



NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS

AND

MANAGEMENT PROXY CIRCULAR

February 8, 2021

This information circular is provided to the shareholders of Stelmine Canada Ltd. in connection with the solicitation of proxies by management in respect of:

The annual general meeting of shareholders to be held on March 30, 2021 at 1 p.m., through the Zoom videoconference platform <https://zoom.us/meeting/register/tJ0pc-muqD8iHtxbJiccsPdk5CxVIUtlMrcQ>.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting of shareholders (the “**Meeting**”) of Stelmine Canada Ltd (the “**Corporation**”) will be held on the Zoom videoconference platform, **on March 30, 2021 at 1 p.m.**, for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the period ended July 31, 2020 and the auditors’ report thereon;
2. to elect the directors for the ensuing year;
3. to appoint the independent auditor, Brunet Roy Dubé, CPA S.E.N.C.R.L for the ensuing year, and to authorize the Board of directors to fix its remuneration;
4. to reapprove the stock option plan as described in the attached Management Proxy Circular; and
5. to consider and transact such other business that may properly come before the Meeting.

Québec, Québec, February 8, 2021.

**By order of the Board of directors
STELMINE CANADA LTD**

/s/ Isabelle Proulx

**Isabelle Proulx
President and CEO**

Only registered shareholders and duly appointed proxyholders will be entitled to participate and vote at the Meeting. Non-registered shareholders may attend, but will not be entitled to vote. No one will be able to attend the Meeting in person.

Only holders of common shares of the Corporation of record at the close of business on January 29, 2021 are entitled to receive a notice of the Meeting and only those holders of the common shares of the Corporation of record at the close of business on January 29, 2021, or who subsequently become shareholders and comply with the provisions of the *Canada Business Corporations Act* are entitled to vote at the Meeting. If you are unable to attend in person, kindly fill in, sign and return the enclosed proxy in the envelope provided for that purpose.

Holders of shares may exercise their rights by attending the Meeting or by completing a proxy form. Those who are unable to attend the Meeting in person are urged to complete and return the enclosed form of proxy to TSX Trust Company by mail at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1 or by fax to 1-416-595-9593 before 1 p.m. on Friday, March 26, 2021 or two (2) business days before the Meeting or any adjournment thereof.

REGISTRATION AND LOG IN PROCESS

To attend the Meeting, please **register using the link** [<https://zoom.us/meeting/register/tJ0pc-muqD8iHtxbJiccsPdk5CxVIUtlMrcQ>] **at least 60 minutes before the scheduled start of the Meeting**. After registering, you will receive a confirmation email with access instructions. You can also contact the Corporation at iproulx@stelmine.com for more information.

To ensure a smooth process, the Corporation is asking registered participants to **log into by 12:45 p.m.** (Montreal time) on March 30, 2021.

Registered shareholders and duly appointed proxyholders will be asked to identify themselves before the beginning of the Meeting.

STELMINE CANADA LTD.

MANAGEMENT PROXY CIRCULAR

Purpose of the Proxy Solicitation

This Management Proxy Circular (the "**Information Circular**") is provided in connection with the solicitation of proxies by management of Stelmine Canada Ltd. (the "**Corporation**") in respect of the annual general meeting of shareholders of the Corporation to be held at the time and place and for the purposes set out in the accompanying Notice of Meeting. While it is expected that solicitations will be made primarily by mail, directors, officers and employees of the Corporation may solicit Proxies personally or by telephone or fax. All costs of this solicitation will be borne by the Corporation.

Delivery of Proxy-related Materials

These Meeting materials for shareholders have been sent to both registered and non-registered shareholders (non-registered owners of shares are defined in this Information Circular as "**Beneficial Owners**"). If you are a Beneficial Owner, and the Corporation or its mandatary has sent you these documents directly, your name and address and information concerning your share holdings have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation is not using notice-and-access procedures for delivering its proxy-related materials to its shareholders, and will therefore send paper copies of those materials to all shareholders. The Corporation will send all proxy-related materials directly to all non-objecting Beneficial Owners, through the intermediary of its registrar and transfer agent, TSX Trust Company. The Corporation intends to pay for intermediaries to deliver the proxy-related materials along with Form 54-101A7 of *Regulation 54-101* entitled "Request for Voting Instructions made by Intermediary" of to all non-objecting Beneficial Owners.

Voting by Proxyholders

The voting rights carried by all the Common Shares represented at the Meeting by duly signed proxies will be exercised and when a decision pertaining to an item on the Meeting agenda has been specified in the form of proxy, the votes carried by the Common Shares represented by such proxy shall be exercised in accordance with the instructions set forth therein. In the absence of such instructions, the persons designated by management, if such persons are named proxyholders, will vote in favour of all matters set forth herein.

Every proxy given to the persons designated by management or any person designated in the enclosed form of proxy, confers a discretionary authority with respect to amendments or variations to the items of business identified in the Notice of Meeting and with respect to any other matter that may properly come before the Meeting. As of the date of this Information Circular, management knows of no such amendments, variations or other matter expected to come before the Meeting. However, if other matters not now known to management should properly come

before the Meeting, management's nominees named in the form of proxy will vote on them in accordance with their best judgment.

To be effective, the instrument appointing a proxy or proxies must be deposited with the offices of the Corporation's registrar and transfer agent, TSX Trust Company, Proxy Department, 301-100 Adelaide West, Toronto, Ontario M5H 4H1, not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting or any adjournment thereof.

Appointment of Proxyholders

A Shareholder may appoint a person (who need not be a Shareholder) other than Isabelle Proulx and André Proulx, who are management's nominees, to attend and act on the Shareholder's behalf at the Meeting. To exercise this right, the shareholder must insert the name of the shareholder's intended proxyholder in the space provided and cross out the names of management's nominees or complete and sign another appropriate proxy instrument, and in either case, deliver the proxy to the offices of the Corporation's registrar and transfer agent, TSX Trust Company, Proxy Department, 100 Adelaide West, Suite 301, Toronto, Ontario M5H 4H1, not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting or any adjournment thereof.

Revocation of Proxies

A shareholder may revoke a proxy pertaining to any matter that has not yet been voted on in accordance with the powers conferred by the proxy.

