8) nominees whose names are set forth below.** Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Company.

The following table and notes thereto state the names of all the persons proposed to be nominated for election as directors, all of the positions and offices with the Company now held by them, their present principal occupations or employments and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of April 29, 2016. The information as to Common Shares beneficially owned has been furnished to the Board by the respective nominees.

<p><b>Mr. Tom Anselmi</b>          Toronto, Ontario          Director Since 2012          10,000 Shares Owned or Controlled          1,000,000 Options Owned or Controlled          Member of the Compensation Governance and Nomination Committee          Member of the Sustainability Committee</p>	<p>Mr. Anselmi was most recently President and Chief Operating Officer of Maple Leaf Sports and Entertainment (“MLSE”). He was with MLSE for 17 years and part of the senior executive leadership team that grew MLSE into a global leader in the sports and entertainment industry. Prior to MLSE, he was an Executive involved in the development of the Skydome (now Rogers Center) and Orca Bay Sports and Entertainment (including Rogers Arena) in Vancouver. Prior to Sports and Entertainment his career started in the mining industry, working on the construction of various projects in the Uranium, Coal, and Potash sectors. Born and raised in Toronto, Mr. Anselmi is a professional engineer and a graduate of University of Saskatchewan and Ryerson University. He is also a recognized community leader and is a member of the board of Canada’s Walk of Fame and The Huntsville Hospital Foundation.</p>
<p><b>Mr. Ted Bassett</b>          Burnaby, British Columbia          Director Since 2011          35,000 Shares Owned or Controlled          1,200,000 Options Owned or Controlled          Chairman of the Sustainability Committee</p>	<p>Mr. Bassett is a Professional Engineer with over 40 years of experience in mine engineering and project management. Mr. Bassett has a successful track record in the supervision and construction of large capital projects including, but not limited to, the BHP Olympic Dam Expansion Project in Australia, the Goro Nickel Project, the Voisey’s Bay Nickel Project and the Diavik Diamond Project.</p> <p>Mr. Bassett has held several senior project management positions over the course of his career. Most recently he was the Project Director of Jansen Potash Project (August 2010 to August 2011). Prior to that he was Project Director of Olympic Dam Expansion Project, BHP Billiton Inc., Australia (November 2006 to October 2009). Presently he is the President of BPM Project Management Inc., a private company providing consulting services to the resource industry.</p>
<p><b>Mr. Darren Blasutti</b>          Toronto, Ontario          Director Since 2008          1,300,000 Options Owned or Controlled          Chairman of the Audit Committee</p>	<p>Mr. Blasutti is the President and CEO of America’s Silver Corporation. Mr. Blasutti was formerly the Senior Vice President, Corporate Development for Barrick Gold Corporation (“Barrick”), reporting to the CEO. He played a leading role in the creation and implementation of Barrick’s strategic development. He has executed over a dozen large gold acquisitions including the acquisitions of Placer Dome and Homestake Mining. He joined Barrick in 1998 and was also VP of Investor Relations. He has been a member of the Canadian Institute of Chartered Accountants since 1996.</p>

<p><b>Mr. Alan Coutts</b> Toronto, Ontario President, Chief Executive Officer and Director Since 2013 335,000 Shares Owned or Controlled 3,800,000 Options Owned or Controlled 2,335,000 Share-Based Awards</p>	<p>Mr. Coutts was appointed President and Chief Executive Officer of Noront effective October 1, 2013. Mr. Coutts is a mining executive with over 25 years of experience in all aspects of exploration, feasibility, construction and production of mineral deposits. He has worked both domestically and abroad in a variety of roles and across multiple commodities. Most recently, he was the Managing Director of Xstrata Nickel Australasia based in Perth, Australia. He was General Manager at the Brunswick Mine, Canada before relocating to Australia. Previous to that, Mr. Coutts occupied roles that included General Manager, Manager of Mining, Chief Geologist and Regional Exploration Manager, mostly with Falconbridge. Mr. Coutts holds an Honours degree in Geology from the University of Alberta and has Professional Geoscientist (P.Geo) status in the province of Ontario.</p>
<p><b>Mr. Paul A. Parisotto</b> Oakville, Ontario Chairman Director Since 2008 115,000 Shares Owned or Controlled 1,600,000 Options Owned or Controlled Chairman of the Board of Directors Member of the Audit Committee</p>	<p>Mr. Parisotto is the President and CEO of Chantrell Ventures Corporation and President of Coniston Investment Corp., a private company which provides management services to the resource sector. He is also President &amp; CEO of Calico Resources Corporation since August 2014 and a director of Scorpio Gold since September 2015. From February 2009 to October 2010, he was the President and CEO of Tamaka Holdings Inc. a private company involved in the exploration and development of gold in Ontario. He was formerly the President and CEO of Arizona Star Resource Corp., a company which was acquired by Barrick Gold Corporation.</p> <p>Previously he was Senior Vice-President, Corporate Finance for Marleau, Lemire Securities Inc. (January 1995 to January 1998); Vice-President and Director, Investment Banking for HSBC Securities (Canada) Inc. (March 1998 to June 1999); Manager, Original Listings at the Toronto Stock Exchange (1985 to 1994) and director of Nevada Pacific Gold Ltd., a public company acquired by US Gold Inc.</p>

<p><b>Mr. David Thomas</b>  Oakville, Ontario  Director Since 2012  1,000,000 Options Owned or Controlled  Chairman of the Compensation, Governance and Nomination Committee</p>	<p>Mr. Thomas is the Managing Director (Canada) for RCF Management (Toronto) Inc. He is a Professional Geologist with an Honours B.Sc. in Earth Science from the University of Waterloo and a M.Sc. in Geology from Queen’s University. Mr. Thomas worked as an exploration geologist for eight years with Minnova Inc. and Metall Mining Corporation. Prior to joining RCF in 2010, Mr. Thomas spent fifteen years as a mining analyst and as an institutional equities salesperson. Mr. Thomas is a Director at Buffalo Coal Corporation</p>
<p><b>Mr. Yuanqing Xu</b>  Hong Kong, China  Director Since 2013  900,000 Options Owned or Controlled  Member of the Sustainability Committee</p>	<p>Mr. Xu has held the position of General Manager of Strategy &amp; Planning with Baosteel Resources International Co. since August 2014.</p> <p>Previously, Mr. Xu has held several senior positions within Baosteel Resources Co. Ltd, including the Head of the Region of Americas (September 2011 to July 2014), the Deputy Manager of Iron &amp; Steel Resources Developing and Trading Department (October 2010 to September 2011), Director of Operation Management Department (March 2010 to September 2010) and Deputy Director of Assets and Finance Department (November 2007 to March 2010).</p> <p>Before joining Baosteel Resources Co. Ltd., Mr. Xu had worked as a finance manager for three other Chinese companies. Mr. Xu holds a Bachelor Degree of Transportation Economics from Northern Jiaotong University.</p>
<p><b>Ms. Sybil Veenman</b>  Toronto, Ontario  Director Since 2015  50,000 Shares Owned or Controlled  25,000 Share Purchase Warrants  500,000 Options Owned or Controlled  Member of the Compensation, Governance and Nomination Committee</p> <p>Member of Sustainability Committee</p>	<p>Ms. Veenman is a senior mining executive with over 20 years of mining industry experience, most recently, as Senior Vice President and General Counsel and a member of the executive leadership team at Barrick Gold Corporation. Prior to that, she served as Associate General Counsel and Secretary for Lac Minerals Ltd and previously practiced law with a large law firm. Ms. Veenman is a Director of IAMGOLD Corporation.</p>

*Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

None of the nominees for election as a director of the Company is, or was within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied such company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days and that was issued while that person was acting in such capacity or that was issued after that person ceased to act in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

None of the nominees for election as a director of the Company is, or has been within the ten years prior to the date hereof, a director or executive officer of any company that, while that person was acting in such capacity, or within a year of that person ceasing to act in such 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.

None of the nominees for election as a director of the Company has within the ten years prior to the date hereof 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 his assets.

None of the nominees for election as a director of the Company has been subject to any penalties or sanctions imposed by or entered into a settlement agreement before, a court or regulatory body, including any securities regulatory authority.

At the Meeting, the shareholders will be asked to elect each of the above nominees to serve as a director of the Company until the next annual meeting of shareholders or until such time as their successors are duly elected or appointed.

#### *Directors' Recommendation*

**The Board recommends that all shareholders vote FOR the election of the above individuals as directors of the Company. Unless otherwise directed, the persons named in the enclosed form of proxy, if named as proxy, intend to vote FOR the election of each individual described above.**

#### **Appointment of Auditors**

The Board has determined that the Company wishes to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Company. PricewaterhouseCoopers LLP, Chartered Accountants, has been the auditor of the Company since July 2010.

The Board recommends that shareholders vote in favour of the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as Noront's auditors for the ensuing year and in favour of granting the Board the authority to determine the remuneration to be paid to the auditors. **Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP, Chartered Accountants as auditors of the Company, to hold office until the next annual meeting of shareholders and to authorize the directors of the Company to fix the auditors' remuneration.**

#### **Re-Approval of the Stock Option Plan**

The Company's stock option plan (the "Stock Option Plan") was established on October 30, 2007 and amended and restated and approved by the Company's shareholders on October 9, 2012. The Stock Option Plan is a "rolling" stock option plan such that the current maximum number of shares that may be reserved for issuance under the Stock Option Plan and under any other stock options of the Company, shall not exceed 10% of the common shares issued and outstanding (on a non-diluted basis) at any time and from time to time. 10% of the number of Common Shares of the Company issued and outstanding as of the Record Date of this Circular is equal to 28,051,779 Common Shares.

