

*This Management Information Circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult a professional advisor.*

**MANAGEMENT INFORMATION CIRCULAR  
FOR THE  
ANNUAL AND SPECIAL MEETING  
OF THE  
SHAREHOLDERS  
OF  
CHAMPION IRON LIMITED**

**To be held at 10:00 a.m. (Montreal time)  
on Friday, August 17, 2018  
at  
the offices of McCarthy Tétrault LLP  
1000 De La Gauchetière Street West, Suite 2500, Montréal, Québec H3B 0A2**

**Dated as of July 17, 2018**

**YOUR VOTE AS A SHAREHOLDER IS IMPORTANT**

## PROXY SOLICITATION

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation by management of CHAMPION IRON LIMITED (“Champion” or the “Company”) of proxies to be used at the Annual and Special Meeting (the “Meeting”) of the shareholders of the Company, to be held at the offices of McCarthy Tétrault LLP, 1000 De La Gauchetière Street West, Suite 2500, Montréal, Québec H3B 0A2 on Friday, August 17, 2018, at 10:00 a.m. (Montreal time) and at any adjournments thereof, for the purposes set forth in the notice of the Meeting (the “Notice”) and explanatory statement (“Explanatory Statement” and collectively with the Notice, the “Notice of Meeting”) accompanying this Circular.

All costs of this solicitation of proxies by management will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers and certain employees of the Company may solicit proxies personally by telephone or other telecommunication but will not receive additional compensation for doing so.

The information contained herein is given as of July 17, 2018, unless otherwise noted.

This Circular describes the matters to be acted on at the Meeting and the procedures for attending or appointing proxies to vote at the Meeting.

### PART ONE

#### VOTING INFORMATION

##### MEETING MATERIALS

The Company has distributed a notice (“Notice to Vote”) directly to registered shareholders and NOBOs in Canada and to intermediaries for forward distribution to all OBOs and certain NOBOs (as such terms are defined herein). Notices to Vote forwarded to beneficial shareholders (as defined below) will likely not include the Company’s form of proxy but instead an intermediary’s Voting Instruction Form (“VIF”) (see below). Intermediaries are required to deliver these Notices to Vote to beneficial shareholders of the Company and to seek instructions as to how to vote their ordinary shares of the Company (“Ordinary Shares” or “Shares”). Brokers or agents can only vote the Ordinary Shares of the Company if instructed to do so by the beneficial shareholder.

The Company will assume the costs of mailing the Notices to Vote to the NOBOs and to the OBOs.

##### Notice-and-Access

Applicable securities legislation in Canada allows electronic delivery of meeting materials and/or delivery of meeting materials only to those who request them (“Notice-and-Access”). The Company is utilizing the Notice-and-Access mechanism that came into effect on February 11, 2013 under National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”). Notice-and-Access is a set of rules that allows issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) online, via SEDAR at [www.sedar.com](http://www.sedar.com) and one other website, rather than mailing paper copies of such materials to shareholders. 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 Company will not rely upon the use of 'stratification'.

The Company anticipates that Notice-and-Access will directly benefit the Company through a reduction in both postage and material costs and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

The Company will deliver copies of this Circular, and the accompanying form of proxy and the Notices to Vote, (collectively, the “Meeting Materials”) to Beneficial Shareholders on the Canadian Register by posting the Meeting Materials at <https://docs.tsxtrust.com/2066>. The Meeting Materials will be available as of July 17, 2018 (Montreal

time), and will remain on the website for one full year. The Meeting Materials will also be available on the SEDAR website at [www.sedar.com](http://www.sedar.com) as of July 17, 2018. 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.

Shareholders on the Canadian Register will receive paper copies of a notice package (the “**Notice Package**”) via prepaid mail containing a notice with information prescribed by NI 54-101, a letter to Shareholders and a form of proxy (if you are a **Registered Shareholder**) or a voting instruction form (if you are a **Non-Registered Shareholder**), in each case with a supplemental mail list return box for Shareholders to request that they be included in the Company’s supplementary mailing list for receipt of the Company’s annual and interim financial statements.

Shareholders on the Canadian Register may obtain paper copies of the Notice of Meeting, this Circular and the Company’s Annual Report to Shareholders free of charge, or more information about the Notice-and-Access mechanism, by contacting the Company’s transfer agent, TSX Trust Company (“**TSX Trust**”), by email at [TMXEInvestorServices@tmx.com](mailto:TMXEInvestorServices@tmx.com), by telephone at 1-866-600-5869 up to and including the date of the Meeting, including any adjournment of the Meeting. In order to receive paper copies of these materials in time to vote before the Meeting, your request should be received by August 10, 2018.

## **APPOINTMENT AND REVOCABILITY OF PROXIES**

### **CANADIAN REGISTERED SHAREHOLDERS**

If you are a Canadian registered shareholder, you can vote your Ordinary Shares at the Meeting in person or by proxy. Your vote can be cast by you in person and counted at the Meeting. If you wish to vote in person at the Meeting, do not complete or return the form of proxy included with this Circular. If you do not wish to attend the Meeting or do not wish to vote in person, complete and deliver a form of proxy in accordance with the instructions given below.

#### **Appointment of Proxy**

A form of proxy is enclosed and, if it is not your intention to be present in person at the Meeting, you are asked to sign, date and return the form of proxy in the envelope provided. The persons named in the enclosed form of proxy are directors or officers of the Company. **A shareholder has the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the enclosed form of proxy, to attend and vote for and on behalf of the shareholder at the Meeting. Such right may be exercised by striking out the names of the persons designated in the enclosed form of proxy and by inserting in the blank space provided for that purpose the name of the person to be appointed or by completing another proper form of proxy. Make sure that the person you appoint is aware that he or she is appointed and attends the Meeting.**

The form of proxy must be executed in writing or by electronic signature by the shareholder or his attorney duly authorized in writing or, if the shareholder is a corporation, by instrument in writing executed (under corporate seal if so required by the rules and laws governing the corporation) by a duly authorized signatory of such corporation. If the proxy is executed by a duly authorized attorney or authorized signatory of the shareholder, the proxy should reflect such person’s capacity following his or her signature and should be accompanied by the appropriate instrument evidencing such person’s qualifications and authority to act (unless such has been previously filed with the Company or the Company’s registrar and transfer agent, TSX Trust Company).

#### **Depositing, Mailing or Faxing Proxy**

Form of proxies to be exercised at the Meeting must be mailed to or deposited with the Company’s registrar and transfer agent, TSX Trust Company, Proxy Department, 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1, facsimile: (416) 595-9593, such that they are received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting or any adjournment thereof, in default of which they may be treated as invalid. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

A form of proxy is valid only at the meeting in respect of which it is given or any adjournment of that meeting.

## **Voting by Internet**

If you are a Canadian registered shareholder, go to [www.voteproxyonline.com](http://www.voteproxyonline.com) and follow the instructions. You will need your control number (located on the form of proxy) to identify yourself to the system. You must submit your vote by no later than 10:00 a.m. (Montreal time) on Wednesday, August 15, 2018 or 48 hours (excluding Saturdays, Sundays and holidays) before the time and day of any adjourned meeting. If you vote by Internet, DO NOT mail back the proxy. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

## **Voting by Telephone**

TSX Trust currently does not offer telephone voting.

## **CANADIAN NON-REGISTERED OR BENEFICIAL SHAREHOLDERS**

Your Ordinary Shares may not be registered in your name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or stock broker, or a clearing agency in which such an intermediary participates). If Ordinary Shares are listed in an account statement provided to you by a broker, then it is likely that those Ordinary Shares will not be registered in your name, but under the broker's name or under the name of an agent of the broker, such as CDS & Co. (the registration name for The Canadian Depository for Securities Limited), the nominee for many Canadian brokerage firms.

If your Ordinary Shares are registered in the name of an intermediary or a nominee, you are a non-registered or beneficial shareholder (a "**beneficial shareholder**"). Beneficial shareholders should be aware that only shareholders whose names appear on the share register of the Company are entitled to vote in person or by proxy at the Meeting. The purpose of the procedures described below is to permit beneficial shareholders to direct the voting of the Ordinary Shares they beneficially own. There are two categories of beneficial shareholders. Beneficial shareholders who have provided instructions to an intermediary that they do not object to the intermediary disclosing ownership information about them are considered to be Non-Objecting Beneficial Owners ("**NOBOs**"). Beneficial shareholders who have objected to an intermediary providing ownership information are Objecting Beneficial Owners ("**OBOs**").

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the issuer (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.

If you have received the Issuers' Voting Instruction Form, you may return it to TSX Trust Company:

1. By regular mail in the return envelope provided,
2. By fax at 416.595.9593
3. By voting online at [www.voteproxyonline.com](http://www.voteproxyonline.com) and entering your control number as instructed on the log on page.

OBOs and other beneficial holders receive a VIF from an Intermediary by way of instruction of their Financial Institution. Detailed instructions of how to submit your vote will be on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Ordinary Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder's name in the blank space provided. Non-registered holders should carefully follow the

instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

## **VOTING PROCEDURE FOR CANADIAN BENEFICIAL SHAREHOLDERS**

Brokers or agents can only vote the Ordinary Shares of the Company if instructed to do so by the beneficial shareholders. Every broker or agent has its own mailing procedure and provides its own instructions. Typically, a beneficial shareholder will be given a VIF which must be completed and signed by the beneficial shareholder in accordance with the instructions provided by the intermediary. The purpose of this VIF is to seek permission from the beneficial shareholder on how to vote on behalf of or otherwise represent the beneficial shareholder. A beneficial shareholder cannot use this VIF to vote or otherwise represent Ordinary Shares in person at the Meeting (but see below for a description of a new simplified procedure for a beneficial shareholder to attend the Meeting). If you are a beneficial shareholder, you must follow the instructions provided by the intermediary in order to ensure that your Ordinary Shares are voted or otherwise represented at the Meeting.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions (“**Broadridge**”). Broadridge mails the VIF to the beneficial shareholders and asks beneficial shareholders to return the VIF to Broadridge. Broadridge then tabulates the results of all VIFs respecting the Ordinary Shares to be represented at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Ordinary Shares voted or otherwise represented at the Meeting. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

As a result of recent amendments to applicable securities legislation, the process for beneficial shareholders to attend and vote their own securities at the Meeting in person has been simplified. The requirement for beneficial shareholders to be sent a legal proxy upon request has been removed and instead, the Company or the intermediary (as applicable) is required to arrange, without expense to the beneficial shareholder, to appoint the beneficial shareholder or a nominee of the beneficial shareholder as a proxyholder if the beneficial shareholder has instructed the Company or intermediary to do so either by having filled in and submitted a request for voting instructions sent to the beneficial shareholder or by having submitted any other document in writing that requests that the beneficial shareholder or a nominee of the beneficial shareholder be appointed as proxyholder. The Company or intermediary who so appoints a beneficial shareholder as a proxyholder must deposit the proxy not less than 48 hours prior to the commencement of the Meeting, or any adjournment thereof so long as the Company or intermediary obtains the instructions from the beneficial shareholder at least one business day before the termination of that time. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

Occasionally, a beneficial shareholder may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Ordinary Shares owned by the non-registered shareholder but is otherwise not completed. This form of proxy does not need to be signed by you. In this case, you can complete and deliver the proxy as described above under the heading “Registered Shareholders”.

### **Voting by Internet, Telephone or Facsimile**

If you are a beneficial shareholder and have been provided with a VIF from your broker or agent, you may be given the option of voting by telephone or facsimile – follow the instructions on the VIF. You will likely be able to vote by internet by accessing [www.proxyvote.com](http://www.proxyvote.com), the URL or web address as provided in the VIF, entering the control number that appears on the VIF, indicating your vote on each proposal and selecting “final submission”.