A shareholder may revoke a proxy by depositing a written notice of revocation, signed by the shareholder or the shareholder's mandatary authorized in writing:

- (1) at the offices of the Corporation's registrar and transfer agent, TSX Trust Company, Proxy Department, 100 Adelaide West, Suite 301, Toronto, Ontario M5H 4H1, at any time, but not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting at which the proxy is to be used, or any adjournment thereof; or
- (2) at the Corporation head's office at 8255 Boulevard Henri-Bourassa, Suite 230, Québec City, Québec G1G 4C8, to the attention of the Corporate Secretary, any time up to and including the last business day before the day of the Meeting at which the proxy is to be used; or
- (3) with the Meeting chair on the day of the Meeting or any adjournment thereof.

A shareholder may also revoke a proxy by signing another form of proxy bearing a later date and depositing it at the offices of the Corporation's the registrar and transfer agent by the same deadline stipulated under the heading "VOTING BY PROXYHOLDERS", or by attending the Meeting in person and exercising the voting right carried by the shareholder's shares.

Advice to Beneficial Owners Concerning the Exercise of Voting rights Carried by Common Shares

The information set forth in this section is of considerable importance to many of the Corporation's shareholders, as a substantial number of them do not hold the Corporation's common shares (the "**Common Shares**") in their own name. Beneficial Owners should note that only proxies deposited by shareholders whose names appear in the Corporation's records as the registered holders of

Common Shares can be recognized and acted upon at the Meeting. If the Common Shares are listed in a statement of account provided to a shareholder by a broker, then in most cases those shares will not be registered in the shareholder's name in the Corporation's records. More likely, the Common shares will be registered under the name of the shareholder's broker or the broker's agent. The votes carried by the Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Owner. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. Therefore, Beneficial Owners should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

The applicable administrative rules require that intermediaries/brokers obtain voting instructions from Beneficial Owners in advance of meetings of shareholders. Every Intermediary has its own procedures for obtaining voting instructions from clients that you should carefully follow in order to ensure that your Common Shares are voted at the Meeting. Frequently, the voting instruction form provided to Beneficial Owners by its broker (or broker's agent) is similar to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or the broker's agent) on how to vote on behalf of the Beneficial Owner. A Beneficial Owner receiving a form of proxy from an intermediary cannot use that document to vote Common Shares directly at the Meeting. The completed form of proxy must be returned to the intermediary well in advance of the Meeting to ensure that the vote carried by the Common Shares is exercised at that Meeting.

Although a Beneficial Owner cannot be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of his or her broker (or the broker's agent), a Beneficial Owner may attend the Meeting as the proxyholder for the registered shareholder and exercise the voting rights carried by the Common Shares in that capacity. Beneficial Owners who wish to attend the Meeting and indirectly exercise the voting rights carried by their Common Shares as proxyholders for the registered shareholder should insert their own name in the space provided on the form and return it to their broker (or to the broker's agent) in accordance with the instructions provided by the broker (or the broker's agent) well before the Meeting.

Voting Shares and Principal Holders of Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares. As at February 8, 2021, there were 45,896,188 issued and outstanding Common Shares. Each Common Share entitles its holder to one vote.

Each holder of Common Shares as of the close of business on the record date, which the Corporation's directors have as fixed as January 29, 2021, will be entitled, at the Meeting, to exercise the voting rights carried by such Common Shares, except to the extent that:

- (1) the shareholder has transferred any of his or her shares after the record date; and
- (2) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes ownership of shares and demands, not later than 10 days before the Meeting, that the Corporation's registrar and transfer agent include the transferee's name on the list of shareholders.

The Corporation's by-laws provide that two (2) persons present and representing, in person or by proxy, at least 10% of the issued shares entitling them to vote at the Meeting, constitute a quorum for that Meeting.

To the knowledge of the Corporation's directors and executive officers, other than the following person, no other persons beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights carried by all the outstanding Common Shares of the Corporation:

Principal Holders of Common Shares

Name	Number of Common Shares	Percentage of issued and outstanding shares
André Proulx	4,212,699 ⁽¹⁾	10% ⁽²⁾
<p>Note: (1) This number includes the 3,495,699 shares held directly by André Proulx, a director of the Corporation and the 717,000 shares held by 9274-2162 Québec inc., a company controlled by André Proulx. (2) This percentage presumes the exercise of the 450,000 options held by André Proulx, a director of the Corporation, in addition to the Common Shares indicated in this table.</p>		

**AGENDA FOR
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

1. EXTERNAL AUDITOR'S REPORT, FINANCIAL STATEMENTS

The audited financial statements for fiscal year ended July 31, 2020 and the external auditor's report thereon shall be placed before the shareholders at the Meeting. The audited financial statements reproduced in the 2020 annual report of the Corporation were communicated to shareholders and may be consulted on the SEDAR website (www.sedar.com).

2. ELECTION OF DIRECTORS

The Corporation's articles of incorporation provide that the Board of Directors must be composed of a minimum of one and a maximum of ten directors. Management proposes that the six nominees for the position of director presented in this Information Circular each be elected to hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed in accordance with the Corporation's by-laws. The following table provides biographical information for each candidate.

Management's designated representatives, if duly appointed as proxyholders, intend to vote FOR the election of the nominees to the Board of Directors. Management has no reason to believe that any of the proposed nominees will be unable to serve as a director. However, if a proposed nominee does not stand for election or is unable to serve as a director, management's designated representatives reserve the right to vote for another nominee of their choice, unless the shareholder has withheld authority to vote with respect to the election of directors.