A copy of the Stock Option Plan, as amended and restated, is attached hereto as Appendix "B".

The material terms of the Stock Option Plan are as follows:

1. In no case may the issuance of shares under the Stock Option Plan and any other share compensation arrangement of the Company result in:

- (a) the number of shares reserved for issuance pursuant to options granted:
    - (i) to any one person exceeding 5% of the Company's issued and outstanding share capital;
    - (ii) to insiders exceeding 10% of the Company's issued and outstanding share capital;
  - (b) the number of shares issued within a one year period:
    - (i) to any optionee exceeding 5% of the Company's issued and outstanding share capital;
    - (ii) to any consultant exceeding 2% of the Company's issued and outstanding share capital.
2. The exercise price of any option issued under the Stock Option Plan shall not be less than the market value of the Common Shares as of the date of the grant, less the allowable discount by the TSX-V.
  3. The expiry date of an option under the Stock Option Plan shall be the date so fixed by the Board on the date of the grant, provided such expiry date shall be no later than the fifth anniversary of the date of the grant.
  4. Options issued under the Stock Option Plan expire no more than one year after the date of the optionee ceases to be an employee, director or officer of the Company. Options issued under the Stock Option Plan may be exercised by the optionee's legal representative during said year.
  5. The Stock Option Plan provides that the Board has the discretion to deem that an option be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events, such as a friendly or hostile takeover bid for the Company.
  6. Options issued under the Stock Option Plan may not be assigned or transferred.

**Adoption of the Stock Option Plan, as amended and restated, is subject to the prior approval of the TSX-V.**

**At the Meeting, the shareholders will be asked to consider and, if thought advisable, approve a resolution to approve the Stock Option Plan (the "Stock Option Plan Resolution"), the text of which is as follows:**

NOW THEREFORE BE IT RESOLVED THAT:

1. the Stock Option Plan be and is hereby approved, confirmed and ratified; and
2. any one director or officer of the Company be and is hereby authorized and directed to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing.

***Directors' Recommendation***

**The Board recommends that all shareholders vote FOR the Stock Option Plan Resolution. The persons whose name appears in the attached form of proxy intend to vote FOR the Stock Option Plan Resolution.**

**OTHER MATTERS**

The information contained herein is given as of April 29, 2016, except where indicated. Management of the Company knows of no amendment of the matters referred to in the Notice of Meeting. However, if any amendment, variation or other business should properly be brought before the Meeting, the accompanying Form of Proxy confers discretionary authority upon the persons named therein to vote upon any amendment or variation of the matters referred to in such notice or on such other business in accordance with their best judgment.



## ADDITIONAL INFORMATION

Financial information is provided in the Audited Financial Statements and any interim financial statements submitted subsequent to the filing of the Audited Financial Statements and the MD&A included in those statements. Copies of the Company's financial statements and related MD&A are available upon request from the Company's Corporate Secretary as well as on the Company's website. Additional information relating to the Company is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

## EXECUTIVE COMPENSATION

The following provides information regarding all significant elements of compensation paid, payable, granted, given or otherwise provided by the Company to (i) Alan Coutts, Chief Executive Officer and President, (ii) Gregory Rieveley, Chief Financial Officer (iii) Stephen Flewelling, Senior Vice President Mining and Projects (iv) Mark Baker, Vice President Projects and (v) Colin Webster, Vice President Sustainability (collectively the "Named Executive Officers" or "NEOs").

### *Role of the Compensation, Governance and Nomination Committee*

The Board administers the compensation programs of the Company with the assistance of the Compensation, Governance and Nomination Committee. The Committee is comprised entirely of independent directors being Messrs. Thomas, Anselmi, and Ms. Veenman who have significant experience in finance and the mining industry. The process by which appropriate compensation is determined is through periodic and annual reports from the Committee on the Company's overall compensation and benefits philosophies with such compensation realistically reflecting the responsibilities and risks of such positions. All of the members of the Committee have the skills and experience necessary to make decisions about the Company's compensation policies and practices.

The Compensation, Governance and Nomination Committee is responsible for (a) developing compensation philosophy and policy; (b) review and approval of goals and objectives relevant to the Chief Executive Officer's compensation, evaluating the performance of the Chief Executive Officer, and making recommendations to the Board for the Chief Executive Officer's compensation based on the evaluation; (c) reviewing and making recommendations to the Board with respect to compensation of other senior executives other than the Chief Executive Officer; (d) making recommendations to the Board with respect to the form of compensation for senior executives and directors; and (e) reviewing executive compensation disclosure.

### *Objectives of Compensation Programs*

The Board recognizes that the NEOs are critical to achieve the vision and mission of the Company, the primary focus being the successful financing, development and operation of the Eagle's Nest project, and that compensation plays a critical role in achieving the short and long-term objectives that drive success.

The Compensation, Governance and Nomination Committee has established compensation policies reflecting the Company's philosophy regarding executive compensation that:

- Provide competitive compensation sufficient to attract, retain and motivate high-performing senior executives with the requisite skills to achieve the Company's strategy;
- Align compensation directly to achievements of corporate and personal performance objectives that are directly related to the Company's strategy;
- Encourage the execution of goals and objectives consistent with the Company's vision, mission and values; and
- Align with the interests of the Company's stakeholders.

### *Benchmarking*

The Compensation, Governance and Nomination Committee benchmarks NEO and director compensation using companies in the same industry, of similar size and in similar stage of development, for all elements of compensation. The peer group used for benchmarking purposes for fiscal 2015 included Royal Nickel Corporation, Polymet Mining Corp, Alloy Corporation and Stornoway Diamonds Corp.

### *Elements of Compensation*

Compensation for the Company's NEOs for the year ended December 31, 2015, consisted of the following three components:

(i) Base Salary

Base salary is designed to remunerate the NEOs for discharging their duties and responsibilities and therefore considers the position and responsibilities of the NEO, previous experience, prior performance and anticipated contribution. Salary levels are benchmarked against peer group companies at the direction of the Compensation, Governance and Nomination Committee. See "Benchmarking" above.

Over the past two years there has not been a real increase in salaries for the NEO's. In 2014, the NEO's excluding the CEO, CFO and COO received a cost of living increase of 2%. In 2015 there were no increases to salaries.

(ii) Short-Term Incentive Compensation ("Bonus")

In addition to base salary, the NEOs are eligible to receive an annual incentive bonus, payable in cash, options or a combination thereof and based on the achievement of performance objectives which are linked to the Company's strategy and short-term goals for each fiscal year.

Target bonus awards range from 30% to 75% and are again based on the position and responsibilities of the NEO. Target bonus levels are benchmarked against peer group companies at the direction of the Compensation, Governance and Nomination Committee. See "Benchmarking" above.

Target bonus awards are based on annual performance of key metrics that consider the long and short-term objectives established by Management and approved by the Board, as well as performance relative to the Company's mission, vision and values.

### 2015 Approach to Short-Term Incentive Compensation for the Named Executive Officers

The annual bonus of the Named Executive Officers, other than the CEO, are determined by the Compensation, Governance and Nomination Committee based on the evaluation of their performance by the CEO and the CEO's annual bonus is determined based on his performance which is evaluated by the Compensation, Governance and Nomination Committee with input from the Chairman of the Board. The evaluation process assesses the Named Executive Officer's performance relative to the NEO's objectives which cascade from the key objectives that were established and outlined in the Company's Annual Management Discussion and Analysis dated March 31, 2015.

The cash bonuses awarded to NEO's in 2015 related to the 2014 fiscal year except in the case of the CEO and CFO, for whom part of their bonus was related to the successful acquisition of the chromite assets in the Ring of Fire formerly owned by Cliffs Natural Resources. This transaction was initiated in October 2014 and was announced on March 23, 2015. The CEO and CFO bonuses were awarded in April 2015, however, payment of these bonuses was deferred until such time as the Company improved its working capital position. The cash bonuses to the CEO and CFO were paid in full in 2016. The Company did not award any cash bonuses to NEO's for fiscal year 2015 except as indicated above.

### 2016 Annual Objectives for the Named Executive Officers

The CEO has defined and the Board has approved key objectives for 2016 which are outlined in the Company's December 31, 2015 MD&A for fiscal 2016. The NEO's performance will be evaluated against their specific objectives which cascade from the key objectives defined for the Company except in the case of the CEO which will be evaluated against the Company's key objectives.

The key objectives for fiscal 2016 are as detailed below:

- obtain a specific commitment from the provincial / federal government on the Company's proposed East – West Access Road including a timeline for construction;
- fund an ongoing systematic exploration program in the Ring of Fire and make new discoveries focused initially on the nickel, copper and platinum group metal potential;
- develop a strategy for the Company's chromite assets and incorporate it into its development pipeline;
- rationalize its property position outside of the Ring of Fire and develop a strategy for them;
- seek opportunities to add high quality exploration or development properties; and
- maintain a strong treasury position to support its near and long term needs.