Your vote **must be received by** 10:00 a.m. (Montreal time) on Wednesday, August 15, 2018 or 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time and day of any adjourned meeting. If you vote by Internet, DO NOT mail back the proxy. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

**Beneficial shareholders should follow the instructions on the forms they receive and contact their intermediaries promptly if they need assistance.**

## REVOCATION OF PROXIES AND VOTING INSTRUCTION FORMS FOR CANADIANS

Any shareholder who executes and returns a proxy may revoke it to the extent it has not been exercised by depositing a written instrument executed by the shareholder or his, her or its attorney duly authorized in writing or by electronic signature or by transmitting by telephonic or electronic means, a revocation that is signed by electronic signature, or, if the shareholder is a corporation, by written instrument executed (under corporate seal if so required by the rules and laws governing the corporation) by a duly authorized signatory of such corporation:

- (a) with the Company's registrar and transfer agent, TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1, facsimile: (416) 595-9593, Attention: Proxy Department, at any time up to the close of business on the last business day prior to the Meeting, or any adjournment thereof;
- (b) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, at any time prior to a vote being taken in reliance on such proxy; or
- (c) in any other manner permitted by law.

A beneficial shareholder may revoke a voting instruction or may revoke a waiver of the right to receive meeting materials or a waiver of the right to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on any such revocation that is not received by the intermediary well in advance of the Meeting. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

## VOTING AND DISCRETIONARY AUTHORITY

The proxyholders named in the accompanying form of proxy shall and will vote the Ordinary Shares represented thereby on any ballot in accordance with the shareholder's direction set forth in the proxy. **IN THE ABSENCE OF SUCH DIRECTION, THE SHARES REPRESENTED THEREBY WILL BE VOTED IN FAVOUR OF EACH OF THE RESOLUTIONS FURTHER DESCRIBED IN THIS CIRCULAR. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters as may properly come before the Meeting or any adjournments thereof.** At the date of this Circular, management of the Company knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If amendments, variations to matters identified in the Notice of Meeting or if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their judgment on such matters.

## TRANSFER AGENTS CONTACT INFORMATION

### Investor Inquiries (Canada)

TSX Trust Company  
100 Adelaide Street West, Suite 301  
Toronto ON M5H 4H1  
By telephone: 1.866.600.5869  
By email to: [TMXEInvestorServices@tmx.com](mailto:TMXEInvestorServices@tmx.com)  
By facsimile to: 416.595.9593

### Security Transfer Registrars (Australia)

PO Box 535  
Applecross WA 6953  
Australia  
By telephone: (+618) 9315 2333  
By email to: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)  
By facsimile to: (+618) 9315 2233

## AUDITORS OF THE COMPANY

Ernst & Young, auditors to the Company, were first appointed as auditors of the Company on November 26, 2013.

### RECORD DATE

The board of directors of the Company (the “**Board**” or “**Board of Directors**”) has determined, in accordance with the *Corporations Act 2001* (Cth) (“**Corporations Act**”), that the registered holders of Ordinary Shares at 7:00 p.m. (Sydney time) on August 16, 2018 shall be entitled to vote at the Meeting, and any adjournment thereof. Accordingly, only shareholders of record on the Company’s register on such record date are entitled to vote at the Meeting.

A simple majority of votes cast are required to approve all ordinary resolutions to be submitted to a vote of shareholders at the Meeting.

If you cannot attend the Meeting in person, you are encouraged to date, sign and deliver the accompanying proxy and return it in accordance with the instructions set out above under the heading ‘Part One’. Information in relation to proxy voting is set out in the following documentation.

### OUTSTANDING VOTING SHARES, VOTING AT MEETINGS AND QUORUM

The capital of the Company consists of an unlimited number of Ordinary Shares. At the date hereof, the Company has 415,867,847 Ordinary Shares outstanding, each of which carries one vote per Ordinary Share. Holders of Ordinary Shares and exchangeable shares of the Company as of the Record Date shall be entitled to vote their Ordinary Shares personally or by proxy at the Meeting. Unless otherwise required by law, every question coming before the Meeting shall be determined by a majority of votes duly cast on the matter.

Proxies returned by intermediaries as “non-votes” because the intermediary has not received instructions from the beneficial shareholder with respect to the voting of certain shares or, under applicable regulatory rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such intermediary “non-votes” will, however, be counted in determining whether there is a quorum.

Pursuant to the constitution of the Company (the “**Constitution**”), a quorum for the Meeting is two voting members. Each individual present may only be counted once toward the quorum. If a member has appointed more than one proxy or representative, only one of them may be counted toward a quorum.

### PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Company, as at the date hereof, no person or company beneficially owns, directly or indirectly, controls or directs Ordinary Shares carrying 10% or more of the voting rights attached to the outstanding Ordinary Shares of the Company, except for the following:

Name of Shareholder	Number of Ordinary Shares	% of Issued Capital
WC Strategic Opportunity LP	66,944,444	16.10

As at the date hereof, the directors and officers of the Company as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of 46,956,459 Ordinary Shares representing approximately 11.3% of the issued and outstanding Ordinary Shares.



## PART TWO

### STATEMENT OF EXECUTIVE COMPENSATION

In accordance with the requirements of applicable securities legislation in Canada, the section below sets out the “Summary Compensation Table” and related tables and narrative disclosures to provide insight into executive compensation as a key aspect of the overall stewardship and governance of the Company and to help investors understand how decisions about executive compensation are made. All references in this Circular are in Canadian dollars, unless otherwise specified. References to “A” or “A\$” are to Australian dollar.

#### SUMMARY COMPENSATION TABLE

This section and the “Summary Compensation Table” below details all of the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly for the financial year ended March 31, 2018, to the Named Executive Officers (“NEOs” or “NEO”) as required by Form 51-102F6 under National Instrument 51-102 *Continuous Disclosure Obligations*. In this section, the NEOs means the Chief Executive Officer who is also the Executive Chairman of the Company, the Chief Financial Officer and each of the three most highly compensated executive officers at the end of most recently completed financial year whose total compensation was more than \$150,000 per annum.

The following table sets forth particulars concerning the compensation paid for services rendered to the Company by its NEOs in all capacities during the most recently completed financial year ended March 31, 2018.

Name and principal position	Year	Salary <sup>(2)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans			
Michael O’Keeffe, CEO and Executive Chairman	2018	500,000	Nil	1,123,922	Nil	Nil	Nil	29,125 <sup>(3)(i)</sup>	1,653,107
	2017	252,804	Nil	514,584	Nil	Nil	Nil	69,661 <sup>(3)(ii)(8)</sup>	837,049
	2016	156,876	Nil	106,316	Nil	Nil	Nil	112,524 <sup>(3)(iii)</sup>	375,716
Miles Nagamatsu CFO	2018	126,000	Nil	Nil	Nil	Nil	Nil	7,416 <sup>(4)(i)</sup>	133,416
	2017	124,500	Nil	Nil	Nil	Nil	Nil	97,410 <sup>(4)(ii)</sup>	221,910
	2016	90,000	Nil	Nil	Nil	Nil	Nil	6,972 <sup>(4)(iii)</sup>	96,972
David Cataford, COO <sup>(5)</sup>	2018	400,000	Nil	437,500	Nil	Nil	Nil	1,671,221 <sup>(5)(i)</sup>	2,508,721
	2017	253,333	Nil	280,000	Nil	Nil	Nil	88,033 <sup>(5)(ii)</sup>	622,458
	2016	240,000	Nil	Nil	Nil	Nil	Nil	12,987 <sup>(5)(iii)</sup>	252,987
Beat Frei, SVP Bus. Dev. & Finance <sup>(6)</sup>	2018	350,000	Nil	879,722	Nil	Nil	Nil	3,065,998 <sup>(6)(i)</sup>	4,295,720
	2017	240,000	Nil	366,668	Nil	Nil	Nil	165,856 <sup>(6)(ii)</sup>	772,524
	2016	240,000	Nil	16,668	Nil	Nil	Nil	65,856 <sup>(6)(iii)</sup>	322,524
Jorge Estepa VP and Corp. Sec. (Canada)	2018	96,000	Nil	53,879	Nil	Nil	Nil	7,416 <sup>(7)</sup>	157,295
	2017	98,000	Nil	Nil	Nil	Nil	Nil	7,410 <sup>(7)</sup>	105,410
	2016	72,000	Nil	Nil	Nil	Nil	Nil	6,972 <sup>(7)</sup>	78,972

Notes:

- (1) The amount shown in the column represents the grant date fair value of options and may not represent the amount the NEO will actually receive from the awards. The grant date fair value of these options has been calculated using the Black-Scholes option pricing model.
- (2) Amounts in the Salary column were paid either as salary or as consulting fees (to a company controlled by the respective NEO).
- (3) (i) Includes non-monetary compensation in the amount of \$26,388 and \$2,797 paid to a superannuation on behalf of the NEO. (ii) Includes non-monetary compensation in the amount of \$52,020 and \$17,641 paid to a superannuation on behalf of the NEO. (iii) Includes non-monetary compensation in the amount of \$97,620 and \$14,904 paid to a superannuation on behalf of the NEO.

- (4) (i) Non-monetary compensation. (ii) Includes \$90,000 in termination payments to a company controlled by the NEO, and \$7,410 in non-monetary compensation. (iii) Non-monetary compensation.
- (5) Promoted from Vice President, Engineering to Chief Operating Officer on March 20, 2017. (i) Includes the payment of a \$1,660,000 bonus, \$8,424 in non-monetary compensation and \$2,797 in employer portion of contributions to the Canada Pension Plan paid on behalf of the NEO. (ii) Includes the payment of a \$75,000 bonus, \$10,296 in non-monetary compensation and \$2,737 in employer portion of contributions to the Canada Pension Plan paid on behalf of the NEO. (iii) Includes \$10,296 in non-monetary compensation and \$2,691 in employer portion of contributions to the Canada Pension Plan paid on behalf of the NEO.
- (6) Named Senior Vice President Business Development and Finance on July 27, 2017, previously Head of Finance. All amounts paid to a company controlled by the respective NEO. (i) Includes the payment of a \$3,000,000 bonus and \$65,998 in non-monetary compensation. (ii) Includes the payment of a \$100,000 bonus and \$65,856 in non-monetary compensation. (iii) Non-monetary compensation.
- (7) Non-monetary compensation.
- (8) 7,500,000 options were granted to Prospect AG Trading Pty. Ltd., a company controlled by Michael O'Keeffe, as compensation for providing a backstop of \$7,500,000 for a \$30,000,000 private placement completed by the Company on April 11, 2016. These options were fully vested on the date of grant, are exercisable at a price of \$0.25 and have an expiry date of April 11, 2020.

## COMPENSATION DISCUSSION AND ANALYSIS

All matters relating specifically to senior executive compensation are reviewed and approved by the full Board. The Board appointed a Remuneration and Nomination Committee effective June 18, 2014. The Remuneration and Nomination Committee makes recommendations to the Board with respect to compensation of the Company's executive officers, including base salaries or consulting fees, annual bonuses and long-term equity participation levels. The Remuneration and Nomination Committee assists the Board in setting performance objectives. The Executive Chairman plays a major role in setting performance objectives and outlining progress in meeting corporate objectives and he will continue to make recommendations in the future. The Board gives final approval on compensation matters.

The Company's overall policy regarding compensation of the Company's executive officers is structured to provide competitive salary levels and compensation incentives that support both the short-term and long-term goals of the Company, attract and retain suitable and qualified executive management and establish a compensation framework which is industry competitive. The Company's policy is to recognize and reward individual performance as well as to place executive compensation within the range of compensation levels in the industry in which it operates, taking into account the size and scope of operations.

Each year the Board reviews and approves the Company's compensation policies and practices, taking into consideration the risks associated therewith. In addition, the Company reviews significant risks associated with its operations, the most significant of which are disclosed in the Company's annual Management's Discussion and Analysis for each fiscal year. The Company has not identified any risks associated with the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company has adopted a Share Trading Policy, approved by the Board on June 18, 2014, forbidding NEOs and directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Ordinary Shares of the Company granted as compensation or held, directly or indirectly, by the NEO or director, without prior approval from the Executive Chairman.

### Compensation Policy and Key Compensation Components

In 2017, the Company engaged Ernst & Young to provide market remuneration information for certain executive positions. As part of its mandate, Ernst & Young benchmarked the remuneration of such executives within the Company with those of certain executives in comparator groups within the same industry, location and with similar revenues. The benchmarking process was based on data sourced from the Economic Research Institute database and the Wynford Group mining survey.

The report prepared by Ernst & Young was presented to and considered by the Remuneration and Nomination Committee of the Company in May 2017.