• ***Election of Directors - Summary Table of Nominees***

<p>André Proulx Québec, Canada</p>	<p>André Proulx is a businessman recognized for developing Quebec's resources. He is currently President and CEO of RéSolve Energie, a private corporation that has plans to implement a second-generation ethanol biorefinery, fueled by sawmill and agricultural production residues. Since 1991, he has founded, and listed on a stock exchange, two mining companies (Appalaches Resources and Puma Exploration) and an oil and gas company (Petrolia). He has also served on the board of directors of Sirios and Khalkos. In the past years, André Proulx has been a director of the following six public corporations: Appalaches Resources (1997 to 2015), Puma Exploration (2003-2014), Petrolia (2004-2014), Sirios (2013-2015), Khalkos (2014-2016) and Stelmine Canada Ltd. (since November 30, 2016). Mr. Proulx has a Master's degree in Ethnology (1974).</p>	<p>Director and Chairman of the Board since November 30, 2016</p> <p><u>Number of shares beneficially owned or controlled:</u> 4,212,699 ⁽¹⁾</p> <p>Independent Director</p> <p><i>Member of the Audit Committee</i></p>
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<p>Isabelle Proulx Québec, Canada</p>	<p>Isabelle Proulx holds a Bachelor's degree in Business Administration. She is the co-founder of Petrolia (PEA-TSX), and from 2007 to November 2015, held the position of Vice President, Business Development. In that period, she was also responsible for the social acceptability of the company's development projects. Since December 1, 2016, Ms. Proulx has been President and CEO of Stelmine Canada Ltd.</p>	<p>Director since July 11, 2016</p> <p>President and CEO since December 1, 2016</p> <p>Corporate Secretary since January 26, 2018</p> <p><u>Number of shares beneficially owned or controlled</u> 2,101,880</p> <p>Non-Independent by virtue of the fact that she is President and CEO of the Corporation</p>
<p>Jacinthe Baril Québec, Canada</p>	<p>Ms. Baril has extensive experience with several major Canadian Banks. As a commercial banker for over 25 years, Jacinthe Baril has a solid understanding of the standards and practices applied in commercial, industrial and mortgage financing. She has held management positions with leading Canadian financial institutions such as Laurentian Bank, National Bank, Desjardins and Investissement Quebec. Ms. Baril holds an MBA from HEC and a Bachelor of Commerce degree from McGill University. She served on numerous non-profit organisation boards and on the Joint Investment Committee for the City of Laval.</p>	<p>Director since December 14, 2020</p> <p><u>Shares beneficially owned or controlled</u> 0</p> <p>Independent director</p> <p>Member of the Audit Committee</p>
<p>Julie Lemieux Alberta, Canada</p>	<p>Ms. Lemieux has over 25 years' experience in strategic management and business development. Ms. Lemieux is a seasoned executive officer with a proven track record across a broad spectrum of industries. Ms. Lemieux holds a Bachelor's degree in Geomatics from Université Laval (1996). She is currently serving on several boards of directors, including Durango Resources (2020). Since 2018, Ms. Lemieux has been Vice President, North American Operations with EXMceuticals Inc. She also worked for several years as a project manager and GIS specialist for Québec's Ministère de l'Énergie et des Ressources naturelles.</p>	<p>Director since February 2nd, 2021</p> <p><u>Shares beneficially owned or controlled:</u> 111,000</p> <p>Independent director</p>

<p>Michel Boily Québec, Canada</p>	<p>Dr. Michel Boily is an expert geochemist and metallogenist specializing for the past 25 years in the interpretation of precious and rare metal deposits in Precambrian volcano-plutonic terranes. Prior to consulting for the mining industry and government agencies, Dr. Boily was a research associate at MERI/McGill involved in the study of several rare metals deposits in Quebec. Since 1992, Dr. Boily has conducted exploration and technical evaluation and assessments of properties rich in precious, base and rare metals located in Archean greenstone belts and the Grenville Province of Quebec. Dr. Boily was awarded a PhD in geochemistry from the Université de Montréal and did post-doctoral work at the University of Chicago. Since 1984, Dr. Boily has authored various articles published in international scientific journals and has written numerous technical reports. Dr. Boily is currently a registered Professional Geologist in good standing with the Ordre des Géologues du Québec. Since 2016, he has been a director of Alix Resources Inc/ Infinite Lithium Corp, a public company and has served on the boards of the following public corporations: Ashburton Ventures Inc. (2016-2018), Revolver Resources Inc. (2012-2014), and New Destiny Mining Corp. (2012-2014).</p>	<p>Director since October 3, 2017</p> <p><u>Number of shares beneficially owned or controlled:</u> 45,678</p> <p>Non-Independent by virtue of the fact that he is a consultant for the Corporation</p>
<p>Normand Goulet Québec, Canada</p>	<p>Dr. Normand Goulet (B.Sc., Université de Montréal; DEA and Doctorate, Université de Grenoble, France and PhD, Queen's University, Kingston, Canada, P Geo) was, until recently, a tenured professor in geology. Now retired, he is an associate professor at the Université du Québec à Montréal. Dr. Goulet brings a vast expertise in the domain of structural geology, tectonics, deformation of metalliferous deposits and petrology. He has over 40 years' experience managing teams of geologists working for government and private agencies in Canada and abroad. In particular, Dr. Goulet carried out geological studies on the metasedimentary Opinaca basin and participated in the initial exploration work on the Courcy property. Professor Goulet directed several research projects on gold (Abitibi, Dominican Republic, Morocco, Mali), nickel (New Caledonia, Ivory Coast, Albania, James Bay), uranium (Mt. Otish and Mt. Torngat), diamonds (Mt. Torngat) and on polymetallic mineralization (Nunavut). He also participated in the mapping and the completion of a new geological and metallogenic map of Mali.</p>	<p>Director since October 3, 2017</p> <p><u>Number of shares beneficially owned or controlled:</u> 45,928</p> <p>Non-Independent by virtue of the fact that he acts as a consultant for the Corporation</p>

Notes:

(1) André Proulx owns, directly or indirectly, securities carrying more than 10% of the voting rights attached to all of the Corporation's securities. The Common Shares indicated in the above table include 3,495,699 Common Shares directly owned by André Proulx and 717,000 Common shares owned by 9274-2162 Québec inc., a company controlled by André Proulx.

Information pertaining to the number of Common Shares beneficially owned or controlled by a person is not within the knowledge of the Corporation and has been provided by each nominee.

The fact that some of our directors and executive officers are associated with other companies in the resources industry could give rise to conflicts of interest situations (see Schedule B for further details). If a director or executive officer is placed in such a conflict of interest situation, he or she will abstain from taking part in any discussions, decision-making and voting on any matter giving rise to the conflict of interest.