#### (iii) Long-term Incentive Compensation

Long-term incentives are intended to align the interests of NEOs with the interests of stakeholders by motivating NEOs to increase shareholder value over the long-term. Targets for long-term incentives are benchmarked to the market for competitiveness; consider the value of the NEOs contribution to the long-term success of the Company and the percentage of compensation that the Compensation, Governance and Nomination Committee determines should be at risk. The award targets are modified based on NEO performance, corporate performance and the anticipated contribution of the NEO.

Long-term incentive compensation may take the form of stock options, deferred share units ("DSUs"), restricted share units ("RSUs"), performance share units ("PSUs") and other share based awards.

The Company has a Stock Option Plan and a Share Award Plan which allows the Company to issue equity based awards such as restricted stock, restricted stock units, performance shares, performance share units and other equity based awards. Grant ranges have been established independently each time grants of stock options or Share Awards were made to provide competitive long-term incentive value, with significant recognition of the potential contribution of the individual. Options granted pursuant to the Stock Option Plan have a maximum five-year term and an exercise price equal to market price at time of grant. The periodic award of Options and Share Awards under the Stock Option Plan and Share Award Plan is determined by the Board, is discretionary and takes into account previous Option and Share award grants.

For a detailed description of the Stock Option Plan, please refer to the disclosure relating to the Stock Option Plan in "Particulars of Matters to be Acted Upon" herein.

Grants of Stock Options to NEO's are benchmarked against peer group companies at the direction of the Compensation, Governance and Nomination Committee (see "Benchmarking" above) with consideration to the NEO's position and their respective influence on the Company's long-term goals.

The Company's share award plan (the "Share Award Plan") was established on August 14, 2012 and approved by shareholders of the Company on October 9, 2012. Awards issued under the Share Award Plan require board

approval. The purpose of the Share Award Plan is also to advance the interests of the Company through the motivation, attraction and retention of senior executives, directors, employees (including prospective employees) and consultants of the Company and to secure for the Company and the shareholders of the Company the benefits inherent in ownership of common shares by senior executives directors, employees and consultants of the Company. The Board believes that share based awards provide an effective tool for the Company to enable it to attract and retain key personnel in the face of competition from larger companies.

The maximum number of Common Shares made available as awards pursuant to the Share Award Plan is 4,000,000 Common Shares. As of April 29, 2016, 665,000 Common Shares remain available to be awarded under the Share Award Plan. In the event that Common Shares made available as Awards granted pursuant to the Plan are subsequently cancelled, new Awards may be granted covering the Common Shares cancelled.

The CEO and the Senior VP Mining and projects both have PSU's tied to certain performance criteria.

In the case of the CEO he was granted two million PSU's upon joining the Company which vest in tranches of 500,000 based on certain share price targets.

The Senior VP Mining and Projects PSU's were granted upon joining the Company in 2015 and vest in two tranches of 500,000 PSU's each. The first tranche vests upon the Eagle's Nest production decision and the second tranche vests upon the successful delivery of the Eagle's Nest Mine Project.

#### *Risk Mitigation*

In carrying out its mandate, the Board reviews from time to time the risk implications of the Company's compensation policies and practices, including those applicable to the Company's executives. This review of the risk implications ensures that compensation plans, in their design, structures and application have a clear link between pay and performance and do not encourage excessive risk taking.

Key considerations regarding risk management include the following:

- design of the compensation program to ensure all executives are compensated based on the same or, depending on the mandate and term of appointment of that particular executive, substantially equivalent performance goals;
- balance of short-term performance incentives with equity-based awards that vest over time;
- ensuring overall expense to the Company of the compensation program does not represent a disproportionate percentage of the Company's cash on hand, after giving consideration to the planned growth initiatives of the Company; and
- utilizing compensation policies that do not rely solely on the accomplishment of specific tasks without consideration of longer term risks and objectives.

The Board believes that the Company's current executive compensation policies and practices achieve an appropriate balance in relation to the Company's overall business strategy and do not encourage executives to expose the Company to inappropriate or excessive risks.

#### *Financial Instruments*

Currently, the Company does not have a policy that prohibits a Named Executive Officer or director from purchasing financial instruments (including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) designed to hedge or offset a decrease in the market value of equity securities of the Company granted as compensation or held directly or indirectly by the Named Executive Officer or director. The Board periodically assesses whether such a policy is necessary.

**Summary Compensation Table**

The following table (presented in accordance with National Instrument Form 51-102F6 – “Form 51-102F6”) sets forth all direct and indirect compensation provided to the Company’s Named Executive Officers, for each of the Company’s three most recently completed financial years. The Named Executive Officers are:

NEO Name and Principal Position	Year <sup>(1)</sup>	Salary (\$)	Share-Based Awards <sup>(5)</sup> (\$)	Option-Based Awards <sup>(6)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-term Incentive Plans (\$)			
Alan Coutts, President and Chief Executive Officer <sup>(2)</sup>	2015	330,000	–	92,700	150,000 <sup>(7)</sup>	–	–	–	572,700
	2014	330,000	–	–	–	–	–	–	330,000
	2013	82,500	224,920	467,000	10,000	–	–	–	784,420
Gregory Rieveley, Chief Financial Officer	2015	225,000	–	61,800	80,000 <sup>(7)</sup>	–	–	–	366,800
	2014	225,000	–	–	–	–	–	–	225,000
	2013	150,000	–	143,000	34,000	–	–	–	327,000
Stephen Flewelling Senior Vice President <sup>(3)</sup>	2015	125,000	307,500	367,500	–	–	–	–	800,000
	2014	–	–	–	–	–	–	–	–
	2013	–	–	–	–	–	–	–	–
Mark Baker, VP Projects	2015	175,440	–	7,725	28,380	–	–	–	211,545
	2014	172,000	–	–	–	–	–	–	172,000
	2013	114,667	–	39,750	17,200	–	–	–	171,617
Colin Webster, VP Sustainability <sup>(4)</sup>	2015	193,800	–	15,450	23,864	–	–	–	233,114
	2014	125,227	–	79,250	–	–	–	–	204,477
	2013	–	–	–	–	–	–	–	–

**Notes:**

- (1) The Company changed its fiscal year end in calendar 2013 as such 2013 represents the eight months ended December 31, 2013.
- (2) Alan Coutts became President and Chief Executive Officer on October 1, 2013.
- (3) Stephen Flewelling became Senior Vice President on June 22, 2015 the option based awards was an initial grant
- (4) Colin Webster became VP Sustainability on May 5, 2014 the option based award represents an initial grant; Mr. Webster left the Company on January 13, 2016.
- (5) For Share-based awards granted to NEO’s the Company, the grant date fair value is based on the current market price of the underlying stock, vesting provisions and performance provisions, if applicable.
- (6) For all Option-based awards granted to NEOs, the Company uses the Black-Scholes model to calculate the grant date fair value of Option-based awards. The model requires six key inputs: risk-free interest rate (1.05%-1.25%), exercise price of the Option (\$0.17-\$0.55), market price of the Common Shares at date of grant (\$0.17-\$0.55), expected dividend yield (0%), expected life (5 years) and share price volatility (55%-65%), all of which, except for exercise price of the Option and market price of the Common Shares at date of grant, are estimates of Management.

- (7) The annual incentive award for the CEO and CFO were deferred until the Company's working capital position improved. These bonuses were paid in full in 2016.

#### **Employment/Consulting Agreements of NEOs**

Alan Coutts' target bonus is 75% of his base salary for the year in which the bonus is earned. His employment agreement provides that if his employment is terminated without just cause he will be entitled to continuation of monthly payments of his base salary for the lesser of twelve months plus an additional two months for each completed year of service to a maximum of twenty-four months or up to the date he secures alternate employment in which case he will be entitled to 50% of the remaining amount otherwise payable. If the Company gives Notice of Termination pursuant to a change of control or if he gives Notice of Termination pursuant to a change of control for good reason, he will be entitled to receive a payment equal to two times his base salary and the average of his bonus over the preceding two years multiplied by two.

Gregory Rieveley's target bonus is 50% of his base salary for the year in which the bonus is earned. His employment agreement provides that if his employment is terminated without just cause he will be entitled to a payment equal to his then current salary for six months plus two months for each completed year of service after December 31, 2009 to a maximum of eighteen months. If the Company gives Notice of Termination pursuant to a change of control or if he gives Notice of Termination pursuant to a change of control for good reason within six months of the change in control, he will be entitled to receive a payment equal to one and a half times his then current salary and target bonus multiplied by one and a half.

Stephen Flewelling's target bonus is 50% of his base salary for the year in which the bonus is earned. His employment agreement provides that if his employment is terminated without just cause he will be entitled to continuation of monthly payments of his base salary for the lesser of twelve months plus an additional two months for each completed year of service to a maximum of eighteen months or up to the date he secures alternate employment in which case he will be entitled to 50% of the remaining amount otherwise payable. If the Company gives Notice of Termination pursuant to a change of control or if he gives Notice of Termination pursuant to a change of control for good reason, he will be entitled to receive a payment equal to two times his base salary.

Mark Baker's target bonus is 40% of his base salary for the year in which the bonus is earned. His employment agreement provides that if his employment is terminated without just cause he will be entitled to a payment equal to his then current salary for four months plus two months for each completed year of service to a maximum of twelve months. If the Company gives Notice of Termination pursuant to a change of control or if he gives Notice of Termination pursuant to a change of control for good reason within six months of the change in control, he will be entitled to receive a payment equal to his then current salary for four months plus two months for each completed year of service to a maximum of twelve months.

**Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)	Number of Shares 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 (\$)
Alan Coutts	3,000,000	0.30	Sep 23, 2018	210,000	2,000,000	185,000	–
	200,000	0.17	Dec 10, 2018	40,000	335,000	123,950	–
	300,000	0.55	Mar 31, 2020	–			
Stephen Flewelling	1,500,000	0.44	Jun 18, 2020	–	1,000,000	–	–
Gregory Rieveley	400,000	0.88	May 5, 2016	–	–	–	–
	400,000	0.46	Jul 17, 2017	–	–	–	–
	650,000	0.25	Jul 9, 2018	78,000	–	–	–
	650,000	0.17	Dec 10, 2018	130,000	–	–	–
	200,000	0.55	Mar 31, 2020	–	–	–	–
Mark Baker	100,000	0.88	May 5, 2016	–	–	–	–
	200,000	0.25	Jul 9, 2018	24,000	–	–	–
	150,000	0.17	Dec 10, 2018	30,000	–	–	–
	25,000	0.55	Mar 31, 2020	–	–	–	–
Colin Webster	250,000	0.59	May 5, 2019	–	–	–	–
	50,000	0.55	Mar 31, 2020	–	–	–	–

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which is \$0.37, and the exercise or base price of the Option.

**Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets out the value of all Options that vested during the year ended December 31, 2015 for each of the Named Executive Officers. There were no Share-based awards that vested during the financial period ended December 31, 2015. There were no non-equity incentive plan compensation amounts:

<b>NEO Name</b>	<b>Option-based awards value vested during the year (\$) <sup>(1)</sup></b>	<b>Share –based awards value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation value earned during the year (\$)</b>
Alan Coutts	54,000	–	–
Gregory Rieveley	84,500	–	–
Stephen Flewelling	–	–	–
Mark Baker	22,500	–	–
Colin Webster	–	–	–

**Notes:**

- (1) The value of unexercised in-the-money Options on date vested is based on the number of Options that became vested on the applicable date and is calculated on the difference between the market value of the common shares on the TSX-V as at the date of vesting and the exercise price of the Option.

For a detailed description of the incentive plans, please refer to the disclosure relating to the Stock Option Plan and the Share Award Plan in “Particulars of Matters to be Acted Upon” and “Executive Compensation – Compensation Discussion & Analysis – Elements of Compensation – Long-term Incentive Compensation”, respectively, herein.

**Pension Plan Benefits**

The Company does not have any form of pension plan, whether a defined benefit or deferred contribution plan, that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

**Termination and Change of Control Benefits**

Except as disclosed above under “Employment/Consulting Agreements of NEO’s” the Company and its subsidiaries have no contracts, agreements or arrangements that provide for termination payments to a Named Executive Officer. The following table summarizes the termination and change of control benefits that the Named Executive Officers would have received at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change in control of the Company, or change in a Named Executive Officer’s responsibilities, determined as if termination occurred on December 31, 2015.



Name	Event	Amounts Due on Termination (as of December 31, 2015)					
		Contractual Severance		Benefits (\$)	Long-term incentives	Other (\$)	Total (\$)
		Salary (\$)	Annual Bonus (\$)		Options (\$)		
Alan Coutts	Termination with cause	–	–	–	–	–	–
	Termination without cause	440,000	–	9,059	–	–	449,059
	Resignation	–	–	–	–	–	–
	Death and Disability	440,000	–	9,059	–	–	449,059
	Change of Control	660,000	150,000	–	70,000	–	880,000
Gregory Rieveley	Termination with cause	–	–	–	–	–	–
	Termination without cause	300,000	–	8,461	–	–	308,461
	Resignation	–	–	–	–	–	–
	Death and Disability	300,000	–	8,461	–	–	308,461
	Change of Control	337,500	168,750	9,518	26,000	–	541,768
Stephen Flewelling	Termination with cause	–	–	–	–	–	–
	Termination without cause	250,000	–	5,671	–	–	250,000
	Resignation	–	–	–	–	–	–
	Death and Disability	250,000	–	5,671	–	–	250,000
	Change of Control	500,000	–	–	–	–	500,000
Mark Baker	Termination with cause	–	–	–	–	–	–
	Termination without cause	146,200	–	5,099	–	–	151,299
	Resignation	–	–	–	–	–	–
	Death and Disability	146,200	–	5,099	–	–	151,299
	Change of Control	146,200	58,480	5,099	8,000	–	217,779
Colin Webster	Termination with cause	–	–	–	–	–	–
	Termination without cause	80,750	–	2,174	–	–	82,924
	Resignation	–	–	–	–	–	–
	Death and Disability	80,750	–	2,174	–	–	82,924
	Change of Control	80,750	32,300	2,174	–	–	115,224

## **Director Compensation**

### *Director Compensation Table*

The Company's policy with respect to directors' compensation was developed by the Compensation, Governance and Nomination Committee with reference to comparative data of companies in the same industry, of similar size and in similar stage of development. The directors' compensation, is payable in four equal quarterly installments. The Directors waived their fees in the fourth quarter of 2015 until such time as the Company's working capital situation improves. Director Fees will be reinstated starting June 1, 2016. Directors fees paid up to the third quarter of 2015 were based on the annual rates below:

- Annual compensation of \$35,000
- Annual Chairman of the Board retainer of \$12,500
- Annual Chairman's retainer for Audit Committee of \$10,000
- Annual Chairman's retainer for Compensation, Governance and Nomination Committees of \$5,000
- Annual Chairman's retainer for Sustainability Committee of \$5,000
- Reimbursement of meeting expenses

The Board of Directors may be issued stock options, deferred share units or share based awards. Members of the Board of Directors up to this time have received annual grants of stock options determined by benchmarking against comparable companies (see “Benchmarking” above).

During 2015, the Board of Directors adopted share ownership requirements to ensure director alignment with shareholders. Members of the Board of Directors are required to purchase a minimum of \$50,000 worth of common shares of the Corporation. Board members have three years from August 25, 2015 or from the date they joined the board in the case of new directors to comply with the minimum shareholding requirement.

The following table sets forth all amounts of compensation provided to the directors, who are each not also a Named Executive Officer, for the Company’s most recently completed financial year:

<b>Director Name</b>	<b>Fees Earned (\$)<sup>(1)</sup></b>	<b>Share-Based Awards (\$)</b>	<b>Option-Based Awards (\$)</b>	<b>Non-Equity Incentive Plan Compensation (\$)</b>	<b>Pension Value (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Tom Anselmi	26,250	–	30,900	–	–	–	57,150
Ted Bassett	30,000	–	30,900	–	–	–	60,900
Darren Blasutti	33,750	–	30,900	–	–	–	64,650
George Peter Mah <sup>(2)</sup>	8,750	–	30,900	–	–	–	39,650
Paul Parisotto	35,625	–	30,900	–	–	–	66,525
David Thomas	30,000	–	30,900	–	–	–	60,900
Yuanqing Xu	–	–	30,900	–	–	–	30,900
Sybil Veenman <sup>(3)</sup>	3,424	–	59,100	–	–	–	62,524

**Notes:**

- (1) The directors agreed to temporarily suspend director fees at the end of the third quarter of 2015 until such time as the company’s working capital situation improves.
- (2) George Peter Mah resigned as of March 31, 2015.
- (3) Sybil Veenman was appointed to the Board on August 25, 2015.
- (4) For all Option-based awards granted to Directors, the Company uses the Black-Scholes model to calculate the grant date fair value of Option-based awards. The model requires six key inputs: risk-free interest rate (1.05%-1.25%), exercise price of the Option (\$0.17-\$0.55), market price of the Common Shares at date of grant (\$0.17-\$0.55), expected dividend yield (0%), expected life (5 years) and share price volatility (55%-65%), all of which, except for exercise price of the Option and market price of the Common Shares at date of grant, are estimates of Management.

**Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not Named Executive Officers:

Name <sup>(1)</sup>	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(2)</sup> (\$)	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 (\$)
Tom Anselmi	300,000	0.35	Oct 12, 2017	6,000	–	–	–
	200,000	0.25	Jul 9, 2018	24,000	–	–	–
	200,000	0.17	Dec 10, 2018	40,000	–	–	–
	100,000	0.55	Mar 31, 2020	–	–	–	–
Ted Bassett	300,000	0.86	Nov 3, 2016	–	–	–	–
	400,000	0.25	Jul 9, 2018	48,000	–	–	–
	200,000	0.17	Dec 10, 2018	40,000	–	–	–
	100,000	0.55	Mar 31, 2020	–	–	–	–
Darren Blasutti	200,000	0.88	May 5, 2016	–	–	–	–
	600,000	0.25	Jul 9, 2018	72,000	–	–	–
	200,000	0.17	Dec 10, 2018	40,000	–	–	–
	100,000	0.55	Mar 31, 2020	–	–	–	–
Paul Parisotto	200,000	0.88	May 5, 2016	–	–	–	–
	900,000	0.25	Jul 9, 2018	108,000	–	–	–
	200,000	0.17	Dec 10, 2018	40,000	–	–	–
	100,000	0.55	Mar 31, 2020	–	–	–	–
David Thomas	300,000	0.46	Jul 17, 2017	–	–	–	–
	200,000	0.25	Jul 9, 2018	24,000	–	–	–
	200,000	0.17	Dec 10, 2018	40,000	–	–	–
	100,000	0.55	Mar 31, 2020	–	–	–	–
Yuanqing Xu	400,000	0.25	Jul 9, 2018	48,000	–	–	–
	200,000	0.17	Dec 10, 2018	40,000	–	–	–
	100,000	0.55	Mar 31, 2020	–	–	–	–
Sybil Veenman	300,000	0.35	Aug 25, 2020	6,000	–	–	–

**Notes:**

- (1) The table above does not include information with respect to Mr. Alan Coutts, who was a director and Named Executive Officer during the year ended December 31, 2015.
- (2) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which is \$0.37, and the exercise or base price of the option.

**Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets out the value of all Options awards that vested during the year ended December 31, 2015 for each of the Directors. There were no Share-based awards outstanding during the year ended December 31, 2015. There were no non-equity incentive plan compensation amounts:

<b>Director Name<sup>(1)</sup></b>	<b>Option-based awards value vested during the year (\$) <sup>(2)</sup></b>	<b>Share-based awards value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation value earned during the year (\$)</b>
Tom Anselmi	14,000	–	–
Ted Bassett	14,000	–	–
Darren Blasutti	14,000	–	–
George Peter Mah	19,250	–	–
Paul Parisotto	14,000	–	–
David Thomas	14,000	–	–
Yuanqing Xu	14,000	–	–
Sybil Veenman	–	–	–

**Notes:**

- (1) The table above does not include information with respect to Mr. Alan Coutts, who was a director and Named Executive Officer during the year ended December 31, 2015.
- (2) The value of unexercised in-the-money options on date vested is based on the number of options that became vested on the applicable date and is calculated on the difference between the market value of the common shares on the TSX-V as at the date of vesting and the exercise price of the option.

**Directors’ and Officers’ Liability Insurance**

The Corporation has directors’ and officers’ liability insurance for the benefit of the directors and officers of the Corporation which provides coverage in the aggregate of \$20 million for the period from June 13, 2015 to June 13, 2016. The deductible amount on the policy is \$25,000 and the total premium is \$33,600.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of December 31, 2015 with respect to compensation plans under which equity securities of the Company are authorized for issuance. See also "Particulars of Matters to be Acted Upon – Re-Approval of the Stock Option Plan" for detail regarding the Stock Option Plan and "Executive Compensation – Compensation Discussion & Analysis – Elements of Compensation - Long-term Incentive Compensation" for detail regarding the Share Award Plan.

<b>Plan</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (A)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A))</b>
Equity compensation plans approved by security holders	21,915,000	\$0.40	6,122,613
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>21,915,000</b>	<b>\$0.40</b>	<b>6,122,613</b>

### INDEBTEDNESS OF OFFICERS AND DIRECTORS

No officer or director of the Company is indebted to the Company for any sum.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company (within the meaning of NI 51-102), no proposed nominee for election as a director of the Company, and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Company's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries, other than disclosed under the heading "Executive Compensation".

### AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Company, as a Venture Issuer (as defined in NI 52-110), to disclose annually in its information circular certain information relating to the Company's audit committee and its relationship with the Company's independent auditors.

#### **The Audit Committee's Charter**

The Company's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as Appendix "A".

### Composition of the Audit Committee

The Company's Audit Committee is currently comprised of three (3) directors, Darren Blasutti, Paul A. Parisotto and Tom Anselmi. As defined in NI 52-110, Messrs. Blasutti, Parisotto and Anselmi are independent. Also as defined in NI 52-110, all the members of the Audit Committee are financially literate.

### Relevant Education and Experience

For the relevant education and experience of each of the members of the Company's Audit Committee, please see the biographical summary of each of Messrs. Blasutti, Parisotto and Anselmi under the heading "Election of the Board of Directors".

### Audit Committee Oversight

Since the commencement of the Company's most recently completed fiscal year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in section 2.4 or Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee approves the engagement of non-audit services as required.

### External Auditors Service Fees (By Category)

The fees paid to the Company's external auditors in each of the last two fiscal periods for audit fees are as follows:

Financial Period Ending	Audit Fees	Audit Related Fees <sup>1</sup>	Tax Fees <sup>2</sup>	All Other Fees <sup>3</sup>
December 31, 2015	\$56,100	\$37,800	\$37,900	\$94,518 <sup>(4)</sup>
December 31, 2014	\$55,125	\$37,800	\$27,468	\$11,650

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.
- (4) Amounts relate to the audit of acquired companies financial statement for inclusion in a business acquisition report for compliance purposes.

## Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2.

## CORPORATE GOVERNANCE

The securities regulatory authorities in Canada adopted National Instrument 58-101 - Disclosure of Corporate Governance Practices (“NI-58-101”) and National Policy 58-201 Corporate Governance Guidelines (“NP-58-201”), which contain a series of guidelines for effective corporate governance and related disclosure. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the experience and education of board members and other items dealing with sound corporate governance.

Noront considers good corporate governance to be central to the effective and efficient operation of its business and is committed to implementing high standards of corporate governance and reporting. The Board reviews and formulates policies with respect to corporate governance issues. Noront attempts, so far as is practical and reasonable, given the nature of Noront’s business and available resources, to seek to adhere to the guidelines outlined in NP 58-201.

Noront reviews its corporate governance practices annually and can provide the following summary of its corporate governance policies:

1. **Board of Directors** — The Board is responsible for guiding and supervising Noront’s business and its affairs. The Board of Directors has adopted a written mandate which is available on the Company’s website. In this regard, the Board reviews, approves and provides guidance on key corporate matters, including the strategic business planning process and certain operations decisions such as acquisitions and dispositions, operating and capital budgets, major financings, significant policy decisions, the performance and compensation of senior Management including grants made pursuant to the Stock Option Plan, Share Award Plan, and approval of the Annual financial statements. The Board facilitates its exercise of independent supervision over Management by ensuring a majority of the directors of the Company are independent. Currently six directors being Tom Anselmi, Darren Blasutti, Ted Bassett, David Thomas, Yuanqing Xu and Sybil Veenman are independent directors of the Company.
2. **Directorships** — Darren Blasutti is a director of U.S. Silver and Gold Corporation. Paul A. Parisotto is a director of Chantrell Ventures Corp., Scorpio Gold Corporation and Calico Resources. David Thomas is a director at Buffalo Coal Corporation. Sybil Veenman is a director of Iamgold Corporation.
3. **Orientation and Continuing Education** — The Board has a process for the orientation of new board members which includes providing new directors with an extensive package of the Company’s governance, financial and business related documents, as well as briefings by officers and other members of the Board, and offering opportunities to participate in certain briefing meetings and meetings with stakeholders.
4. **Ethical Business Conduct** — Noront is committed to maintaining high standards of integrity and accountability in conducting its business. The directors understand their fiduciary obligations as directors of a public company and have developed a code of business conduct and ethics which is available on the Company’s website.
5. **Nomination of Directors** — The Board, with the assistance of the Compensation, Governance and Nominating Committee, identifies new candidates for the Board including members to fill any vacancies on the Board. The Board considers required skills identified during the annual skills assessment review of the board when considering new appointments. It will consider candidates submitted by directors, officers, employees, shareholders and others and may retain search firms for the purposes of identifying suitable candidates who meet the level of personal and professional integrity and ability it deems appropriate for directors of the Company.

6. **Compensation** — The entire Board reviews the compensation of directors and officers including the granting of stock options based on recommendations from the Compensation, Governance and Nominating Committee. Compensation is determined with reference, in part, to compensation of officers and directors in similar industries performing similar functions. See also "Executive Compensation – Compensation Discussion and Analysis" for additional detail regarding the role of the Compensation, Governance and Nomination Committee and the process of determining compensation.
7. **Other Board Committees** — Currently the Board has established a Compensation, Governance and Nomination Committee and Sustainability Committee along with its Audit Committee. The Compensation, Governance and Nomination Committee supplies direction to the board in all matters pertaining to: (i) the compensation, benefits and performance of the executive officers of Noront; (ii) overseeing and supervising any share purchase plan, share option plan, bonus participation plan, incentive compensation plan or other equity based plan; (iv) all matters of corporate governance, new director nominations, salary, size and composition of the Board and committees of the Board. The Sustainability Committee oversees the development and implementation by management of policies, programs and systems relating to environmental; health; safety; sustainable issues; performance and monitoring of current and future legal and regulatory issues to ensure compliance with applicable legislation, rules and regulations and best management practices with a commitment to sustainable development.
8. **Assessments** — The Corporate Governance Committee reviews the corporate governance practices of Noront annually and establishes procedures to ensure that the Board, its committees, and its individual directors are performing effectively.

#### **APPROVAL OF DIRECTORS**

The Circular and the mailing of same to shareholders has been approved by the Board.