Ernst & Young also provides audit and audit-related services to the Company on an ongoing basis. The other fees paid to Ernst & Young are in connection with audit and related services, which are approved by the Audit Committee of the Company.

### *Compensation Advisory Fees*

The following table illustrates in detail the components of the advisory fees incurred by the Company for services rendered by Ernst & Young in the years ended March 31, 2018 and 2017:

	Fees incurred during the year ended March 31, 2018	Fees incurred during the year ended March 31, 2017
Executive Compensation-Related Fees	-	\$15,000
All Other Fees <sup>(1)</sup>	\$140,134	\$134,000
Total Fees Paid	\$140,134	\$149,000

Notes:

(1) For a description of the other fees paid to Ernst & Young (Australia), please refer to the section titled "Audit Committee Information – External Audit Fees" in the annual information form of the Company for the year ended March 31, 2018.

After receiving third party advice described above, during the financial year ended March 31, 2018, the Company entered into new service agreements with the Executive Chairman, Michael O'Keeffe, the Chief Operating Officer, David Cataford and the Senior Vice President Business Development and Finance, Beat Frei. The purpose of entering into these arrangements was to better define the role and the responsibilities of these key executives and to increase their base annual salary to more appropriately reflect market conditions and remunerate them for their workloads and responsibilities.

The Company's compensation program for its NEOs comprises base salaries or consulting fees, incentive bonuses, and incentive stock options. The Company recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility. Salaries or consulting fees are paid by the Company to executives or companies they control at competitive industry rates for work of a similar nature by arm's length service providers.

The Company relies upon the knowledge and experience of its Remuneration and Nomination Committee and its Board to set appropriate levels of consulting fees and other compensation. These levels are based on the Company's performance and development and each NEO's performance. As the Company's operations have grown in size and complexity, the NEOs have been rewarded with increases in their compensation packages to reflect additional responsibilities and contributions. As well, from time to time during the year, the Remuneration and Nomination Committee may recommend grants of stock options. Previous grants are taken into account when making new grants.

#### ***Base Salary/Fees***

The objectives of providing NEOs with a base salary or consulting fee are to recognize market rates of pay for comparable positions in the industry and to acknowledge the competencies and skills of individuals. The base salary or consulting fee paid to each NEO is reviewed annually by the Board as part of the annual review of executive officers. The final decision on whether to grant an increase to the NEO's base salary or consulting fee and the amount of any such increase is in the sole discretion of the Board, taking into consideration the recommendations of the Remuneration and Nomination Committee. In making such decisions, the Board refers to the contributions of the NEO as well as to compensation rates for comparable positions in the industry. Stock options provide long-term compensation as well as aligning the interests of the NEOs with the Company and its shareholders.

#### ***Incentive Bonuses***

The objective of incentive bonuses in the form of cash is to add a variable component of compensation, based on corporate and individual performances for executive officers, directors and employees and to ensure that the compensation provided by the Company is industry-competitive.

In considering the recommendations of the Remuneration and Nomination Committee in respect of annual bonuses, the Board considers the implications of the risks associated with the Company's compensation policies and practices. After receiving the recommendation of the Remuneration and Nomination Committee to award no bonuses for the fiscal year 2016, bonuses to two of its NEOs during fiscal 2017, the Board considered the risks associated with the state of the financial markets, the ability of the Company to raise money in such markets, and the need for the Company to preserve its capital from time to time in such markets, compared to the needs of the Company to retain and reward experienced qualified individuals to advance the Company's projects. The Board concluded it was advisable to award bonuses to three of its NEOs during fiscal 2018 as detailed in the compensation table above.

### Outstanding share-based awards and option-based awards for certain NEOs

The following table sets forth the options granted to the NEOs to purchase or acquire securities of the Company which were outstanding on March 31, 2018:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option Exercise price <sup>(2)</sup> (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)(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
Michael O'Keeffe, CEO and Executive Chairman <sup>(8)</sup>	1,000,000 <sup>(3)</sup>	0.30	Aug. 20, 2018	870,000	Nil	Nil	Nil
	1,000,000 <sup>(4)</sup>	0.50	Nov. 29, 2018	670,000	Nil	Nil	Nil
	3,000,000 <sup>(5)</sup>	0.20	Apr. 11, 2020	2,910,000	Nil	Nil	Nil
Miles Nagamatsu CFO	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Beat Frei, SVP Bus. Dev. & Finance	1,250,000 <sup>(7)</sup>	0.20	Apr. 11, 2020	1,212,500	Nil	Nil	Nil
David Cataford, COO	2,000,000 <sup>(7)</sup> 500,000 <sup>(7)</sup>	0.20 1.00	Apr. 11, 2020 May 25, 2020	1,940,000 85,000	Nil	Nil	Nil
Jorge Estepa VP and Corp. Sec. (Canada)	300,000 <sup>(6)</sup>	1.00	May 25, 2020	51,000	Nil	Nil	Nil

Notes:

- (1) This amount is based on the difference between the closing market price of the Company's Ordinary Shares on the TSX of C\$1.17 on March 31, 2018, and the exercise price of the option.
- (2) The Company used the exchange rate of CDN\$1 = A\$1.00 for March 31, 2018.
- (3) 666,667 options have vested as of March 31, 2018.
- (4) 1,000,000 options have vested as of March 31, 2018.
- (5) 3,000,000 options have vested as of March 31, 2018.
- (6) 100,000 options have vested as of March 31, 2018.
- (7) All of the options have vested as of March 31, 2018.
- (8) 7,500,000 options were granted to Prospect AG Trading Pty. Ltd., a company controlled by Michael O'Keeffe, as compensation for providing a backstop of \$7,500,000 for a \$30,000,000 private placement completed by the Company on April 11, 2016. These options were fully vested on the date of grant, are exercisable at a price of \$0.25 and have an expiry date of April 11, 2020.

### ***Incentive Plan Awards for Certain NEOs - Value Vested or Earned During the Year***

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to NEOs during the most recently completed financial year ended March 31, 2018.

<b>Name</b>	<b>Option-based awards - Value vested during the year <sup>(1)</sup> (\$)</b>	<b>Share-based awards - Value vested during the year <sup>(2)</sup> (\$)</b>	<b>Non-equity incentive plan compensation - Value earned during the year (\$)</b>
Michael O’Keeffe, CEO and Executive Chairman	628,333	1,240,000	Nil
Miles Nagamatsu, CFO	Nil	Nil	Nil
Beat Frei, SVP Bus. Dev. & Finance	Nil	1,370,000	Nil
David Cataford, COO	Nil	310,000	Nil
Jorge Estepa, VP and Corporate Secretary (Canada)	Nil	Nil	Nil

Notes:

- (1) This amount is based on the difference between the closing market price of the Company’s Ordinary Shares on the TSX on the applicable option vesting date and the exercise price of the options.
- (2) This amount is based on the closing market price of the Company’s Ordinary Shares on the TSX on the applicable share right vesting date.

### **Pension Plan Benefits**

No pension plan or retirement benefit plans have been instituted by the Company and none are proposed at this time.

### **NEO Employment Contracts, Termination and Change of Control Benefits**

The Company has written consulting services contracts with its NEOs. Some of the contracts provide for the payment and provision of other benefits triggered by a termination without cause as described below. None of the contracts provide for the payment and provision of other benefits triggered as a result of a change of control.

Each of these agreements has the provision for performance-related cash bonuses, other benefits and participation in Company’s long-term incentive plans. Major provisions of the service agreements relating to remuneration as at March 31, 2018 are set out below.

#### *Michael O’Keeffe – Director and Executive Chairman*

- Commencing April 1, 2017, annual salary was increased from \$279,200 to \$500,000; car lease payments of \$2,135 per month; participation in the Company’s short-term incentive bonus plan of between 50% and 100% of base salary at the Board’s discretion, but subject to the satisfaction of agreed key performance measures; annual participation in the Company’s long-term incentive plan at the Board’s discretion, but subject to the satisfaction of agreed key performance measures.
- Commenced on August 13, 2015 and continues until termination.
- Can be terminated by the Company for cause or on 12 months' notice.
- Payment of termination benefits equal to annual salary for 12 months if terminated by the Company without cause.

#### *David Cataford – Chief Operating Officer*

- Annual salary \$400,000 year plus pension participation; annual participation in the Company’s short-term incentive bonus plan of between 50% and 100% of base salary at the Board’s discretion, but subject to the

satisfaction of agreed key performance measures; annual participation in the Company's long-term incentive plan at the Board's discretion, but subject to the satisfaction of agreed key performance measures; payment of termination benefits equal to annual salary for 12 months if terminated by the Company without cause.

- Commenced April 1, 2017 and continues until termination.
- Can be terminated by the Company for cause or on 60 days' notice.

*Beat Frei – Senior Vice President Business Development and Finance*

- Commenced April 1, 2017, annual fees increased from \$240,000 to \$350,000 payable to Comforta GmbH, a company controlled by Beat Frei, pursuant to a professional services agreement which expires on March 31, 2019.
- The Company makes condominium rental payments of up to \$50,000 per year, car lease payments of up to \$20,000 per year and reimburses the cost of return-trip airline tickets between Zurich, Switzerland and Montreal, Canada of up to \$50,000 per year.
- Entitled to receive a performance bonus as determined by the Board in its discretion subject to satisfaction of performance criteria.
- Continues until March 31, 2019 unless terminated by the Company earlier for cause or on 30 days' notice. Termination benefit equal to 12 months fees payable if the Company terminates on giving 30 days' notice.

*Miles Nagamatsu – Chief Financial Officer*

- Annual consulting fees of \$126,000 payable to Marlborough Management Limited, pursuant to an amended professional services agreement, which unless terminated, renews automatically on November 30 of each year. No termination benefits payable.

*Jorge Estepa – Vice President and Corporate Secretary, Canada*

- Commenced May 1, 2016.
- Annual consulting fees of \$96,000 payable to J. Estepa Consulting Inc., pursuant to an engagement letter, which may be terminated by either party on 30 days advance notice. No termination benefits payable.

The following table sets forth the estimated incremental payments that would have been required to have been made to each NEO, assuming a triggering event (change of control or termination without cause) took place on March 31, 2018.

Name and principal position	Estimated Cash Payout on Termination		Estimated Value Vested Option Awards on Termination without Cause <sup>(1)(2)</sup> (\$)
	Without Cause (\$)	Change of Control <sup>(3)</sup> (\$)	
Michael O'Keeffe, CEO and Executive Chairman	500,000	Nil	4,450,000
Miles Nagamatsu, CFO	Nil	Nil	Nil
Beat Frei, SVP Bus. Dev. & Finance	350,000	Nil	1,212,500
David Cataford, COO	400,000	Nil	2,025,000
Jorge Estepa, VP and Corporate Secretary Canada	Nil	Nil	51,000

Notes:

- (1) This amount is based on the difference between the closing market price of the Company's Ordinary Shares on the TSX of \$1.17 per share on March 31, 2018, and the exercise price of all "in-the-money" options.
- (2) The Company used the exchange rate of CDN\$1 = A\$1.00 for March 31, 2018.
- (3) The NEOs contracts do not provide for the payment and provision of other benefits triggered as a result of a change of control.

## DIRECTORS' COMPENSATION

Directors *per se* are not entitled to fees; but, as disclosed the table below, some directors were compensated, consisting of either salary, superannuation, stock options grants and incentive bonuses, or combinations thereof. The objective is to compensate the directors on an industry-competitive basis.

As set forth in the table below, during the year ended March 31, 2018, the Company compensated its non-executive directors. The following table sets forth the value of all compensation paid to directors of the Company who were not NEOs during the most recently completed financial year ended March 31, 2018:

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
Gary Lawler	88,750	Nil	99,750	Nil	Nil	8,431 <sup>(2)</sup>	196,931
Andrew Love	88,750	Nil	99,750	Nil	Nil	8,431 <sup>(2)</sup>	196,931
Michelle Cormier	75,000	Nil	134,583	Nil	Nil	Nil	209,583
Wayne Wouters <sup>(3)</sup>	75,000	Nil	Nil	Nil	Nil	Nil	75,000
Jyothish George <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The amount shown in the column represents the grant date fair value of options and may not represent the amount the NEO will actually receive from the awards. The grant date fair value of these options has been calculated using the Black-Scholes option pricing model.
- (2) Paid to a superannuation on behalf of the respective director.
- (3) Consulting fees are paid to a company controlled by Wayne Wouters.
- (4) Appointed October 16, 2017.