CORPORATE CEASE TRADE ORDERS, PENALTIES, SANCTIONS OR BANKRUPTCY

To the best of management's knowledge, with the exception of the facts set forth below concerning André Proulx, other than as described herein on the basis of information provided by each nominee:

- (a) as at the date of this Information Circular, none of the aforementioned nominees proposed for election as directors of the Corporation is, or has been, within the last ten years, a director, chief executive officer or chief financial officer of any company that:
 - (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (hereinafter an "**Order**"), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to such an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity.
- (b) none of the aforementioned nominees proposed for election as directors of the Corporation:
 - (i) as at the date of this Information Circular, is, or has been in the last ten years, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the proposed director's assets; or
 - (ii) has, in the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the proposed director's assets;
- c) none of the aforementioned nominees proposed for election as directors of the Corporation:

- (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (ii) has been subject to any other penalty or sanction imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

André Proulx was a director of Appalaches Resources Inc. ("**Appalaches**") and Dufferin Resources Inc. ("**Dufferin**") from 2006 to January 26, 2015. On January 20, 2015, further to a petition filed by LRC-RA LP, the secured creditor of Appalaches and Dufferin, the Bankruptcy and Insolvency Division of the Supreme Court of Nova Scotia issued an order appointing Ernst & Young Inc. as the receiver manager of the assets, property and undertakings of Appalaches and Dufferin, in accordance with section 243 of the *Bankruptcy and Insolvency Act* (R.S.C. 1985, c. B-3) and of section 43(9) of the *Judicature Act*, (R.S.N.S. 1989, c. 240).

- **Compensation of Directors and Executive Officers**

Please refer to Schedule A of this Information Circular for the *Statement of Director and Executive Compensation*, which sets out the aggregate compensation paid to the Corporation's directors and executive officers.

- **Securities Authorized for Issuance under Equity Compensation Plans as of the End of the Most Recently Completed Fiscal Year**

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Stock Option Plan (Equity compensation plans approved by security holders)	2,060,000	\$0.25	1,672,405
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total:	2,060,000	\$0.25	1,672,405

The Corporation's stock option plan is described in Schedule A of this Information Circular.

- ***Indebtedness of Executive Officers and Directors***

The Corporation has not granted any loan or made any other arrangement in favour of a director or executive officer of the Corporation. None of the current or former directors of the Corporation is indebted to the Corporation with respect to the purchase of securities of the Corporation or for any other reason.

- ***Interest of Insiders in Material Transactions***

To the knowledge of the directors and executive officers, since the commencement of the Corporation's most recent financial year, no informed person of the Corporation or proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation.

3. APPOINTMENT OF AUDITOR

Brunet Roy Dubé, CPA S.E.N.C.R.L., has been the Corporation's auditor since 2009.

At the Meeting, the shareholders will be asked to approve the ordinary resolution appointing Brunet Roy Dubé, CPA, S.E.N.C.R.L., as the Corporation's external auditor for the current financial year and to authorize the directors to fix its remuneration:

"BE IT RESOLVED to appoint Brunet Roy Dubé, CPA, S.E.N.C.R.L. as the Corporation's external auditor and authorize the Board of Directors to fix its remuneration."

Subject to indication to the contrary, at the Meeting, the persons named in the accompanying form of proxy will vote FOR the re-appointment of Brunet Roy Dubé, CPA S.E.N.C.R.L. as the Corporation's external auditor and will authorize the Board of Directors to fix its remuneration.

4. ANNUAL RE-APPROVAL OF THE CORPORATION'S STOCK OPTION PLAN

The Corporation has only one equity-based compensation plan, namely a stock option plan (the "**Plan**") for its directors, executive officers, employees and service providers. The Plan was adopted in 2007 and was modified in 2009 and in 2017. The principal terms of the Plan are described in Schedule A of this Information Circular.

The Board of Directors of the Corporation regards the stock option plan as an essential tool for recruiting, retaining, and motivating qualified resources.

According to TSX Venture Exchange policies, a rolling stock option plan that reserves for issuance a number of shares equal to 10% of the Corporation's outstanding shares at the time of the allocation of options, must be approved by the shareholders of the Corporation at every annual Meeting.

The Board of Directors recommends that the stock option plan be re-approved.

Therefore, at the Meeting, shareholders will be asked to pass the following ordinary resolution (the "**Stock Option Resolution**"):

"BE IT RESOLVED:

THAT the Corporation's stock option plan be and is hereby re-approved; and

THAT any director or executive officer of the Corporation be and is hereby authorized to sign any document and to perform any act that may be required or necessary, or that he or she considers useful, to give full effect to this resolution."

Unless otherwise directed in the proxy, the persons whose names appear on the form of proxy intend to vote at the Meeting FOR passing the Stock Option Resolution. The Resolution requires the approval of a majority of votes cast by the shareholders entitled to vote at the Meeting.

AUDIT COMMITTEE INFORMATION

Information required pursuant to securities regulations concerning the Audit Committee is reproduced in Schedule C below, and the Audit Committee Charter is reproduced in Schedule D.

OTHER ITEMS OF BUSINESS

Management is not aware of any other items of business for discussion at the Meeting other than those which are set forth in the Notice of Meeting. However, if any modifications to such items or other matters are properly brought before the Meeting, the enclosed form of proxy confers discretionary authority to the persons designated therein for the purpose of voting in accordance with their best judgment in respect of any modifications of the items of business indicated in the Notice of Meeting or of any other matter.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, management is not aware of any material interest, direct or indirect, of any director, executive officer, proposed nominee for election as a director or any associate or affiliate of any such persons in any matter to be acted upon at the Meeting other than the election of directors and the re-approval of the stock option plan.

SHAREHOLDER PROPOSALS

Any shareholder of the Corporation who wishes to submit a proposal at the 2022 annual meeting must forward it to the Corporation before November 10, 2021 so that it can be incorporated in the proxy solicitation documents for the 2022 meeting.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation has liability insurance for the benefit of its directors and executive officers. The current policy, effective as of December 1, 2020 and terminating on November 30, 2021, provides an

insurance coverage of \$3 million per event and policy year. The Corporation paid \$9,979 in insurance premiums in respect of this insurance policy.

ADDITIONAL INFORMATION

Financial and other information relating to the Corporation is included in its 2020 annual audited and quarterly unaudited financial statements, management report and other continuous disclosure documents, which are available on SEDAR at www.sedar.com. Shareholders may obtain a copy of the Corporation's financial statements or management report, free of charge, by writing to the Corporation at the following postal or e-mail address:

Stelmine Canada Ltd.
8255 Henri-Bourassa Blvd.
Suite 230
Québec City, Québec
G1G 4C8
info@stelmine.com

DIRECTORS' APPROVAL

The contents of this Information Circular and its communication to shareholders have been approved by the Board of Directors.