DATED the 29th of April, 2016

**BY ORDER OF THE  
BOARD OF DIRECTORS**

*(signed) "Alan Coutts"*

Alan Coutts  
President and Chief Executive Officer



**APPENDIX “A”****AUDIT COMMITTEE CHARTER****I. Purpose**

The Audit Committee (the “Committee”) shall provide assistance to the Board of Directors in fulfilling its financial reporting and oversight responsibilities to the shareholders of Noront and the investment community. The Audit Committee’s primary duties and responsibilities are to:

- **Oversee:**
  - (i) the integrity of Noront’s financial statements;
  - (ii) Noront’s compliance with legal and regulatory requirements regarding financial disclosure; and
  - (iii) the independent auditors qualifications and independence.
- Serve as an independent and objective party to monitor Noront’s financial reporting processes and internal control systems.
- Review and appraise the audit activities of Noront’s independent auditors.
- Annually evaluate the performance of the Audit Committee in light of the requirements of its Charter.
- Provide open lines of communication among the independent auditors, financial and senior management and the Board of Directors for financial reporting and control matters. The Audit Committee will meet, periodically, with management and the independent auditors.

The primary responsibility of the Committee is to oversee Noront’s financial reporting process on behalf of the Board of Directors and to report the results of its activities to the Board of Directors. While the Committee has the responsibilities and powers provided in this Charter, it is the responsibility of the Committee, to plan and conduct audits and to prepare and determine that Noront’s financial statements are complete and accurate and are in accordance with international financial reporting standards (“IFRS”). It is also the responsibility of management to establish, document, maintain and review systems of internal control and maintain the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and applicable laws. Absent knowledge to the contrary (the details of which shall be promptly reported to the Board of Directors), each member of the Committee is entitled to rely on the accuracy of the financial and other information provided to the Committee by management and the external auditors and any representations made by management or the external auditors as to any non-audit services provided to Noront or any of its subsidiaries.

**II. Composition**

The Audit Committee shall be comprised of at least three directors, a majority of which shall be an “independent director” as defined by applicable laws, including the requirements of National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”), as such rules are revised, updated or replaced from time to time. A copy of such requirements is reproduced in Schedule “A” attached hereto.

All members shall, to the satisfaction of the Board of Directors, be “financially literate”, and at least one member shall have accounting or related financial management expertise to qualify as a “financial expert” as defined by applicable laws, including the requirements of NI 52-110, as revised, updated or replaced from time to time. A copy of such requirements is reproduced in Schedule “A” attached hereto.

No director may serve as a member of the Committee if such director serves on the audit committee of more than two other public companies unless the Board of Directors determines that such simultaneous service would not impair the ability of such director to effectively serve on the Audit Committee, and this determination is disclosed in the annual management information circular.

The committee members will be appointed by the Board of Directors annually at the first meeting of the Board of Directors following the annual and general meeting of shareholders.

The Board of Directors may remove a member of the Committee at any time in its sole discretion by resolution of the Board of Directors. Unless a Chair of the Committee is appointed by the full Board of Directors, the members of the Committee may designate a Chair of the Committee by majority vote of the full membership of the Committee.

### **III. Responsibilities and Powers**

Responsibilities and powers of the Audit Committee include

- Annually reviewing and recommending revisions to the Charter, as necessary, for consideration by the Board of Directors.
- Reviewing disclosure respecting the activities of the Audit Committee included in Noront's annual filings.
- Subject to the powers of the Board of Directors and the shareholders under Noront's articles and by-laws and under the *Business Corporations Act* (Ontario), the Audit Committee is responsible for the selection, appointment, oversight, evaluation, compensation, retention and, if necessary, the replacement of the independent auditors who prepare or issue an auditors' report or perform other audit, review or attest services for Noront.
- Overseeing procedures relating to the receipt, retention and treatment of complaints received by Noront regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the listed issuer of concerns regarding the questionable accounting of auditing matters, pursuant to Noront's whistleblower policy, or otherwise.
- Approving the appropriate audit engagement fees and the funding for payment of the independent auditors' compensation and any advisors retained by the Audit Committee.
- Requiring that the auditors report directly to the Audit Committee and be accountable to the Board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible.
- Reviewing the independence of the auditors, which will require receipt from the auditors of a formal written statement delineating all relationships between the auditors and Noront and any other factors that might affect the independence of the auditors and the basis for these conclusions.
- Requiring the external auditors to provide the Committee with all reports which the external auditors are required to provide to the Committee or the Board of Directors under rules, policies or practices of professional or regulatory bodies applicable to external auditors.
- Prohibiting the independent auditors from providing the following non-audit services and determining which other non-audit services the independent auditors are prohibited from providing:
  - Bookkeeping or other services related to the accounting records or financial statements of Noront;
  - Financial information systems design and implementation;
  - Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;

- Actuarial services;
  - Internal audit outsourcing services;
  - Management functions or human resources;
  - Broker or dealer, investment adviser or investment banking services;
  - Legal services and expert services unrelated to the audit; and
  - Any other services which the Public Company Accounting Oversight Board determines to be impermissible.
- Approving any permissible non-audit engagements of the independent auditors in accordance with applicable laws.
  - Obtaining from the independent auditors in connection with any audit a timely report relating to Noront's annual audited financial statements describing all critical accounting policies and practices used, all alternative treatments within IFRS for policies and practices related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors, and any material written communications between the independent auditors and management, such as any "management" letter or schedule of unadjusted differences.
  - Meeting with the auditors and financial management of Noront to review the scope of the proposed audit for the current year, and the audit procedures to be used.
  - Reviewing with management and the independent auditors:
    - Noront's annual and interim financial statements and related notes, management's discussion and analysis, earnings releases and the annual information form, for the purpose of recommending approval by the Board of Directors prior to being released or filed with regulators;
    - reviewing with management significant judgments affecting the financial statements, including any disagreements between the external auditors and management;
    - discussing among the members of the Committee, without management or the independent auditors present, the information disclosed to the Committee;
    - receiving the assurance of both financial management and the independent auditors that Noront's financial statements are fairly presented in conformity with Canadian IFRS in all material respects;
    - discussing with management the use of "pro forma" or "non-IFRS information" in Noront's continuous disclosure documents; and
    - discussing with management and counsel any matter, including any litigation, claim or other contingency (including tax assessments) that could have a material effect on the financial position or operating results of Noront and the manner in which any such matter has been described in the financial statements.
  - Reviewing the effect of any regulatory and accounting initiatives, including any off-balance sheet structures, on Noront's financial statements.

- The financial reporting of any transactions between Noront and any officer, director or other “related party” (including any significant shareholder) or any entity in which any person has a financial interest and any potential conflicts of interest.
- Any significant changes in the independent auditors’ audit plan.
- Other matters related to the conduct of the audit that are to be communicated to the Committee under generally accepted auditing standards.
- Reviewing the effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on Noront’s financial statements.
- Reviewing the financial reporting.
- With respect to the internal auditing department:
  - (i) Reviewing the appointment and replacement of the director of the internal auditing department;
  - (ii) Advising the director of the internal auditing department that he or she is expected to provide to the Audit Committee copies of significant reports to management prepared by the internal auditing department and management’s responses thereto; and
  - (iii) Considering if the internal auditing department has the resources needed to carry out its responsibilities.
- With respect to accounting principles and policies, financial reporting and internal control over financial reporting:
  - To advise management, the internal auditing department and the independent auditors that they are expected to provide to the Audit Committee a timely analysis of significant issues and practices relating to accounting principles and policies, financial reporting and internal control over financial reporting;
  - To consider any reports or communications (and management’s and/or the internal audit department’s responses thereto) submitted to the Audit Committee by the independent auditors, including reports and communications related to:
    - Deficiencies, including significant deficiencies or material weaknesses, in internal control identified during the audit or other matters relating to internal control over financial reporting;
    - Consideration of fraud in a financial statement audit;
    - Detection of illegal acts;
    - The independent auditors’ responsibility under generally accepted auditing standards;
    - Any restriction on audit scope;
    - Significant accounting policies;
    - Significant issues discussed with the national office respecting auditing or accounting issues presented by the engagement;

- Management judgments and accounting estimates;
  - Any accounting adjustments arising from the audit that were noted or proposed by the auditors but were passed (as immaterial or otherwise);
  - The responsibility of the independent auditors for other information in documents containing audited financial statements;
  - Disagreements with management;
  - Consultation by management with other accountants;
  - Major issues discussed with management prior to retention of the independent auditors;
  - Difficulties encountered with management in performing the audit;
  - The independent auditors' judgments about the quality of the entity's accounting principles;
  - Reviews of interim financial information conducted by the independent auditors; and
  - The responsibilities, budget and staffing of the Company's internal audit function.
- Satisfying itself that adequate procedures are in place for the review of Noront's public disclosure of financial information extracted or derived from Noront's financial statements, other than the annual and interim financial statements and related notes, management's discussion and analysis, earnings releases and the annual information form and assessing the adequacy of such procedures periodically.
  - Reviewing with the independent auditors and management the adequacy and effectiveness of the financial and accounting controls of Noront.
  - Reviewing the quality and appropriateness of Noront's accounting policies and the clarity of financial information and disclosure practices adopted by Noront and considering the independent's auditor's judgments about the quality and appropriateness of Noront's accounting principles and financial disclosure practices, as applied in its financial reporting and whether the accounting principles and underlying estimates are common or minority practices.
  - Establishing procedures: (i) for receiving, handling and retaining of complaints received by Noront regarding accounting, internal controls, or auditing matters, and (ii) for employees to submit confidential anonymous concerns regarding questionable accounting or auditing matters.
  - Reviewing with the independent auditors any audit problems or difficulties and management's response and resolving disagreements between management and the auditors.
  - Making inquiries of management and the independent auditors to identify significant financial and control risks and exposures and assess the steps management has taken to minimize such risks to Noront.
  - Assessing the overall process for identifying principal financial and control risks and providing its views on the effectiveness of this process to the Board.
  - Reviewing the adequacy of Noront's disaster recovery plan to consider if operations can be resumed as quickly and efficiently as possible following the occurrence of any disaster.
  - Reviewing reports of compliance with Noront's policies on internal controls.