### Share-based Awards and Option-Based Awards for Certain Directors

The following table sets forth the options to purchase or acquire securities of the Company outstanding at the end of the most recently completed financial year ended March 31, 2018 granted to the directors of the Company who are not NEOs:

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)(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 (\$)
Gary Lawler	300,000	1.08 <sup>(2)</sup>	July 11, 2020	27,000	N/A	N/A	N/A
Andrew Love	300,000	1.08 <sup>(2)</sup>	July 11, 2020	27,000	N/A	N/A	N/A
Michelle Cormier	500,000	1.00 <sup>(2)</sup>	August 21, 2020	85,000	N/A	N/A	N/A
Wayne Wouters	500,000	0.30 <sup>(2)</sup>	Nov. 4, 2019	435,000	N/A	N/A	N/A
Jyothish George	Nil	N/A	N/A	Nil	N/A	N/A	N/A

Notes:

- (1) This amount is based on the difference between the closing market price of the Company's Ordinary Shares on the TSX of \$1.17 on March 31, 2018, and the exercise price of the "in-the-money" options.
- (2) The Company used the exchange rate of CDN\$1 = A\$1.00 for March 31, 2018.

### INCENTIVE PLAN AWARDS FOR CERTAIN DIRECTORS – VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to directors who are not NEOs during the most recently completed financial year ended March 31, 2018:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Gary Lawler	Nil	Nil	Nil
Andrew Love	Nil	Nil	Nil
Michelle Cormier	Nil	Nil	Nil
Wayne Wouters	Nil	Nil	Nil
Jyothish George	Nil	Nil	Nil

Notes:

- (1) This amount is based on the difference between the closing market price of the Company's Ordinary Shares on the TSX on the applicable option vesting date and the exercise price of the options.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information concerning the existing share incentive plan of the Company (the "Current Plan") at the end of the most recently completed financial year, March 31, 2018.

Plan Category	(A) Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	(B) Weighted average option price of outstanding options, warrants and rights (\$)	(C) Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column A) (#)
Current Plan (approved by Shareholders)	12,800,000 <sup>(1)</sup>	0.44	70,373,569
	12,800,000		70,373,569

Notes:

- (1) As of March 31, 2018, the maximum number of Ordinary Shares which may be reserved for issuance under the Current Plan was 83,173,569 of which 12,800,000 Ordinary Shares were reserved for issuance under outstanding options.

### Securities Issuable under Equity Compensation Plans as a Percentage of Outstanding Shares

The following table provides information on the securities issuable under the Current Plan, expressed as a number and as a percentage of the Ordinary Shares as of March 31, 2018:



Equity Compensation Plan		Maximum number of securities issuable under the plan	Total number of securities awarded and outstanding under the plan	Total number of securities available for grant under the plan
Current Plan	Number	83,173,569	12,800,000	70,373,569
	Percentage of outstanding Shares <sup>(1)</sup>	20%	3.1%	16.9%

Notes:

(1) As of March 31, 2018, there were 415,867,847 Ordinary Shares issued and outstanding.

### Annual Burn Rate

The following table provides the annual burn rate associated with the Current Plan for each of the Company's three most recent fiscal years:

Equity Compensation Plan	Fiscal year	Number of securities granted under the plan <sup>(2)</sup>	Weighted average number of securities outstanding <sup>(3)</sup>	Annual burn rate <sup>(1)(4)</sup>
Current Plan	Ended March 31, 2018	5,000,000	398,125,332	1.26%
	Ended March 31, 2017	8,000,000	380,212,024	2.10%
	Ended March 31, 2016	1,000,000	197,904,607	0.51%

Notes:

(1) Based on the new TSX requirement effective October 31, 2017.

(2) Corresponds to the number of securities granted under the Current Plan in the applicable fiscal year.

(3) The weighted average number of securities outstanding during the period corresponds to the number of securities outstanding at the beginning of the period, adjusted by the number of securities bought back or issued during the period multiplied by a time-weighting factor.

(4) The annual burn rate percent corresponds to the number of securities granted under the Current Plan divided by the weighted average number of securities outstanding.

### Champion Iron Limited Share Incentive Plan

The following is a summary of the material provisions of the Current Plan. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Current Plan, the terms of which are set out in the management circular which was attached to the notice of annual general meeting held on August 29, 2014 (which was filed on [www.sedar.com](http://www.sedar.com) on July 31, 2014).

On June 25, 2014, the Board approved, subject to shareholder approval, which was obtained on August 29, 2014, amendments to the Current Plan (i) to reserve 20% of the issued and outstanding Shares of the Company from time to time (83,173,569 Shares as of the date of this Circular), for issuance to participants under the Current Plan and (ii) so that upon exercise of an option the Shares which had been reserved to be issued pursuant to the Current Plan shall become available to be issued upon the exercise of subsequent stock option grants. Prior to the amendment, the Company's Current Plan had no plan maximum.

Any increase in the issued and outstanding Shares will result in an increase in the available number of Shares issuable under the Current Plan, and any exercises of options will make new grants available under the Plan effectively resulting in a re-loading of the number of options available to grant under the Plan. No financial assistance is or will be provided by the Company to participants in the Current Plan to facilitate the purchase of shares under the Current Plan. The Current Plan does not limit the participation of insiders.

Subject to the provisions of the Current Plan, the directors may receive recommendations of management or any committee of the Board and shall determine and designate from time to time those eligible participants (including employees, directors and other persons as determined by the Board) to whom awards should be granted, the number of options, share rights or share appreciation rights and the terms and conditions of each such awards. The Board of Directors will comply with all the TSX and other regulatory requirements in granting options, share rights or share appreciation rights and otherwise administering the Plan.

All stock options granted have an exercise price determined and approved by the Board at the time of grant, which shall be granted at a price equal to the volume weighted average trading price of the Shares on the TSX or other public market if not listed on the TSX for the five (5) consecutive trading days immediately preceding the date of the award, provided that such purchase price shall not be less than that from time to time permitted under the rules of any stock exchange or exchanges on which the Shares are then listed. The term and vesting period for options granted under the Current Plan is determined at the discretion of the Board but in no circumstances shall the options granted pursuant to the Current Plan have a term in excess of five years.

There is no exercise price payable for share rights or share appreciation rights. The term and vesting period for share rights and share appreciation rights awarded under the Current Plan is determined at the discretion of the Board but in no circumstances shall the awards under the Current Plan have a term in excess of five years. The formula for determining the number of shares on vesting of a share appreciation right is ' $VSAR \times ENS$ ' where VSAR is the number of vested share appreciation rights and ENS is the entitlement number of shares calculated as  $(A - B) / A$  where A is the market value of a share on the vesting date of the share appreciation right (or such other value as determined by the Board) and B is the market value of a share on the date of grant of a share appreciation right (or such other value as determined by the Board), provided that  $(A - B)$  is a positive number, or as otherwise specified in the award documents.

The Current Plan is considered a "rolling plan", as the reloading of options is permitted under the Current Plan and options, share rights and share appreciation rights that are exercised, surrendered, terminated or expire without being exercised, as the case may be, no longer represent Shares reserved for issuance under this Current Plan and do not decrease the number of Shares issuable. The number of Shares issuable to any one participant cannot exceed 5% of the Shares then outstanding for a particular class of shares (on a non-diluted basis).

The share options, share rights and share appreciation rights issued under the Current Plan cannot be assigned or transferred, with the exception of an assignment made to a personal representative of a deceased participant with the consent of the Board. Eligible employees are prohibited from granting any security interests over share options, share rights and share appreciation rights issued under the Current Plan.

The Board reserves the right, in its sole discretion, to suspend or terminate the Current Plan. In the event of a suspension or termination, the rules applicable to existing options acquired will continue to operate. Subject to the Corporations Act, the Listing Rules and any other applicable law, the Current Plan may be amended by the Board of Directors so as to add to, delete or otherwise vary the Current Plan at any time and in any manner it sees fit in its absolute discretion without shareholder approval. No amendment to the Current Plan may be made which reduces the rights of Participants in respect of options acquired by them prior to the date of the amendment, other than an amendment introduced primarily:

- a) For the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation, or the Listing Rules
- b) To correct any manifest error or mistake; or
- c) to address possible adverse tax implications In respect of the Rules arising from, among other things:
  - i. rulings from the Commissioner of Taxation;
  - ii. changes to tax legislation (including an official announcement by the Commonwealth of Australia); or
  - iii. changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction

In accordance with the requirements of the Toronto Stock Exchange (the "TSX") shareholders are required to re-approve the Current Plan every three years and this was done on August 18, 2017.

Under the rules of the TSX governing security based compensation arrangements, specific shareholder approval is required for any amendment to amendment provisions of the Current Plan. The Current Plan has incorporated amendment provisions requiring shareholder approval for (a) any reduction in the exercise price after an option has been granted, except in the case of an adjustment pursuant to the Current Plan held by an insider; (b) any extension of the expiry date of an option held by an insider, or any cancellation of such an option, and the substitution of that option with a new option with extended expiration date, except in case of an extension due to a black-out period; (c) any amendment which increases the maximum number of Shares that may be issued under the Current Plan; (d) any amendment to these amendment provisions; and (e) any other matters that may require shareholder approval under the rules and policies of the TSX. The Current Plan has also incorporated the following amendment provisions which may be made at the Board's discretion without shareholder approval for items including, but not limited to, the following: (a) any amendment of a "housekeeping" nature, including without limitation those made to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Current Plan that is inconsistent with any other provision of the Current Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding its administration; (b) a change to the vesting provisions of the Current Plan; (c) a change to the provisions governing assignability and the effect of termination of a Participant's employment, contract or office, or cessation of a Participant's directorship; and (d) the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted.

Where an award is granted on terms that entitle the holder on vesting to a cash equivalent of the number of Shares in respect of which award has vested or a vested option has been exercised, the Company will pay the cash equivalent to the holder within such time as the Board determines, but subject to the listing rules of applicable exchanges and no later than one month after the vesting date for the award or the date of exercise of the option. The cash equivalent is the market value of those shares on the vesting date.

If an eligible participant ceases to be employed by the Company due to death or serious injury, disability or illness which prohibits continued employment, involuntary early retirement, retrenchment or redundancy the Board has a discretion to vest some or all of the share options, share rights and share appreciation rights held by the eligible participant. If an eligible participant ceases to be employed by the Company for a reason other than stated above, any unvested share options, share rights and share appreciation rights held by the eligible employee lapse.

The Company is seeking shareholder and all required regulatory approval for the adoption of a new omnibus incentive plan, described more fully in Resolution 10 – *Approval of 2018 Omnibus Incentive Plan* of the section titled "*Particulars of Matters to Be Acted Upon at the Meeting*" and incorporated by reference in the respective schedules therein. Provided that the new omnibus incentive plan is approved by the Shareholders at the Meeting, all future grants of equity-based awards except for the grant of share rights to Mr. O'Keeffe described in Resolution 9 – *Grant of share rights to Michael O'Keeffe* will be made pursuant to, or as otherwise permitted by, the new omnibus incentive plan. The Current Plan will remain in effect only in respect of outstanding awards.

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No current or former director, executive officer or employee of the Company, nor any associate of any of the foregoing persons, was indebted to the Company or was the subject of a support agreement such as a guarantee or other similar arrangement or understanding provided by the Company at any time during the most recently completed financial year ended March 31, 2018, or at any time up to the date hereof.

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

At March 31, 2018, the Company maintained \$30 million of group liability insurance for the protection of the directors and officers of the Company. The annual premium for this liability insurance in 2016-2017 was A\$261,268. This coverage is in addition to the corporate indemnification outlined in the Company's Constitution.