Signed at Québec City, Québec, on February 8, 2021.

ON BEHALF OF THE BOARD OF DIRECTORS

/S/ Isabelle Proulx

Isabelle Proulx
President and Chief Executive Officer

SCHEDULE A

STATEMENT OF DIRECTOR AND EXECUTIVE COMPENSATION

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Isabelle Proulx President and CEO, Corporate Secretary and Director ⁽¹⁾	2020	86,243	0	2,500	0	0	88,743
	2019	101,824	5,000	6,000	0	0	112,824
Julie Lemieux Chief Financial Officer ⁽²⁾⁽⁷⁾	2020	45,467	0	0	0	0	45,467
	2019	69,657	3,000	0	0	0	72,657
André Proulx Chairman of the Board of Directors	2020	0	0	2,500	0	0	2,500
	2019	0	0	6,000	0	0	6,000
Ann Levasseur Director	2020	0	0	2,500	0	0	2,500
	2019	0	0	3,500	0	0	3,500
Carole Gilbert ⁽³⁾ Director	2020	0	0	1,500	0	0	1,500
Christian Guilbaud Director ⁽⁴⁾	2020	13,848	0	2,500	0	0	16,348
	2019	0	0	6,000	0	0	6,000
Jacinthe Baril Director ⁽⁵⁾	2020	0	0	0	0	0	0
Julie Lemieux Director ⁽⁶⁾⁽⁷⁾	2020	0	0	0	0	0	0
Michel Boily Director	2020	22,300	0	2,500	0	0	24,800
	2019	34,586	0	6,000	0	0	40,586
Normand Goulet Director	2020	22,100	0	2,500	0	0	24,600
	2019	25,100	0	6,000	0	0	31,100

Notes:

(1) Isabelle Proulx received the compensation indicated in the column headed "Salary, consulting fee, retainer or

commission" for her services as President, CEO and Corporate Secretary, as well as the compensation indicated in the column headed "Committee and meeting fees" for her services as a director of the Corporation.

- (2) Julie Lemieux was the Chief Financial Officer of the Corporation from February 12, 2019 to 19 August 2020.
- (3) Carole Gilbert was a director of the Corporation from October 17, 2019 to December 14, 2020.
- (4) Christian Guilbaud was a director of the Corporation from July 11, 2016 to February 2, 2021. Since February 16, 2020, Christian Guilbaud is employed by the Corporation and offers business development services. Mr. Guilbaud received the compensation indicated in the column headed "Salary, consulting fee, retainer or commission" for his services dedicated to the Corporation's business development as well as the compensation indicated in the column headed "Committee and meeting fees" for his services as a director of the Corporation.
- (5) Jacinthe Baril has been a director of the Corporation since December 14, 2020.
- (6) Julie Lemieux has been a director of the Corporation since February 2, 2021.
- (7) **Please note that Julie Lemieux who has been Chief Financial Officer of the Corporation and Julie Lemieux who is a director of the Corporation are two different individuals.**

Stock Options and Other Compensation Securities

The Corporation did not grant any stock options or other securities as compensation to any directors or executive officers during the most recently completed financial year. When granting stock options, the Board of Directors takes into consideration the options already granted to such persons.

No stock options awarded as compensation were exercised by a director or executive officer during the most recently completed financial year.

- ***Stock Option Plan and other Incentive Plans***

The Corporation's executive officers, directors, employees and consultants are eligible persons who may be granted stock options at the discretion of the Board of Directors.

The Corporation has only one equity-based compensation plan, namely a stock option plan (the "**Plan**") for its directors, officers, employees and service providers. The Plan was adopted in 2007 and amended in 2009 and 2017. The Plan was approved by the Corporation's shareholders and, pursuant to TSX Venture Exchange policies, it must be re-approved annually by the Corporation's shareholders. The principal terms of the Plan are as follows:

- The Plan is a rolling stock option plan which reserves for issuance, pursuant to the exercise of stock options, 10% of the number of issued and outstanding Common Shares of the Corporation at the time of any stock option grant. Thus, where additional Common Shares are issued by the Corporation from time to time, additional options allowing for the purchase of 10% of those issued Common Shares become available to be granted by the Corporation;
- The Plan provides that if the option expiry date falls in a period during which the Corporation prohibits holders from exercising their options, the expiry date can be deferred automatically for a period of ten (10) business days following the end of such period;
- The aggregate number of shares reserved for issuance under options granted to insiders (as a group) must not exceed ten percent (10%) of the number of issued shares;
- The total number of options granted to insiders (as a group), during a given 12 month period, must not exceed ten percent (10%) of the number of issued shares;
- The maximum number of shares that can be reserved or issued in favour of one optionee in any given 12-month period is limited to 5% of the Corporation's issued and outstanding shares;

- The total number of options granted to a person providing ongoing services to the Corporation in any given 12-month period shall not exceed 2% of the Corporation's issued and outstanding shares at the time of the grant;
- The aggregate number of options granted to an eligible person conducting investor relations activities in any twelve (12) month period shall not exceed two percent (2%) of the Corporation's issued and outstanding Common Shares at the time of the grant. Options granted to consultants providing investor relations services must vest gradually over a period of 12 months, on the basis of a maximum of 25% of the relevant shares in any given quarter;
- The exercise price of an option at the time each grant of options shall be determined by the Board and shall not be less than the closing price for the Company's shares on the day prior to the grant of options; if there were no transactions on such day, the closing price will be replaced by the average between the bid price and ask price;
- Options are granted for a maximum period of five (5) years. Any Common Shares that are subject to an option granted under the Plan and which option has expired or been cancelled without having been exercised shall again be available for the purposes of granting options under the Plan;
- Options granted under the Plan are not transferrable or assignable other than through a will or other testamentary instrument, or in accordance with applicable succession and distribution laws;
- When an optionee ceases to be an eligible person under the Plan (the "**Eligibility Cessation Date**"), each option granted to the optionee is exercisable only in respect of those Options that have vested on the Eligibility Cessation Date, during the following periods:
 - where an optionee conducting investor relations activities ceases to be an eligible person under the Plan, on the first of the following to occur: the option expiry date or 30 days after the Eligibility Cessation Date;
 - in the event of death, on the first of the following to occur: the option expiry date or 12 months following the date of death; and
 - in all other cases, on the first of the following to occur: the option expiry date or 90 days after the Eligibility Cessation Date.
- The Plan provides that in the event of the sale of the Corporation, all issued and unvested options shall be deemed vested and may be exercised upon the sale of the Corporation.