- Discussing any earnings guidance provided to analysts and rating agencies.
- Reviewing any significant tax exposures and tax planning initiatives intended to promote compliance with applicable laws while minimizing tax costs.
- At least annually obtaining and reviewing a report prepared by the independent auditors describing:
  - (i) the auditors' internal quality-control procedures;
  - (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditors, or by any inquiry of investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues; and
  - (iii) (to assess the auditors' independence) all relationships between the independent auditors and Noront including each non-audit service provided to the Company.
- Setting clear hiring policies for partners, employees or former partners and former employees of the independent auditors.
- Engaging and compensating (for which Noront will provide appropriate funding) independent counsel and other advisors if the Committee determines such advisors are necessary to assist the Committee in carrying out its duties.
- Reporting disclosure respecting the mandate of the Committee and the Committee's activities included in Noront's Management Information Circular prepared for the annual and general meeting of shareholders and Noront's Annual Information Form.

#### **IV. Meetings and Other Matters**

A majority of the members of the Committee shall constitute a quorum. The time and place at which meetings of the Committee are to be held, and the procedures at such meetings, will be determined from time to time by the Committee. A meeting of the Committee may be called by notice, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

Committee members may participate in a meeting of the Committee by means of conference telephone or other communication equipment.

The Committee shall keep minutes of its meetings which shall be available for review by the Board.

The Committee may appoint any person who need not be a member, to act as the secretary at any meeting.

The Committee may invite such officers, directors and employees of the Company and such other advisors and persons as it may see fit, from time to time, to attend the meetings of the Committee.

Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier if the Committee deems necessary.

The Chair of the Committee should:

- (a) provide leadership to the Committee with respect to its functions as described in this mandate and as otherwise may be appropriate, including overseeing the operation of the Committee;
- (b) chair meetings of the Committee, unless not present, including in camera sessions, and report to the Board following each meeting of the Committee on the activities and any recommendations of the Committee;
- (c) ensure that the Committee meets at least four times per year and otherwise as considered appropriate;
- (d) in consultation with the Chairman of the Board and the Committee members, establish dates for holding meetings of the Committee;
- (e) set the agenda for each meeting of the Committee, with input from other Committee members, the Chairman of the Board, the Lead Director and any other appropriate persons;
- (f) ensure that Committee materials are available to any director upon request;
- (g) act as liaison and maintain communication with the Chairman of the Board and the Board to optimize and co-ordinate input from directors, and to optimize the effectiveness of the Committee. This includes reporting to the Board on all decisions of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;
- (h) report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board;
- (i) ensure that the members of the Committee understand and discharge their duties;
- (j) foster ethical and responsible decision making by the Committee and its members;
- (k) together with the Corporate Governance and Nominating Committee, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time;
- (l) provide to the Committee appropriate information from management to enable the Committee to function effectively and fulfill its mandate;
- (m) ensure that resources and expertise are available to the Committee so that it may function effectively and efficiently (including the retention of any outside advisors);
- (n) ensure that any outside advisors retained by the Committee are appropriately qualified and independent in accordance with applicable law;
- (o) facilitate effective communication between members of the Committee and management, and encourage an open and frank relationship between the Committee and the Independent Auditor;
- (p) attend each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair; and
- (q) perform such other duties as may be delegated to the Chair by the Board from time to time.

The Audit Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, accountants or other experts and advisors, as it deems necessary or appropriate, without seeking approval of the Board or management.

Noront shall provide for appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board, for payment of:

1. Compensation to the independent auditors and any other public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company;
2. Compensation of any advisers employed by the Audit Committee; and
3. Ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

## **SCHEDULE “A”**

### **Independence Requirement of Multilateral Instrument 52-110**

A member of the Audit Committee shall be considered “independent”, in accordance with Multilateral Instrument 52-110 - Audit Committees (“MI 52-110”), subject to the additional requirements or exceptions provided in MI 52-110, if that member has no direct or indirect relationship with the Company, which could reasonably interfere with the exercise of the member’s independent judgment. The following persons are considered to have a material relationship with the Company and, as such, cannot be a member of the Audit Committee:

1. an individual who is, or has been within the last three years, an employee or executive officer of the Company;
2. an individual whose immediate family member is, or has been within the last three years, an executive officer of the Company;
3. an individual who:
  - (i) is a partner of a firm that is the Company’s internal or external auditor;
  - (ii) is an employee of that firm; or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the Company’s audit within that time;
4. an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
  - (i) is a partner of a firm that is the Company’s internal or external auditor;
  - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the Company’s audit within that time;
5. an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Company's current executive officers serves or served at the same time on the entity's compensation committee; and
6. an individual who received, or whose immediate family member who is employed as an executive officer of the Company received, more than \$75,000 in direct compensation from the Company during any 12



month period within the last three years, other than as remuneration for acting in his or her capacity as a member of the Board of Directors or any Board committee, or the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service for the Company if the compensation is not contingent in any way on continued service.

In addition to the independence criteria discussed above, any individual who:

- (a) has a relationship with the Company pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary entity of the Company, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee; or as a part-time chair or vice-chair of the board or any board or committee; or
- (b) is an affiliated entity of the Company or any of its subsidiary entities, is deemed to have a material relationship with the Company, and therefore, is deemed not to be independent.

The indirect acceptance by an individual of any consulting, advisory or other fee includes acceptance of a fee by:

1. an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; and
2. an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company or any subsidiary entity of the Company.

#### **Financial Literacy Under National Instrument 52-110**

“Financially literate”, in accordance with NI 52-110, means that the director has 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.

Every audit committee member must be independent, subject to certain exceptions provided in NI 52-110 relating to:

- (i) Controlled companies;
- (ii) Events outside the control of the member;
- (iii) The death, disability or resignation of a member;
- (iv) The occurrence of certain exceptional circumstances; and
- (v) TSX-Venture listed companies.

**APPENDIX “B”**

**NORONT RESOURCES LTD.**

**AMENDED 2007 INCENTIVE STOCK OPTION PLAN**

1. **PURPOSE:** The purpose of this Stock Option Plan (the “Plan”) is to encourage common stock ownership in Noront Resources Ltd. (the “Company”) by directors, officers, employees (including part-time employees employed by the Company for less than (20) hours per week) and consultants (including individuals whose services are contracted through a wholly-owned personal holding company) of the Company or any Affiliate, as that term is defined in the Securities Act (Ontario), of the Company or by wholly owned personal holding companies of any such officers, directors or employees or by registered retirement savings plans established by any such officers, directors or employees (hereinafter referred to as “Optionees”) who are primarily responsible for the management and profitable growth of its business and to advance the interests of the Company by providing additional incentive for superior performance by such persons and to enable the Company to attract and retain valued directors, officers and employees by granting options (the “Options” or “Option”) to purchase common shares of the Company on the terms and conditions set forth in this Plan and any Stock Option Agreements entered into between the Company and the Optionees in accordance with the Plan. Any Options granted to a wholly-owned personal holding company shall be cancelled immediately upon any change in control of such personal holding company, save and except in the event of the death of the principal of such personal holding company, in which case, subject to the terms of the Stock Option Agreement, the provisions of subparagraph 5(f)(iii) shall apply.
2. **ADMINISTRATION:** The Plan shall be administered by the Board of Directors from time to time of the Company (the “Administrator”). No member of the Board of Directors shall by virtue of such appointment be disqualified or ineligible to receive Options. The Administrator shall have full authority to interpret the Plan and to make such rules and regulations and establish such procedures as it deems appropriate for the administration of the Plan, taking into consideration the recommendations of management, and the decision of the Administrator shall be binding and conclusive. The decision of the Administrator shall be binding, provided that notwithstanding anything herein contained, the Administrator may from time to time delegate the authority vested in it under this clause to the President who shall thereupon exercise all of the powers herein given to the Administrator, subject to any express direction by resolution of the Board of Directors of the Company from time to time and further provided that a decision of the majority of persons comprising the Board of Directors in respect of any matter hereunder shall be binding and conclusive for all purposes and upon all persons. The senior officers of the Company are authorized and directed to do all things and execute and deliver all instruments, undertakings and applications as they in their absolute discretion consider necessary for the implementation of the Plan.
3. **NUMBER OF SHARES SUBJECT TO OPTIONS:** The Board of Directors of the Company will make available that number of common shares for the purpose of the Plan that it considers appropriate except that the number of common shares that may be issued pursuant to the exercise of Options under the Plan and under any other stock options of the Company or under any other share compensation arrangement of the Company shall not, in the aggregate, exceed 10% of the common shares issued and outstanding (on a non-diluted basis) at any time and from time to time. In the event that Options granted under the Plan, and under any other stock options of the Company which may be in effect at a particular time, are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the common shares not purchased under such lapsed Options.
4. **PARTICIPATION:** Options shall be granted under the Plan only to Optionees as shall be designated from time to time by the Administrator and shall be subject to the approval of such regulatory authorities as the Administrator shall designate, which shall also determine the number of shares subject to such Option. Optionees who are consultants of the Company or an Affiliate of the Company must either perform services for the Company on an ongoing basis or provide, or be expected to provide, a service of value to the Company or to an Affiliate of the Company. The Company represents that no Option shall be granted to any Employee or Consultant who is not a bona fide employee or consultant.