## **PERFORMANCE GRAPH**

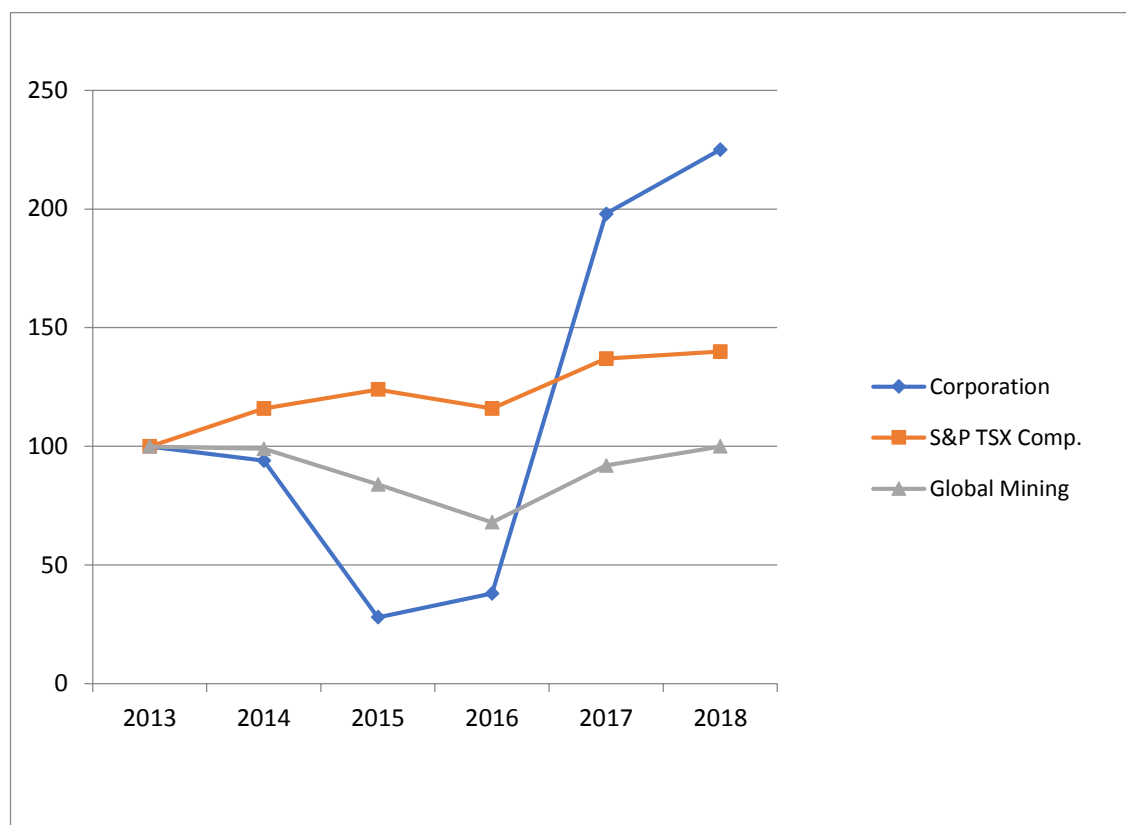
The Ordinary Shares of the Company have been listed and posted for trading on the ASX under the trading symbol "CIA" since April 3, 2014 and on the TSX under the trading symbol CIA since March 31, 2014. Prior to that time they were traded on the ASX under the symbol "MAB".

The following graph and table is a reporting requirement under Canadian securities laws, and compares the Company's five-year cumulative total shareholder return had \$100 been invested in the Company on the first day of the five-year period at the closing price of the Ordinary Shares on that date being April 1, 2013, with the cumulative total return of both the S&P/TSX Composite Index and the S&P/TSX Global Mining Index over the five most recently completed fiscal years ended on March 31.

An analysis of the trend in the graph below does not demonstrate a consistent direct correlation between the "Shareholder Return" performance of the Company and the trend in the Company's compensation of its executive officers reported over the same period, with the exception of the respective fiscal years completed on March 31, 2017 and March 31, 2018. The significant decrease from 2014 to 2016 in the Company's "Shareholder Return" in the graph below is attributable in part to the negative market sentiment towards the iron ore mining market during this time. The level of compensation of the Company's executive officers did not directly correlate during this time period as the Company acquired iron ore projects in Canada's Labrador Trough region and reconstituted its directorships and management to advance the Company's asset base.

For the most recent two fiscal years there was a direct correlation between the Company's "Shareholder Return" and the level of compensation of its executive officers primarily attributable to the successful acquisition of the Bloom Lake iron ore mine and related assets. Significant advances related to the Bloom Lake acquisition including the completion of a Feasibility Study in March 2017 and the successful financing and re-start of the Bloom Lake iron ore mine in February 2018 were reflected in the significant increase in the Company's "Shareholder Return" during the recent two fiscal years. The Company's changes in remuneration also trended upwards, demonstrating the direct correlation to the increase in the Company's "Shareholder Return" during this same time period.

*[remainder of page left intentionally blank]*



**Performance Graph – S&P/TSX Composite Index and S&P/TSX Global Mining Index**

	April 1, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
S&P/TSX Composite Index	\$100	\$116	\$124	\$116	\$137	\$140
S&P/TSX Global Mining Index	\$100	\$99	\$84	\$68	\$92	\$100
Company	\$100	\$94	\$28	\$38	\$198	\$225

### **PART THREE**

#### **CORPORATE GOVERNANCE AND OTHER MATTERS**

The Company’s Board of Directors and senior management consider good corporate governance to be central to the effective and efficient operation of the Company and, as recommended under the policies of the Canadian securities regulators, the Company has included in this Circular the following disclosure respecting its corporate governance practices.

National Instrument 58-101 “*Disclosure of Corporate Governance Practices*” (“**NI 58-101**”), requires each listed company to disclose on an annual basis its approach to corporate governance. The Company’s disclosure with respect to the guidelines is set out in Schedule “A” to this Circular, and constitutes the Company’s statement of Corporate Governance Practices. Shareholders are advised to consult Schedule “A” for more detailed information on the Company’s Corporate Governance Practices.

The Company understands that corporate governance standards and requirements are continually evolving. The Board of Directors has been charged with the responsibility of monitoring corporate governance regulatory developments, in particular the best practices recommended by the Canadian Securities Administrators, as set out in NI 58-101, and with reviewing the Company's corporate governance policies and procedures in light of these developments.

## **BOARD OF DIRECTORS**

### **Mandate of the Board of Directors**

The Board of Directors approved a mandate which includes, among other duties and responsibilities, the following objectives: to approve and monitor the strategic, business and financial plans of the Company; to supervise performance and succession planning of senior officers; to assess the principal risk factors relating to the business of the Company; and to monitor and oversee the integrity of the financial reporting and disclosure practices of the Company. Every Director is required to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill of a reasonably prudent person. Responsibilities not delegated to senior management or to a committee of the Board of Directors remain those of the full Board of Directors.

### **Orientation and Continuing Education of Board Members**

New members to the Board of Directors receive an orientation package which includes company policies and public disclosure filings by the Company. Meetings of the Board of Directors are held at the Company's facilities and are combined with presentations by the Company's management and employees to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all members of the Board of Directors.

### **Measures to Encourage Ethical Business Conduct**

The Board of Directors has adopted a written Code of Conduct as further described in Schedule "A" to this Circular, clause 5. Pursuant to the Code of Conduct the Board ensures that all directors, officers and employees conduct themselves in an ethical and manner. Each director and executive officer is required to fully disclose his interest in respect of any transaction or agreement to be entered into by the Company. Once such interest has been disclosed, the Board of Directors as a whole determines the appropriate level of involvement the director or executive officer should have in respect of the transaction or agreement, which may include convening a Special Committee of independent directors. In addition, all directors and executive officers are subject to the requirements of the Corporations Act (Australia) with respect to the disclosure of any conflicts of interests and the voting on transactions giving rise to such conflicts.

### **Nomination of Members to the Board of Directors**

The Board of Directors considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to effectively carry out the duties of the Board of Directors and to maintain a diversity of view and experience.

The Board of Directors appointed a Remuneration and Nomination Committee on June 18, 2014. For additional information on the duties and responsibilities of this committee, please see "*Corporate Governance and Other Matters – Committees of the Board – Remuneration and Nomination Committee*" below.

## **BOARD COMPOSITION AND COMMITTEES**

The Board of Directors is currently comprised of six (6) members of whom a majority, five (5), are independent within the meaning of section 1.4 of National Instrument 52-110 "Audit Committees" ("**NI 52-110**"). The Board of Directors has appointed an Audit Committee and a Remuneration and Nomination Committee.

## **COMMITTEES OF THE BOARD**

### **Audit Committee**

The Audit Committee is currently composed of three (3) members: Andrew Love (chair), Gary Lawler and Michelle Cormier. Reference is made to the Annual Information Form of the Company dated June 29, 2018 for the year ended March 31, 2018 (the “AIF”) and filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) which contains the information required to be disclosed by the Company under 52-110. More specifically, reference is made to the “*Audit Committee Information*” section of the AIF for information regarding, among other things, the composition of the Audit Committee of the Company, the independence and relevant education and experience of the Audit Committee members and external auditor service fees, and to Schedule “A” of the AIF which is the Audit Committee Charter.

### **Remuneration and Nomination Committee**

The Company has a Remuneration and Nomination Committee composed of three (3) Board members. The current members are Gary Lawler (Chair), Andrew Love and Michelle Cormier. Mr. Lawler was appointed Chairman of the Remuneration and Nomination Committee on June 18, 2014. The Remuneration and Nomination Committee makes recommendations to the Board of Directors in connection with the compensation of officers and directors and nomination matters. Please see “*Statement of Executive Compensation – Compensation Policy and Key Compensation Components*” above and Schedule “A” to this Circular for further information.

### **Term Limits**

The Company has not adopted term limits for directors because the constitution of the Company provides that a director must retire each year and is eligible for re-election. All the directors retire at each annual general meeting of the shareholders of the Company.

### **Policies Regarding the Representation of Women on the Board of Directors**

The Company has not adopted policies regarding the representation of women on the Board and the Company does not foresee the adoption of such policies in the near future. The Company does have a Workplace Diversity Policy which outlines the Company’s commitment to promoting a culture that is supportive of diversity. However, at the Company’s current stage of development, while gender diversity is taken into account, the primary focus of the Company’s Remuneration and Nomination Committee is the identification and selection of directors who have the expertise and skills necessary for an iron ore mining and development company.

As the size and scale of the Company grows, the Board will adopt policies to achieve gender diversity as director positions become vacant and appropriately qualified candidates become available.

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

While gender diversity is taken into account, the primary focus of the Company’s Remuneration and Nomination Committee is the identification and selection of directors who have the expertise and skills necessary for an iron ore mining and development company.

### **Consideration of the Representation of Women in Executive Officer Appointments**

While gender diversity is taken into account, the Company’s primary focus is the identification and selection of executive officers with the industry knowledge, experience, expertise and skills necessary for an iron ore mining and development company.

### **Company’s Targets for Women on the Board**

The Company has not adopted targets for women on the Board. While gender diversity is taken into account, the primary focus of the Company’s Remuneration and Nomination Committee is the identification and selection of directors who have the expertise and skills necessary for an iron ore mining and development company.

### **Company's Targets for Women in Executive Officer Positions**

The Company has not adopted targets for women in executive officer positions. The Board does not foresee the adoption of targets in the immediate future but as the size and scale of the Company grows, the Board intends to adopt policies to achieve gender diversity as new employee positions are created or become vacant and appropriately qualified candidates become available. In addition, the Company's risk profile and amount of resources limits its ability to make appointments on any basis other than finding, often on short notice, the most qualified person who is willing to accept the risks inherent in the Company.

### **Number and Proportion of Women on the Company's Board and in Executive Officer Positions**

As at the date hereof, there is one women on the Company's Board, which equates to a 16.7% representation. As at the date hereof there are no women in Executive Officer positions.

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON AND INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Management is not aware of any material interest, direct or indirect, of any proposed nominee for election as a director, any person who is or has been at any time a director or executive officer within the last financial year or any associate or affiliate of any of the foregoing in any matter, other than the election of directors or the appointment of the auditors, to be acted upon at the Meeting, except as disclosed in this Circular. Management is not aware of any material interest, direct or indirect, of any "informed person" of the Company, insider of the Company, proposed director, person who has been a director or executive officer within the last financial year or any associate or affiliate of any of the foregoing, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except as disclosed within this Circular. An "informed person" means, (i) a person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, (ii) a proposed nominee for director, (iii) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, (iv) any person or company who beneficially owns or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, (v) the Company, in the event that it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any such securities and (vi) any associate or affiliate of the foregoing.