Employment, Consulting and Management Agreements with Directors and Executive Officers

On August 24, 2018, the Corporation entered into an employment agreement with Isabelle Proulx for her services as President and CEO. The principal terms and conditions of the agreement are: annual base salary of \$100,000, reviewable annually and to be increased by a minimum amount equal to the increase in the cost of living; eligibility for a bonus based on targets to be established jointly by the Board of Directors and Ms. Proulx; eligibility to participate in any employee-benefits plan; undertaking by Ms. Proulx to comply with the obligations of confidentiality, non-competition and non-solicitation of the Corporation's employees; if the Corporation terminates the employment of Ms. Proulx for just cause, no indemnity shall be payable to Ms. Proulx; If the Corporation terminates her employment with the Corporation without just cause, which would include making a material adverse change in her position, title, authority, responsibilities or compensation, she shall be entitled to be paid an indemnity in lieu of notice equal to one month's total compensation for each year of employment, subject to a minimum of six (6) months' of her total compensation; in the event of Ms. Proulx's death, the Corporation shall pay her succession a sum equal to three (3) months' of her total compensation;

Ms. Proulx must give two (2) months' notice if she wishes to resign, in which case the Corporation shall pay Ms. Proulx's compensation up to the end of her term of office as well as any declared and unpaid bonus and any prorated bonus for the current year; If Ms. Proulx's employment is terminated, either at her initiative or that of the Corporation within eight (8) months following the sale, amalgamation or change in control of the Corporation, Ms. Proulx shall be entitled to be paid an indemnity equal to 1 month's total compensation for each year of employment, subject to a minimum indemnity equal to 6 months' of her total compensation.

Michel Boily, a director of the Corporation since October 3, 2017, also acts as the Corporation's consulting geologist. His fees are \$90 per hour or \$500 per day. In the most recently completed financial year, he was paid \$22,300 in consulting fees and \$2,500 in meeting fees for his services as a director, for a total compensation of \$24,800.

Normand Goulet, who has been a director since October 3, 2017, is also the Corporation's consulting geologist. His fees are \$1,000 per day. In the most recently completed financial year, he was paid a total compensation of \$24,600, consisting of \$22,100 in consulting fees and \$2,500 in meeting fees for his services as director.

- ***Oversight and Description of Director and Executive Officer Compensation***

The Board of Directors is responsible for fixing the compensation of the Corporation's directors, President and CEO and Chief Financial Officer.

The Corporation has no formal compensation policy and directors rely on their knowledge of industry standards and their professional experience to guide compensation discussions. The Corporation has not established any performance targets for its executive officers nor has it established any comparator group for the purpose of establishing their compensation.

During the most recently completed financial year, Isabelle Proulx, the Corporation's President and CEO, did not receive any salary for a two month period in light of the pandemic; Ms. Proulx received an annual base salary of \$86,243. She was also paid meeting fees of \$2,500 for her services as a director of the Corporation.

Christian Guilbaud was a director from July 11, 2016 to February 2, 2021. Since February 15, 2020, he also offered business development services to the Corporation. During the most recently completed financial year, Mr. Guilbaud did not receive any salary for a 10-week period in light of the pandemic; during this period, he was paid total compensation of \$16,348, including meeting fees of \$2,500 for his services as director.

Julie Lemieux was the Chief Financial Officer of the Corporation from February 12, 2019 to August 19, 2020. Her annual base salary was \$76,502. During the most recently completed financial year, Ms. Lemieux did not receive any salary from the Corporation during a 6-week period in light of the pandemic, and during a 14-week period for personal reasons; during this period, Ms. Lemieux received a total compensation of \$45,467.

Since December 1, 2016, the Corporation has been paying meeting fees of \$500 per meeting to its directors. In light of the pandemic and in order to preserve the Corporation's financial resources, no meeting fees were paid to directors for board meetings held from January 1st, 2020 to December 31st, 2020.

The compensation of the Corporation's directors and executive officers will continue to be determined by the Board of Directors.

SCHEDULE B

CORPORATE GOVERNANCE PRACTICES

1. BOARD OF DIRECTORS

The Board of Directors is currently composed of seven directors. Ann Levasseur, André Proulx, Jacinthe Baril and Julie Lemieux are considered as independent directors pursuant to *Regulation 52-110 respecting Audit Committees*. Isabelle Proulx is not considered an independent director by virtue of the fact that she is President, CEO and Secretary of the Corporation. Michel Boily and Normand Goulet are also not regarded as independent directors given that they are paid fees for their work as the Corporation's consultants.

Carole Gilbert, who was a director of the Corporation until December 14, 2020, was considered independent. Christian Guilbault, who was a director until February 2, 2021, was considered non-independent since he started receiving compensation for the business development services he renders to the Corporation.

Independent directors may hold Audit Committee and Board of Directors meetings at which non-independent directors are not in attendance. The mandate of the Board of Directors is to contribute, with management, to building a viable, strong and competitive company. In conjunction with management, the Board of Directors participates in the development of strategic planning, the setting of corporate objectives and the management of business risk.

The Board of Directors has no written position descriptions for the Chair of the Board, the Chair of the audit committee, or the President and Chief Executive Officer. Generally, the Chair of the Board of Directors and the Chair of the audit committee must each provide and ensure proper leadership of the Board or committee, as the case may, and must ensure that such Board or committee efficiently discharges its duties. The President and CEO must ensure that the day-to-day business affairs of the Corporation are properly managed. She develops and implements the Corporation's business plans, policies and programs as approved by the Board.