5. **TERMS AND CONDITIONS OF OPTIONS:** The terms and conditions of each Option granted under the Plan shall be set forth in written Stock Option Agreements between the Company and the Optionee. Such terms and conditions shall include the following, as well as such other provisions, not inconsistent with the Plan, as may be deemed advisable by the Administrator:
- (a) **Number of Shares subject to Option to any one Optionee:** The number of shares subject to an Option shall be determined from time to time by the Administrator; but no one Optionee shall be granted an Option which when aggregated with any other options or common shares allotted to such Optionee under the Plan and under any other stock options of the Company or under any other share compensation arrangement of the Company exceeds 5% of the issued and outstanding common shares of the Company (on a non-diluted basis), the total number of Options granted to any one Optionee in any 12 month period shall not exceed 5% of the issued and outstanding common shares of the Company (on a non-diluted basis) unless the Company has obtained disinterested shareholder approval, the total number of Options granted to all Insiders (as defined by the TSX Venture Exchange) in any 12 month period shall not exceed 10% of the issued and outstanding common shares of the Company (on a non-diluted basis). The total number of options granted to any one consultant in any 12 month period shall not exceed 2% of the issued and outstanding common shares of the Company (on a non-diluted basis). The total number of options granted to all persons, including employees, providing investor relations activities to the Company in any 12 month period shall not exceed 2% of the issued and outstanding common shares of the Company (on a non-diluted basis). The Option Price per common share shall be determined in accordance with subparagraph (b) below. Options granted to persons providing investor relations activities must vest over a 12 month period with no more than 25% of the options vesting in any quarter.
  - (b) **Option Price:** The Option Price of any shares in respect of which an Option may be granted under the Plan shall be not less than the Market Price less the allowable discount permitted by the TSX Venture Exchange or in accordance with the pricing rules of any other stock exchange on which the common shares of the Company may trade in the future. In the resolution allocating any Option, the Administrator may determine that the date of grant aforesaid shall be a future date determined in the manner specified by such resolution. The Administrator may also determine that the Option Price per share may escalate at a specified rate dependent upon the year in which any Option to purchase common shares may be exercised by the Optionee. No options granted to Insiders (as defined by the TSX Venture Exchange) may be repriced without the approval of a majority of disinterested shareholders of the Company exclusive of any Insiders.
  - (c) **Payment:** The full purchase price of shares purchased under the Option shall be paid in cash upon the exercise thereof. A holder of an Option shall have none of the rights of a stockholder until the shares are issued to him. All common shares issued pursuant to the exercise of Options granted or deemed to be granted under the Plan, will be so issued as fully paid and non-assessable common shares. No Optionee or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares subject to an Option under this Plan, unless and until certificates for such common shares are issued to him or them under the terms of the Plan.
  - (d) **Term of Options:** Options may be granted under this Plan exercisable over a period not exceeding five (5) years. Each Option shall be subject to earlier termination as provided in subparagraph (f) below.
  - (e) **Exercise of Options:** The exercise of any Option will be contingent upon receipt by the Company at its head office of a written notice of exercise, specifying the number of common shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such common shares with respect to which the Option is exercised. An Option may be exercised in full or in part during any year of the term of the Option as provided in the written Stock Option Agreement; provided, however, that except as expressly

otherwise provided herein or as provided in any valid Stock Option Agreement approved by the Administrator, no Option may be exercised unless that Optionee is then a director and/or in the employ of the Company. This Plan shall not confer upon the Optionee any right with respect to continuance as a director, officer, employee or consultant of the Company or of any affiliate of the Company.

- (f) Termination of Options: Any Option granted pursuant hereto, to the extent not validly exercised, and save as expressly otherwise provided herein, will terminate on the earlier of the following dates:
- (i) the date of expiration specified in the Stock Option Agreement, being not more than five (5) years after the date the Option was granted;
  - (ii) the date of termination of the Optionee's employment or upon ceasing to be a director and/or officer of the Company or up to a period not exceeding one (1) year thereafter for any cause other than by retirement, permanent disability or death unless the Optionee was retained to provide Investor Relations Activities in which case up to a period not exceeding thirty (30) days thereafter;
  - (iii) one (1) year after the date of the Optionee's death during which period the Option may be exercised only by the Optionee's legal representative or the person or persons to whom the deceased Optionee's rights under the Option shall pass by will or the applicable laws of descent and distribution, and only to the extent the Optionee would have been entitled to exercise it at the time of his death if the employment of the Optionee had been terminated by the Company on such date; or
  - (iv) one (1) year after termination of the Optionee's employment by permanent disability or retirement under any Retirement Plan of the Company during which one (1) year period the Optionee may exercise the Option to the extent he was entitled to exercise it at the time of such termination.
- (g) Non-transferability of Options: No Option shall be transferable or assignable by the Optionee other than by will or the laws of descent and distribution and shall be exercisable during his lifetime only by him.
- (h) Applicable Laws or Regulations: The Company's obligation to sell and deliver stock under each Option is subject to such compliance by the Company and any Optionee as the Company deems necessary or advisable with all laws, rules and regulations of Canada and the United States of America and any Provinces and/or States thereof applying to the authorization, issuance, listing or sale of securities and is also subject to the acceptance for listing of the common shares which may be issued in exercise thereof by each stock exchange upon which shares of the Company are listed for trading.
6. ADJUSTMENT IN EVENT OF CHANGE IN STOCK: Each Option shall contain uniform provisions in such form as may be approved by the Administrator to appropriately adjust the number and kind of shares covered by the Option and the exercise price of shares subject to the Option in the event of a declaration of stock dividends, or stock subdivisions or consolidations or reconstruction or reorganization or recapitalization of the Company or other relevant changes in the Company's capitalization (other than issuance of additional shares) to prevent substantial dilution or enlargement of the rights granted to the Optionee by such Option. The number of common shares available for Options, the common shares subject to any Option, and the Option Price thereof shall be adjusted appropriately by the Administrator and such adjustment shall be effective and binding for all purposes of the Plan.
7. ACCELERATION OF EXPIRY DATES: Upon the occurrence of any event, including a reorganization, acquisition, amalgamation or merger (or a plan of arrangement in connection with any of the foregoing),

other than solely involving the Company and one or more of its affiliates (as such term is defined in the Securities Act (Ontario)), with respect to which all or substantially all of the persons who were the beneficial owners of the common shares, immediately prior to such reorganization, amalgamation, merger or plan of arrangement do not, following such reorganization, amalgamation, merger or plan of arrangement, beneficially own, directly or indirectly more than 50% of the resulting voting shares on a fully-diluted basis (for greater certainty, this shall not include a public offering or private placement out of treasury) or the sale to a person other than an affiliate of the Company of all or substantially all of the Company's assets (collectively, a "Change of Control"), all Options shall be deemed to have immediately vested.

8. **AMALGAMATION, CONSOLIDATION OR MERGER:** If the event that the Company is a consenting party to a Change of Control, outstanding Options shall be subject to the agreement affecting such Change of Control and Optionees shall be bound by such Change of Control agreement. Such agreement, without the Optionees' consent, may provide for:
- (a) the continuation of such outstanding Options by the Company (if the Company is the surviving or acquiring corporation);
  - (b) the assumption of the Plan and such outstanding Options by the surviving entity; or
  - (c) substitution or replacement by the surviving or acquiring corporation or its parent of options with substantially the same terms for such outstanding Options.

The Company may provide in any agreement with respect to any such Change of Control that the surviving, new or acquiring corporation shall grant options to the Optionees to acquire shares in such corporation or its parent with respect to which the excess of the fair market value of the shares of such corporation immediately after the consummation of such Change of Control over the exercise price therefore shall not be less than the excess of the value of the common shares over the Exercise Price of the Options immediately prior to the consummation of such Change of Control.

9. **APPROVALS:** The obligation of the Company to issue and deliver the common shares in accordance with the Plan is subject to any approvals which may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Company. If any common shares cannot be issued to any Optionee for whatever reason, the obligation of the Company to issue such common shares shall terminate and any Option exercise price paid to the Company will be returned to the Optionee.
10. **STOCK EXCHANGE RULES:** The rules of any stock exchange upon which the Company common shares are listed shall be applicable relative to Options granted to Optionees.
11. **AMENDMENT AND DISCONTINUANCE OF PLAN:** Subject to regulatory approval, the Board of Directors may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time provided, however, that no such right may, without the consent of the Optionee, in any manner adversely affect his rights under any Option theretofore granted under the Plan.
12. **EFFECTIVE DATE AND DURATION OF PLAN:** The Plan shall remain in full force and effect from the date of shareholder approval hereof and from year to year thereafter until amended or terminated in accordance with Paragraph 11 hereof and for so long thereafter as Options remain outstanding in favour of any Optionee.
13. **REPLACEMENT OF PREVIOUS PLAN:** The Plan replaces and supersedes the Plan approved by an ordinary resolution of the shareholders of the Company on October 9, 2012.