## **PART FOUR**

### **PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING**

#### **(a) Financial Statements**

The audited financial statements of the Company for the fiscal year ended March 31, 2018, together with the director's and the auditors' report thereon, will be placed before the shareholders at the Meeting for consideration by the shareholders. These audited financial statements have been approved by the Board of Directors of the Company and are being mailed to the shareholders who have requested them with the Meeting Materials. They are also available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### **(b) RESOLUTION 1 - Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That the Remuneration Report, as set out in the Annual Report for the financial year ended 31 March 2018, be adopted."*

**Note:** The vote on this resolution is advisory only and does not bind the Company or its Directors.



The Remuneration Report is required to be considered for adoption in accordance with section 250R(2) of the Corporations Act. The Remuneration Report, which details the Company's policy on the remuneration of non-executive Directors, executive Directors and senior executives for the financial year ending 31 March 2018, is part of the Director's Report contained in the Company's 2018 Annual Report.

The vote on this Resolution is advisory only and does not bind the Directors of the Company. However, the Board will take into consideration the outcome of voting on this resolution when assessing the remuneration policy for senior executives and executive and non-executive Directors in future.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the Meeting.

### **Directors' Recommendation**

Acknowledging that every Director has a personal interest in his or her own remuneration from the Company, as described in the Remuneration Report, the Directors unanimously recommend the adoption of the Remuneration Report.

The Corporations Act restricts members of the Company's key management personnel ("**KMP**") and their closely related parties from voting on this resolution. A "closely related party" of a KMP is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of the KMP.

In accordance with these requirements, the Company will disregard any votes cast on Resolution 1, in any capacity, by or on behalf of:

- (a) Directors and the other members of the Company's KMP, details of whose remuneration are included in the Remuneration Report; and
- (b) closely related parties of those persons.

In addition, in accordance with the Corporations Act, the Company will also disregard any votes cast on Resolution 1 by any member of the Company's KMP (and their closely related parties) as a proxy, unless the vote is cast:

- (a) for a person entitled to vote in accordance with the directions on the Proxy Form; or
  - (b) by the Chair of the Meeting for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit on Resolution 1 even though that resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.
- (c) **RESOLUTIONS 2 through 7 - Election of Directors**

### **Background**

The Constitution of the Company provides for a minimum of three (3) and a maximum of nine (9) directors.

The Board of Director may from time to time determine to increase the maximum number of directors but the maximum applying at any time cannot be reduced except by the Company in general meeting.

Subject to the Company's Constitution, the Board may appoint a person to be director at any time except at a general meeting and any Director so appointed automatically retires at the next annual general meeting and is eligible for election by that meeting.

The Board of Directors has set the number of directors to be elected at the Meeting at six (6).

### ***Majority Voting Policy***

Rules of the TSX, which became effective December 31, 2012, require a listed issuer to disclose in the materials sent to its shareholders for a meeting at which directors are to be elected whether or not it has adopted a majority

voting policy and, if not, to explain why it has not adopted such a policy in its meeting materials. A majority voting policy generally requires that a director tender his or her resignation if the director receives more “withheld” votes than “for” votes (a “**majority withheld vote**”) at any meeting where shareholders vote on the uncontested election of directors. An “uncontested election” means the number of director nominees for election is the same as the number of director positions on the Board. A majority voting policy does not apply in the event of a contested election of directors.

On July 15, 2014 (Toronto time), the Board of Directors adopted a majority voting policy. Under this new policy, a director of the Company is required to tender his or her resignation if the director receives a majority withheld vote at any meeting where shareholders vote on the uncontested election of directors. The resignation would become effective upon acceptance by the Board. The Remuneration and Nomination Committee will review the circumstances of the election and make a recommendation to the Board as to whether or not to accept that tendered resignation. The Board must make a decision as soon as reasonably possible and in any event within 90 days of the resignation. The director who tendered the resignation would not be part of the decision-making process. The Board may fill a vacancy created by a resignation which has been accepted or may reduce the size of the Board.

In keeping with the rules of the TSX, the Company will continue to elect each director annually and individually and will forthwith after the shareholders’ meeting issue a press release disclosing the detailed results of the voting for directors.

The enclosed form of proxy allows shareholders to direct proxyholders to vote individually for each of the nominees named below as director of the Company.

#### **Information Concerning Director Nominees**

The following table and notes set out the name of each of the individuals proposed by management for election as a director of the Company, their principal occupation, the year they first became a director of the Company and the approximate number of Ordinary Shares of the Company beneficially owned, or controlled or directed, directly or indirectly, based upon information furnished to management of the Company by each such individual as at July 17, 2018.

Nominee	Description
Michael O’Keeffe New South Wales, Australia Director since 2013 Not Independent Shares Held: 34,676,930 (directly and indirectly) Main areas of expertise: Business, Mining	Mr. O’Keeffe was appointed Executive Chairman of Champion Iron Limited on August 13, 2013 and Chief Executive Officer on October 3, 2015. Mr. O’Keeffe commenced work with MIM Holdings in 1975. He held a series of senior operating positions, rising to Executive Management level in commercial activities. In 1995 he became Managing Director of Glencore Australia (Pty) Limited and held the position until July 2004. Mr. O’Keeffe was the founder and Executive Chairman of Riversdale Mining Limited. He has previously held directorships in Anaconda Nickel Limited, Mt. Lyell Mining Co. Limited and BMA Gold Limited. Mr. O’Keeffe is also currently the Chairman of Riversdale Resources Limited and a director of EHR Resources Limited.

Nominee	Description
<p>Gary Lawler, BA, LLB, LLM (Hons), ASIA, Master of Laws (Applied Laws)(Wills and Estates) New South Wales, Australia Director since 2014 Independent Director Member of the Audit Committee Member of the Remuneration and Nomination Committee Shares Held: 1,475,000 (directly and indirectly) Main areas of expertise: Mergers and Acquisitions Lawyer</p>	<p>Mr. Lawler was appointed as a non-executive director on April 9, 2014. He is a leading Australian mergers and acquisitions lawyer who has been involved in some of Australia's most notable merger and acquisition transactions. Mr. Lawler has over 30 years' experience as a practising corporate lawyer and has been a partner in a number of leading Australian law firms. He is currently a consultant of the legal firm Ashurst Australia. Mr. Lawler was also previously a director of Riversdale Mining Limited and Dominion Mining Limited. Mr. Lawler is also currently a director of Riversdale Resources Limited.</p>
<p>Andrew J. Love, FCA New South Wales, Australia Director since 2014 Independent Director Member of the Audit Committee Member of the Remuneration and Nomination Committee Shares Held: 1,379,468 (directly and indirectly) Main areas of expertise: Chartered Accountant</p>	<p>Mr. Love is a Chartered Accountant with more than 30 years of experience in corporate recovery and reconstruction in Australia. He was a senior partner of Australian accounting firm Ferrier Hodgson from 1976 to 2008 and is now a consultant. In that time he advised major local and overseas companies and financial institutions in a broad variety of restructuring and formal insolvency assignments. During this time Mr. Love specialized in the Resources Industry. Mr. Love has been an independent company director of a number of companies over a 25-year period in the Resources, Financial Services and Property Industries. This has involved corporate experience in Asia, Africa, Canada, United Kingdom and United States. Mr. Love's previous recent Board positions have included Chairman of ROC Oil Ltd., Deputy Chairman of Riversdale Mining Ltd., Director of Charter Hall Office Trust and Chairman of Museum of Contemporary Art. Mr. Love is currently a director of Gateway Lifestyle Operations Ltd. and Scottish Pacific Group Ltd.</p>
<p>Michelle Cormier, CPA, CA, ASC Quebec, Canada Director since 2016 Independent Director Member of the Remuneration and Nomination Committee Shares Held: 20,000 (directly) Main areas of expertise: Corporate Finance, Financial Management</p>	<p>Mrs. Cormier is a senior-level executive with experience in management including financial management, corporate finance, turnaround and strategic advisory situations and human resources. She has strong capital markets background with significant experience in public companies listed in the United States and Canada. Mrs. Cormier spent 13 years in senior management and as CFO of a large North American forest products company and 8 years in various senior management positions at Alcan Aluminum Limited (RioTinto). Mrs. Cormier articulated with Ernst &amp; Young. She also serves on the Board of Directors of Cascades Inc., Dorel Industries Inc. and Uni-Select Inc.</p>

Nominee	Description
<p>Wayne Wouters Ottawa, Canada Director since 2016 Independent Director Shares Held: 40,000 (directly) Main areas of expertise: Corporate Finance, Financial Management</p>	<p>The Honourable Wayne G. Wouters is a Strategic and Policy Advisor with McCarthy Tétrault LLP. Before joining the private sector, Mr Wouters had a long and illustrious career in the Public Service of Canada. His last assignment was the Clerk of the Privy Council, Secretary to the Cabinet, and Head of the Public Service. Appointed by Prime Minister Harper, Mr. Wouters served from July 1, 2009 until October 3, 2014, at which time he retired from the Public Service of Canada. Prior to this, Mr. Wouters was a Deputy Minister in several departments, including the Deputy Minister of Human Resources and Skills Development Canada and Secretary of the Treasury Board. In 2014, Mr. Wouters was inducted as a Member of the Privy Council by the Prime Minister. Mr. Wouters is currently a director of Blackberry Limited.</p>
<p>Jyothish George Switzerland Director since 2017 Independent Director Shares Held: Nil Main areas of expertise: Mining, Commodities, Corporate Finance, Capital Markets</p>	<p>Mr. George is currently Head of Glencore’s Iron Ore Division. He serves as Vice Chairman of the Board of Directors of the El Aouj Mining Company SA in Mauritania and a member of the Board of Directors of Jumelles Limited, the holding company of the Zanaga iron ore mine in the Republic of Congo. Immediately prior to his current role, Mr. George served as the Chief Risk Officer of Glencore. He earlier held a number of roles at Glencore’s head office in Baar, Switzerland from 2009 onwards focused on iron ore, nickel and ferroalloys physical and derivatives trading, and has been involved with iron ore marketing since its inception at Glencore. Mr. George joined Glencore in 2006 in London. He was previously a Principal at Admiral Capital Management in Greenwich, Connecticut, a Vice President in equity derivatives trading at Morgan Stanley in New York, and started his career at Wachovia Securities in New York as a Vice President in convertible bonds trading. Mr. George received a Bachelors in Technology from IIT Madras, India and a PhD in Mechanical Engineering from Cornell University.</p>

Pursuant to a subscription agreement entered into between the Company and WC Strategic Opportunity, L.P. (“Wynnchurch”) in connection with a private placement of Ordinary Shares completed on April 11, 2016 and subject to certain terms and conditions, Wynnchurch has been granted the right to designate one nominee for election or appointment to the Board and the Company has agreed to include such nominee in the slate of directors presented at any meeting of shareholders at which directors are to be elected, so long as Wynnchurch holds more than 10% of the issued and outstanding Ordinary Shares. Michelle Cormier is Wynnchurch’s nominee.

Pursuant to a subscription agreement entered into between the Company and Glencore International AG (“Glencore”) in connection with the sale of a \$31,200,000 subordinated unsecured mandatory convertible debenture (the “Debenture”) to Glencore and subject to certain terms and conditions, Glencore has been granted the right to designate one nominee for election or appointment to the Board and the Company has agreed to include such nominee in the slate of directors presented at any meeting of shareholders at which directors are to be elected, so long as the Company owes any amount to Glencore under the Debenture or Glencore and/or its affiliates holds, directly or indirectly, an equity ownership of at least 5% in the Company. Jyothish George is Glencore’s nominee.

The nominees listed above will be elected at the Meeting to hold office until the next annual meeting of shareholders

or until such director's successor is duly elected or appointed unless other individuals are nominated by shareholders at the Meeting, in which case voting will be by ballot and the six (6) nominees with the most votes will be elected as directors.

**The persons named in the accompanying form of proxy intend to vote the shares represented thereby FOR the election of the nominees named above as directors of the Company, unless the shareholder has specified in the proxy that the shares represented thereby are to be voted against or withheld from voting in respect of one or more nominees. Management has no reason to believe that any of the nominees named above will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy shall have the right to vote for another nominee in such proxyholder's discretion, unless the proxy withholds authority to vote for the election of directors.**

#### **Information relating to bankruptcies, cease trade orders and sanctions**

To the knowledge of the Company, no proposed director is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that, while that person was acting in that capacity, (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days.