2. DIRECTORSHIPS

The following directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Issuer
Ann Levasseur	Beauce Gold Fields Inc. (TSX Venture Exchange)
Christian Guilbaud	Harmony Energy Technology Corp (TSX Venture Exchange)
Julie Lemieux	Durango Resources Inc. (TSX Venture Exchange)

3. ORIENTATION AND CONTINUING EDUCATION

Orientation education programs for directors are part of an ongoing process. Informal discussions between Board members and management are encouraged, In addition to various formal presentations prepared by management during the year.

4. ETHICAL BUSINESS CONDUCT

On May 11, 2017, the Corporation adopted a Social and Sustainable Development Policy setting out the Corporation's principles regarding governance, responsible management, the environment, community relations, health and safety and responsible economic development. The policy may be consulted on the Corporation's website at: www.stelmine.com, under the tab "Company / Our Commitment".

5. DIVERSITY ON BOARDS OF DIRECTORS AND EXECUTIVE MANAGEMENT

Since 2016, Stelmine has aimed to build a Board of Directors and executive management team with the objective of improving the Corporation's performance and enhancing value for its shareholders.

As the role of the Board of Directors and of the executives is to ensure the sound strategic and management orientations of the Corporation, the selection criteria for candidates are primarily based on their qualifications, skills and experience. At the same time, the Company recognizes that diverse Board members and management actively and knowledgeably contribute to the Company's success by bringing diverse perspectives, backgrounds and experience to the Board.

Stelmine is proud to announce that 57% of the seven seats on the Board are currently held by women, and that its sole executive on the date of this Information Circular, the President and CEO, is a woman. For the moment, no other group designated by law, such as Indigenous or handicapped persons or members of visible minorities, are represented within the Corporation.

When seeking new candidates, the Corporation takes diversity criteria into account but does not have any policy nor specific targets to be achieved, as it believes that all factors must be taken into consideration when assessing the merits of a director or executive officer and determining the most effective composition of the Board.

The Corporation has examined the question of determining whether maximum terms should be imposed on the mandates of each director and will continue to do so. At this time, the Corporation believes that such a policy is not appropriate for its Board of Directors since it wishes to ensure the stability and continuity of the directors' respective mandates in order to support the Corporation in the current stage of its development.

6. SELECTION OF NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

Candidacies for director positions on the Corporation's Board of Directors are evaluated and determined by the Board before being submitted to a vote at the annual meeting of shareholders. Each candidate is assessed taking into account his or her potential, involvement in promoting the interests of the Corporation, experience and expertise in certain fields such as geology, administration and accounting. Potential candidates are identified on the basis of references obtained in the industry rather than pursuant to a formal selection process.

7. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The Board of Directors determines the compensation of directors and executive officers. Given the modest size of the Corporation and its Board of Directors, the Board has not established a human resources or governance committee. The Board of Directors has no formal compensation policy for determining the compensation of the Corporation's directors and executive officers.

8. OTHER BOARD COMMITTEES

The Corporation has an Audit Committee. Given the modest size of the Corporation and its Board of Directors, the Board has not established other committees, such as a human resources committee or a corporate governance committee.

9. ASSESSMENT OF THE BOARD

The Corporation has no formal process for assessing the Board of Directors, its committees or individual directors.

SCHEDULE C

AUDIT COMMITTEE INFORMATION

1. AUDIT COMMITTEE CHARTER

The Audit Committee Charter is reproduced in Schedule D to this Information Circular.

2. COMPOSITION OF THE AUDIT COMMITTEE

Since the beginning of the most recently completed financial year, the Audit Committee was composed of the following directors: André Proulx, Ann Levasseur, Christian Guilbaud (until February 2, 2021) and Jacinthe Baril (since February 2, 2021).

All members of the Audit Committee are financially literate as required by *National Instrument 52-110*. None of these persons was an executive officer, employees or control person of the Corporation, except Christian Guilbaud who became an employee of the Corporation on February 16, 2020.

3. TRAINING AND RELEVANT EXPERIENCE

The information presented in this Information Circular in the section entitled "Election of Directors – Summary Table of Nominees", describes the education and experience of each member of the Audit Committee that relevant to the performance of his or her responsibilities as an Audit Committee member.

4. AUDIT COMMITTEE OVERSIGHT

Since the commencement of the Corporation's most recently completed fiscal year, the Board adopted all Audit Committee recommendations concerning the appointment and compensation of the external auditor.

5. RELIANCE ON CERTAIN EXEMPTIONS

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation has not relied on the exemptions set forth in section 2.4 or in paragraphs (4), (5) or (6) of section 6.1.1 of *Regulation 52-110*, or an exemption granted by the securities regulator.

6. PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has not adopted specific policies or procedures pertaining to the engagement of non-audit services.

7. EXTERNAL AUDITOR SERVICE FEES

The following table sets out the aggregate fees billed by the Corporation's external auditor in each of the last two financial years (ended July 31) for audit services.

Fiscal Year Ended July 31	2020 (\$)	2019 (\$)
Audit Fees ⁽¹⁾	18 000	18,000
Audit-related Fees ⁽²⁾	1 350	1,350
Tax Fees ⁽³⁾	1 000	1,000
All Other Fees ⁽⁴⁾	1 865	1,924
Total	22 215	22,274

Notes:

- (1) "Audit Fees" consist in fees for the audit of the Corporation's annual financial statements.
- (2) Disbursement respecting the Canadian Public Accountability Board.
- (3) "Tax Fees" includes tax compliance services, including the preparation and review of tax returns.
- (4) "All Other Fees" includes consultation services respecting quarterly reports and continuing education services for the Chief Financial Officer.

8. EXEMPTION

As a venture issuer, the Corporation relies on the exemption provided for in section 6.1 of *Regulation 52-110*.

SCHEDULE D

AUDIT COMMITTEE CHARTER

1. Election

The Audit Committee shall be composed of a minimum of three (3) directors appointed by the Board of Directors. Each director must satisfy the independence, financial literacy and other competency requirements prescribed in the applicable legislation and regulations. Each member shall serve until the next annual meeting of shareholders or until his or her successor is duly elected or appointed.

2. Vacancies

In the event a vacancy is created on the Committee, the Board of Directors may appoint a new member to fill such vacancy.