To the knowledge of the Company, no proposed director is, as at the date of this Circular, or has been with 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following:

In January 2017, Michelle Cormier was asked by the remaining senior secured creditor and by the sole shareholder of Calyx Transportation Inc. ("**Calyx**") to become the sole Director and Officer of Calyx. In this capacity, her mandate was to wind down Calyx in the most efficient manner, following the sale, in December 2016, by Calyx of all assets and businesses in which it operated. The large majority of net proceeds from such sales were used to repay bank indebtedness, employee severances and suppliers. Following all such payments, the cash on hand was insufficient to repay the remaining secured creditor. Given the insolvency of Calyx, Michelle Cormier in her capacity of Director of Calyx approved a voluntary assignment in bankruptcy pursuant to the Bankruptcy and Insolvency Act in order to complete the wind down of Calyx's affairs and discharge her mandate.

To the knowledge of the Company, no proposed director and no personal holding company of a proposed director has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of the Company, no proposed director and no personal holding company of a proposed director (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority; or (b) since December 31, 2000, has entered into a settlement agreement with a securities regulatory authority or, before January 1, 2001, entered into a settlement agreement with a securities regulatory authority which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director; or (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **(d) RESOLUTION 8 – Ratification of securities issues**

On October 16, 2017, the Company announced that, through its subsidiary Québec Iron Ore Inc., it had arranged financing, raising approximately \$300 million towards the restart of operations of the Bloom Lake Iron Ore Mine.

Components of this financing included a prospectus offering of subscription receipts which were converted into Ordinary Shares and the issue of the Debenture to Glencore.

ASX Listing Rule 7.1 provides that a company must not, without Shareholder approval, issue during any 12 month period equity securities or other securities with rights of conversion to equity (such as an option), if the number of those securities would exceed 15% of the total shares on issue at the commencement of that period.

ASX Listing Rule 7.4 allows the Company to treat an issue of securities which was made without Shareholder approval under ASX Listing Rule 7.1 as being made with such approval (and not being counted towards the 15% threshold), if:

- the issue did not breach ASX Listing Rule 7.1 at the time that it was made; and
- Shareholders subsequently approve the issue.

The Company issued the equity securities and other securities with rights of conversion to equity set out below in the 12 months preceding the date of this Meeting, utilising the Company's capacity under ASX Listing Rule 7.1.

The purpose of Resolution 8 is for Shareholders to approve and ratify, under ASX Listing Rule 7.4, the issues of securities by the Company set out below during the 12 months preceding the date of this Meeting and so exclude them from counting towards the Company's 15% limit under ASX Listing Rule 7.1.

The effect of such approval will be to refresh the capacity of the Company to issue securities, without the need to seek further Shareholder approval, up to the full 15% threshold referred to in Listing Rule 7.1.

This Resolution 8 proposes the ratification and approval of the issue of the securities set out below for the purpose of satisfying the requirements of ASX Listing Rule 7.4. The securities include the 21,033,508 Ordinary Shares issued to investors following the conversion of subscription rights issued pursuant to a prospectus offering on October 16, 2017 and the \$31,200,000 unsecured subordinated convertible debenture issued to Glencore. A summary of the material terms of that debenture is set out in Schedule A to the Notice of Meeting.

#### **Voting exclusion**

A voting exclusion statement is included in the Notice of Meeting.

#### **Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 8 to ratify the issue of the securities referred to below.

<b>Convertible Debenture issued to Glencore</b>	
<b>Issue Date:</b>	13 October 2017
<b>Face Value of Note:</b>	\$31,200,000
<b>Terms of Issue:</b>	The material terms of the Convertible Debenture are summarised in Schedule A to the Notice of Meeting
<b>Allottees:</b>	Glencore International AG
<b>Use of Funds:</b>	To assist in financing the restart of the operations of the Bloom Lake Iron ore mine

<b>Private placement of 21,033,508 Ordinary Shares</b>	
<b>Issue Date:</b>	16 October 2017
<b>Issue Price:</b>	\$0.90 per Ordinary Share
<b>Terms of Issue:</b>	Ordinary Shares
<b>Allottees:</b>	Various investors pursuant to a public offering pursuant to a Canadian short form prospectus (none of the investors were "related parties" of the Company as defined by the Corporations Act)
<b>Use of Funds:</b>	To assist in financing the restart of the operations of the Bloom Lake Iron ore mine

(e) **RESOLUTION 9 – Grant of share rights to Michael O’Keeffe**

Under the terms of his Service Contract with the Company, Mr O’Keeffe, the Executive Chairman, is entitled to participate in the Company’s short-term incentive bonus plan and in the long-term incentive plan of the Company entitled the “Champion Iron Incentive Plan” last approved at the annual general meeting of the Company held on 18 August 2017, at the Board’s discretion and subject to the satisfaction of agreed key performance measures.

The purpose of the Current Plan is to provide eligible participants with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer term performance of the Company and its returns to Shareholders. Details of the Current Plan are set out in the notice of meeting to the annual general meeting of the Company held on 18 August 2017.

The Board resolved to award Mr O’Keeffe 751,900 share rights under the Current Plan, subject to shareholder approval at the Meeting. The award reflects the significant overall role played by Mr O’Keeffe in the recommissioning of the Bloom Lake Plant and the commencement of production at Bloom Lake ahead of schedule, under budget and with a quicker than anticipated production ramp up. It also acknowledges the substantial increase in the Company’s market capitalisation since 11 April 2016 when the Company acquired the Bloom Lake Mine. The Board determined the number of share rights awarded to Mr O’Keeffe by dividing CAD\$1,000,000 by the closing price of Ordinary Shares on the Toronto Stock Exchange at the time of the decision to make the award.

Under ASX Listing Rule 10.14 a director may only acquire securities under an employee incentive scheme, such as the Current Plan, if the director’s participation has been approved by an ordinary resolution of Shareholders. Approval from Shareholders is being sought in relation to a proposed issue of 751,900 share rights to Mr O’Keeffe under the Current Plan being the bonus awarded by the Board to Mr O’Keeffe in respect of the financial year ended 31 March 2018.

If Resolution 9 is approved by shareholders at the Meeting, neither the issue of the share rights nor the issue of Ordinary Shares on conversion of the share rights impacts or diminishes the Company’s placement capacity under Listing Rule 7.1 due to the application of Exception 14 in ASX Listing Rule 7.2. Exception 14 in ASX Listing Rule 7.2 provides that if shareholder approval for the issue of securities is given under ASX Listing Rule 10.14 (such as Resolution 9), then shareholder approval is not required under ASX Listing Rule 7.1. Accordingly, if Resolution 9 is passed the Company will have the flexibility to issue further securities in the future to the maximum extent under ASX Listing Rule 7.1, if the need or opportunity arises.

ASX Listing Rule 10.15 requires the following information to be disclosed in relation to the share rights which may be granted to Mr O’Keeffe under the Current Plan:

**How the securities are to be held**

The securities will be held by Mr O’Keeffe directly.

**The maximum number of securities that may be acquired**

The maximum number of share rights to be granted to Mr O’Keeffe in respect of the financial year ending 31 March 2018 is 751,900 share rights. Each share right confers the right to acquire one Ordinary Share in the Company upon vesting. The 751,900 share rights that will be issued to Mr O’Keeffe will not be subject to any performance or vesting conditions and may be exercised immediately upon issue. Upon exercise, the Company will issue new Ordinary Shares.

**The price of the securities or the formula for calculating the price of the securities**

No payment for the share rights or the Company’s Ordinary Shares underlying them is required to be made by Mr O’Keeffe (either upon issue or exercise).

**The names of all persons referred to in Rule 10.14 who received securities under the Plan since the last approval, the number of securities received and the acquisition price of each security.**

The following Director has been issued securities pursuant to the Current Plan since the approval of the unallocated entitlements under the Current Plan at the annual general meeting held on 18 August 2017:

Name	Number of Options / share rights	Acquisition Price	Exercise Price	Date of Approval
Michelle Cormier	500,000 Options	Nil	A\$1.00 per Option	18 August 2017

**The Names of all persons referred to in Rule 10.14 entitled to participate in the Current Plan**

All of the directors of the Company are entitled to participate in the Current Plan. The names of these directors are Michael O'Keeffe, Gary Lawler, Andrew Love, Michelle Cormier, Wayne Wouters and Jyothish George.

**A Voting Exclusion Statement**

A voting exclusion statement is included in the Notice of Meeting.

**The terms of any loan in relation to the acquisition**

There is no loan applicable to the acquisition of the shares or the shares underlying them as no payment for the share rights or the Company's shares underlying them is required to be made by Mr O'Keeffe.

**The date by which the Company will issue the rights**

The share rights will be granted to Mr O'Keeffe shortly after the Meeting but in any event no later than 12 months after the date of the Meeting.

**Directors' Recommendation**

The Directors (excluding Mr O'Keeffe) recommend that Shareholders vote in favour of Resolution 9 to issue the share rights to Mr O'Keeffe.

**(f) RESOLUTION 10 – Approval of 2018 Omnibus Incentive Plan**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That:*

*(a) for the purposes of Exception 9(b) of ASX Listing Rule 7.2 and for all other purposes, the Shareholders hereby approve the New Plan of the Company entitled “2018 Omnibus Incentive Plan” further described in the management information circular (the “New Plan”) and the issue of securities under the New Plan;*

*(b) the Company is authorized to grant entitlements in accordance with the terms and conditions of the New Plan until 17 August 2021, being the date that is three (3) years from the date from which Shareholder approval is sought; and*

*(c) any director of the Company is authorized to execute and deliver all other documents and do all other acts and things as may be necessary or desirable to give effect to this Resolution.”*

**Background**

The Company adopted the current incentive plan (the “**Current Plan**”) following Shareholder approval at the annual general meeting held on 21 October 2013. The 2013 Incentive Plan was amended in order to meet Canadian regulatory requirements in 2014 and Shareholders again approved the 2013 Incentive Plan at the 2014 annual general meeting held on 29 August 2014 and the annual and special meeting held on 18 August 2017.

The Company is seeking Shareholder approval for the purposes of Exception 9(b) of ASX Listing Rule 7.2 and for all other purposes for a new incentive plan, entitled the “2018 Omnibus Incentive Plan” (“**New Plan**”).

The Company wishes to implement the New Plan to replace the Current Plan following an overall review of the Company's remuneration structures, including its short term and long term executive incentivisation arrangements (“**Remuneration Review**”). In connection with the Remuneration Review, the Company retained an expert remuneration consultant, Mercer LLC, to provide advice. The objectives of the Remuneration Review included restructuring the Company's executive incentivisation arrangements to reflect:



- the transition of the Company from an exploration company to a producing company; and
- the fact that all but one of the Company's employees are located in Canada (and the New Plan is designed to more closely reflect Canadian market practice).

The New Plan will provide more flexibility to the Company to grant, in addition to stock options, deferred share units, performance share units, restricted share units, and other forms of equity-based incentive awards. Provided that the New Plan is approved by the Shareholders at the Meeting, all future grants of equity-based awards except for the grant of share rights to Mr. O’Keeffe described in Resolution 9 – *Grant of share rights to Michael O’Keeffe* above will be made pursuant to, or as otherwise permitted by, the New Plan. The Current Plan will remain in effect only in respect of outstanding awards.

The purpose of the New Plan is to provide eligible persons with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its returns to shareholders. It is intended that the New Plan will assist the Company in attracting and retaining skilled and experienced employees and provide them with greater incentive to have a greater involvement with, and to focus on the longer term goals of, the Company.

A summary of the material terms of the New Plan is set out in Schedule “C” to this Circular and a copy of the New Plan is set out in Schedule “D” to this Circular.

ASX Listing Rule 7.1 provides that a company must not, without Shareholder approval, issue during any 12 month period equity securities or other securities with rights of conversion to equity (such as an option), if the number of those securities would exceed 15% of the total shares on issue at the commencement of that period, unless an exception applies. One exception to the '15% rule' in ASX Listing Rule 7.1 is Exception 9(b) of ASX Listing Rule 7.2 which allows the Company to issue securities under an employee incentive scheme without Shareholder approval and without reducing the 15% capacity available under ASX Listing Rule 7.1 provided that Shareholders have approved the employee incentive scheme within 3 years of the issue of the securities.