3. Meetings of the Audit Committee

Audit Committee meetings may be held at the Corporation's head office or at such other place as the Committee may determine from time to time. The Committee shall meet at least four times a year, at least once every fiscal quarter, and a meeting may be called by any Committee member should that member consider it necessary. At the request of the Corporation's CEO or the Board's Chair, the Committee Chair shall call an Audit Committee meeting to address any issue that, in the opinion of the Corporation's CEO or the Board Chair, should be referred to the Committee.

4. Chair

The Audit Committee shall appoint a Chair who shall be responsible for preparing Audit Committee meeting agendas and providing all relevant information to the Board of Directors at the next Board meeting or earlier depending on the circumstances.

5. Quorum

A simple majority of Audit Committee members in office shall constitute a quorum at any Audit Committee meeting.

6. Committee Procedures

Audit Committee procedures shall be similar to those governing the Board of Directors. Audit Committee meeting minutes shall be kept in a minute book available for consultation by the Corporation's directors.

7. Mandate

The Audit Committee shall exercise all the rights and prerogatives granted to it by the Board of Directors. It shall report to the Board of Directors without interference from management or shareholders. The Committee may retain the services of independent legal counsel or accountants or any other expert required to carry out a specific mandate, or in the event of suspected wrongdoing, and it shall fix the compensation payable by the Corporation to such expert. Any Committee member may call a special meeting of the Board of Directors in the event of any suspected wrongdoing, whether actual or perceived.

8. Remuneration of Audit Committee Members

Audit Committee members shall be remunerated for their services as determined by the Board of Directors.

9. Statement of policy

The Audit Committee shall provide assistance to the Board of Directors in fulfilling its oversight responsibility to shareholders, potential shareholders, the investment community and other investors and partners of the Corporation, regarding the Corporation's financial statements and financial reporting process, system of internal accounting and financial controls, compliance with legal and regulatory requirements, risk management policies, the annual independent audit of its financial statements and any other function delegated by the Board of Directors. As part of its mandate, it is the responsibility of the Committee to maintain free and candid communication between the Committee, the external auditor and management. In discharging its oversight role, the Committee may investigate any matter brought to its attention and shall have unrestricted access to all books, records, facilities, and personnel of the Corporation, and may retain independent advisors, or other experts for this purpose.

10. Duties and Responsibilities

The primary responsibility of the Audit Committee is to oversee, on behalf of the Board, the Corporation's accounting and financial reporting process and to report the results of its activities to the Board. Management is responsible for preparing the Corporation's financial statements, and the external auditor is responsible for auditing those financial statements. The Committee believes that, in connection with its mandate, its policies and procedures should remain flexible in order to best adapt to changing conditions and circumstances. The Committee shall take the necessary measures to ensure a corporate culture of quality financial reporting, sound risk management practices, and ethical conduct.

In carrying out its oversight responsibilities, the Audit Committee shall be governed by the following main recurring processes, which are set forth as guides that the Committee may supplement where appropriate.

- The Audit Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. The Committee must clearly state to management and the external auditor, and ensure that they have a clear understating that the external auditor is ultimately accountable to the Board of Directors and the Audit Committee, as the representative of the Corporation's shareholders. The Committee has the ultimate authority and responsibility to evaluate the performance of the external auditor, and where appropriate, recommend that it be replaced. The Committee shall discuss with the auditor its independence from management and the Corporation and the matters to be included in disclosure documents. The Committee must also review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation. On an annual basis, the Committee must evaluate and recommend to the Board of Directors the appointment of the external auditor, subject to shareholder approval, as well as the compensation to be paid to such auditor.

The Committee shall discuss with the external auditor's proposed audit scope and approach including the adequacy of personnel and compensation. The Committee shall also discuss with management and the external auditor the adequacy and efficacy of the accounting and financial controls, including the Corporation's system for monitoring and managing business risk, as well as its legal and ethical compliance programs. In addition, the Committee shall meet separately with the external auditor, with and without management present, to discuss the results of its review.

- The Committee shall review the Corporation's financial statements, management's discussion and analysis, and its annual and quarterly earnings press releases before the Corporation publicly discloses this information, and recommend them for approval by the Board of Directors prior to such disclosure and filing with the relevant regulatory agencies. The Committee shall satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the aforementioned public disclosure, and shall periodically assess the adequacy of those procedures. Also, the Committee shall discuss the results of the quarterly review and any other matters that the external auditor is required to communicate to the Committee in accordance with generally accepted auditing standards.
- The Committee shall review with management and the external auditor the financial statements to be included in the Corporation's Annual Report and discuss with the external auditor the quality, not just acceptability, of the accounting principles applied, the reasonableness of significant judgments, and the clarity of disclosure in the financial statements. The Committee shall discuss the results of the annual audit and any other matters that the external auditor is required to communicate to the Committee in accordance with generally accepted auditing standards.
- The committee must establish procedures for (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, unlawful or unethical conduct or auditing matters; and (b) complaints confidentially submitted by employees wishing to remain anonymous.
- The Committee must pre-approve all non-audit services to be provided to the Corporation or any of its subsidiary entities by the Corporation's external auditor. The Audit Committee satisfies the pre-approval requirement if:
 - (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five percent (5%) of the total amount of fees paid by the Corporation and its subsidiary entities to the external auditor during the fiscal year in which the services were provided;
 - (b) The Corporation or its subsidiary entity subsidiaries, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (c) The services are promptly brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals had been delegated by the Audit Committee.

The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services. The pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Audit Committee at its first scheduled meeting following such pre-approval.

- The Committee shall review with management and any in-house or independent counsel as the Committee considers advisable, any legal issue (including the status of pending litigation) that could materially affect the Corporation and any report from, or investigation by, a regulatory body or governmental agency.
- On a yearly basis, the Committee will review and evaluate the adequacy of this Charter and where appropriate recommend changes to the Board of Directors.

11. Limitations inherent in the Audit Committee's oversight role

- Nothing in this Charter is intended, or should be interpreted as imposing on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.
- Every member of the Committee is entitled, to the extent permitted by law, to rely on the integrity of the persons and organizations, both internal and external, from whom he or she receives financial information or any other information, as well as the accuracy of the information provided to the Corporation by such persons or organizations.
- Notwithstanding that the Audit Committee has the responsibilities and powers provided in this Charter, it is the responsibility of management and the Auditors, and not of the Audit Committee, to plan and conduct audits, to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles, standards and applicable laws and regulations.