If approved, Resolution 10 will enable the Company to issue securities under the New Plan to eligible employees over the next 3 years without reducing the 15% capacity under ASX Listing Rule 7.1.

Additionally, under TSX requirements, the New Plan must be re-approved by Shareholders every three years. If approved, this approval will be effective for three years from the date of the AGM. Previously allocated options and other entitlements under the Current Plan will continue to be unaffected by the approval or disapproval of this resolution and will remain governed by the Current Plan.

Provided that the New Plan is approved by the Shareholders at the Meeting, all future grants of equity-based awards except for the grant of share rights to Mr. O’Keeffe described in Resolution 9 – *Grant of share rights to Michael O’Keeffe* above will be made pursuant to, or as otherwise permitted by, the New Plan. The Current Plan will remain in effect only in respect of outstanding awards.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, pass Resolution 10 to approve the New Plan.

### **Directors’ Recommendation**

As each of the Directors has a personal interest in Resolution 10, it is not appropriate for them to make any recommendation as to how Shareholders should vote on this resolution.

### **ASX and TSX Approval**

The New Plan is subject to the approval of the ASX and TSX. The TSX and the ASX have conditionally approved the New Plan, subject to the receipt of Shareholder approval.

## **Shareholder Approval**

At the Meeting, Shareholders will be asked to approve Resolution 10. The Ordinary Resolution must be approved by a majority vote of the Shareholders. The New Plan will be terminated forthwith if Resolution 10 is not passed by the Shareholders at the Meeting.

## **OTHER BUSINESS**

While management of the Company is not aware of any business other than that mentioned in the Notice of Meeting to be brought before the Meeting for action by the shareholders, it is intended that the proxies hereby solicited will be exercised upon any other matter or proposal that may properly come before the Meeting, or any adjournments thereof, in accordance with the judgment of the persons authorized to act thereunder.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company may be obtained from the Company or under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Securityholders may contact the Corporate Secretary (Canada) of the Company, Jorge Estepa, by phone at (416) 866-2200 or by mail at 20 Adelaide Street East, Suite 200, Toronto, ON, M5C 2T6, to request copies of the Company's financial statements and management's discussion and analysis, this Circular and the Company's AIF.

Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed financial year.

## **BOARD APPROVAL**

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

DATED at Toronto, Ontario, as of the 17<sup>th</sup> day of July, 2018.

By Order of the Board of Directors

(signed) "*Michael O'Keeffe*"

Michael O'Keeffe, Chief Executive Officer

## SCHEDULE “A”

### CHAMPION IRON LIMITED (the “Company”)

#### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

##### 1. Board of Directors

- (a) *Disclose the identity of directors who are independent.*

The board of directors of the Company (the “**Board**”) is currently comprised of six (6) directors, of whom five (5) are independent within the meaning of Section 1.4 of National Instrument 52-110 “*Audit Committees*” (“**NI 52-110**”). The independent directors are Andrew Love, Gary Lawler, Michelle Cormier, Wayne Wouters and Jyothish George.

- (b) *Disclose the identity of directors who are not independent and describe the basis for that determination.*

Michael O’Keeffe is currently Executive Chairman and Chief Executive Officer (“**CEO**”) of the Company and is, therefore, not independent. The Board believes that the current combination of independent and non-independent directors is an acceptable balance, for an issuer of the size and nature of the Company, between the objective of independent supervision of management, the insight drawn from outside members of the business and professional community, and the in-depth knowledge of the operations of the Company afforded by the participation of its current executive officer on the Board.

- (c) *Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors does to facilitate its exercise of independent judgment in carrying out its responsibilities.*

The current Board consists of six (6) members, a majority of whom, five (5), are independent within the meaning of Section 1.4 of NI 52-110. Following the Annual and Special Meeting of Shareholders scheduled for August 17, 2018, if management’s nominees are elected a majority of the directors will continue to be independent.

- (d) *If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the issuer.*

The following current directors and proposed nominees are also directors or trustees of other reporting issuers.

Name of Director	Reporting Issuer
Michael O’Keeffe	Riversdale Resources Limited, EHR Resources Limited
Gary Lawler	Cartier Iron Corporation, Riversdale Resources Limited
Andrew Love	Gateway Lifestyle Operations Ltd. and Scottish Pacific Group Ltd.
Michelle Cormier	Cascades Inc., Dorel Industries Inc. and Uni-Select Inc.
Wayne Wouters	Blackberry Limited
Jyothish George	N/A

- (e) *Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer’s most recently completed financial year. If the independent directors do not hold such*

meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.

The independent directors are entitled to hold meetings at which management and non-independent directors are not present, as and when deemed necessary, in order to facilitate candid discussion among the independent directors. The independent directors are encouraged to ask questions and to review all relevant matters. In addition, any item that could involve a potential conflict among one or more directors is voted on by those directors that are not related to the conflict in question.

The Company takes steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management of the Company. Where matters arise at meetings of the Board which require decision making and evaluation that is independent of management and interested directors, the Board will hold an “in-camera” session among the independent and disinterested directors, without management present at such meeting.

The Chairman of the Board has over 30 years’ experience in the public company sector as a shareholder, director and CEO and provides strong leadership and counsel to the Board. The independent directors regularly attend Board and committee meetings in person or by teleconference which encourages open, candid discussion. The Audit Committee holds meetings with the external auditors which also encourages open, candid discussion. Directors have the resources to engage outside consultants to review matters on which they feel they require independent advice.

- (f) *Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director and describe his or her role and responsibilities. If the Board has neither a chair nor a lead director who is independent, describe what the Board does to provide leadership for its independent directors.*

Michael O’Keeffe is Executive Chairman of the Board (and is therefore not independent within the meaning of Section 1.4 of NI 52-110). In order to provide leadership for independent directors, an independent director could, as required from time to time, chair meetings of independent directors and assume other responsibilities.

- (g) *Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer’s most recently completed financial year.*

<b>Director</b>	<b>Board Meetings Attended</b>	<b>Audit Committee Meetings Attended</b>	<b>Remuneration and Nomination Committee Meetings Attended</b>
Michael O’Keeffe	8 of 8	n/a	1 of 1
Gary Lawler	8 of 8	6 of 7	2 of 2
Andrew Love	8 of 8	7 of 7	2 of 2
Michelle Cormier	8 of 8	5 of 5	1 of 1
Wayne Wouters	8 of 8	n/a	n/a
Jyothish George <sup>(1)</sup>	2 of 4	n/a	n/a

Notes:

- (1) Mr. George was appointed on October 16, 2017.

## 2. **Board Mandate**

- (a) *Disclose the text of the Board’s written mandate. If the Board does not have a written mandate, describe how the Board delineates its roles and responsibilities.*

The Board approved a mandate which includes, among other duties and responsibilities, the following objectives: to approve and monitor the strategic, business and financial plans of the Company; to supervise performance and succession planning of senior officers; to assess the principal risk factors relating to the business of the Company; and to monitor and oversee the integrity of the financial reporting and disclosure practices of the Company. Every Director is required to act honestly and in good faith and in the best interests of the Company and to exercise the care, diligence and skill of a reasonably prudent person. Responsibilities not delegated to senior management or to a committee of the Board remain those of the full Board.

### 3. **Position Descriptions**

- (a) *Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.*

The Board does not have written position descriptions for the Chairman of the Board or the chair of each committee of the Board, however the Company's various charters do touch upon the role and responsibilities of the chairs of each committee of the Board. The Chairman of the Board has a responsibility to the Company and the shareholders to act in accordance with best practices of corporate governance. The Chairman of the Board, and the Board as a whole, encourage the chairs of each committee to act in accordance with best practices of corporate governance, with measures ranging from informal advice to more formal governance training.

- (b) *Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.*

The Board has not developed a written position description for the CEO, however since the CEO is also on the Board, the Board is able to delineate the role and responsibilities of the CEO in an open and efficient manner. The CEO has over 30 years' experience in the public company sector as a shareholder, director and CEO and provides strong leadership and direction to the Company. The CEO is familiar with the role and responsibilities of a CEO of a mineral resource company such as the Company and the Board is willing and able to, and does, provide advice and guidance as required.

### 4. **Orientation and Continuing Education**

- (a) *Briefly describe what measures the Board takes to orient new directors regarding the nature of the Board, its committees and its directors; and the nature and operation of the issuer's business.*

The Board does not have a formal orientation policy. New directors, when elected or appointed, are provided with access to information, including sufficient historical data, to become familiar with the Company and its operating facilities and assets, and to familiarize themselves with the procedures of the Board. All directors are given the opportunity to visit the Company's offices with management and to interact with and request briefings from management in order to familiarize themselves with the business of the Company.

- (b) *Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.*

The Board does not have a formal continuing education program. Current members of the Board are experienced directors. Members of the Board may also engage outside consultants at the expense of the Company to review matters on which they feel they require independent advice.

5. **Ethical Business Conduct**

- (a) *Describe whether or not the Board has adopted a written code for the directors, officers and employees.*

The Board expects management to comply with all statutes, regulations and administrative policies applicable to the Company, to supervise employees and consultants in such a manner as to be informed of their activities, to promote the free flow of information, and to allow employees, consultants and others to anonymously report to the Company on concerns involving accounting and other issues (protection of “whistleblowers”). Corporate policies include, but are not limited to, matters of corporate disclosure on a timely basis, confidentiality and insider trading restrictions. The Board has adopted a written Code of Conduct for directors, officers and employees. The Board expects management to report to the Board regarding any breaches or concerns with respect to the foregoing, which are of a material nature, whether or not a satisfactory resolution was already implemented by management, or of which management is aware that are reasonably likely to arise in the foreseeable future and which would be of a material nature. Breaches to the Code of Conduct can also be reported to the Chairman of the Company.

*If the Board has adopted a written code:*

*disclose how a person or company may obtain a copy of the code:*

A copy of the Company’s Code of Conduct may be obtained from the Company’s Secretary at the Company’s Toronto office, which as at the date hereof, is at 20 Adelaide Street East, Suite 200, Toronto, Ontario M5C 2T6.

*describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code:*

See Section 5(a) above.

*provide a cross-reference to any material change report filed since the beginning of the issuer’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code:*

N/A

- (b) *Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.*

The Company’s governing statute and its Constitution state that every director of the Company who is in any way directly or indirectly interested in a contract or a proposed contract with the Company shall declare his interest at a meeting of the directors of the Company. Such a declaration should be made at the meeting of directors at which the question of entering into the contract is first considered, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest and no director shall as a director vote in respect of any contract or arrangement in which he is interested as aforesaid and, if he does so vote, his vote shall not be counted. Any Board materials referencing the contract in question will be redacted for the director concerned and he will absent himself from all Board discussions and decisions relating to such contract.

- (c) *Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.*

In order to avoid the potential for disclosure, or the perception or appearance of disclosure, of confidential insider information, the Company observes a quiet period as well as a blackout period

during which informed persons are prohibited from discussing non-public material information or trading in securities of the Company.

## 6. **Nomination of Directors**

- (a) *Describe the process by which the Board identifies new candidates for Board nomination.*

The Board of Directors periodically and at least annually considers the composition of the Board, including the appropriate skills and characteristics required of the directors in the context of the business experience and specific areas of expertise of each current director. The Board, with the assistance of the Remuneration and Nomination Committee is also responsible for recruiting and recommending candidates for election as directors when necessary. Whenever possible, candidates are interviewed by members of the Board individually and in small groups prior to their nomination for election as a director.

- (b) *Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.*

The Board appointed a Remuneration and Nomination Committee effective June 18, 2014, the majority of which is independent which encourages an objective nomination process.

- (c) *If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.*

The Remuneration and Nomination Committee makes recommendations to the Board with respect to compensation of the Company's executive officers, including base salaries or consulting fees, annual bonuses and long-term equity participation levels. The Remuneration and Nomination Committee assists the Board in setting performance objectives. The Executive Chairman plays a major role in setting performance objectives and outlining progress in meeting corporate objectives and he will continue to make recommendations in the future. The Board gives final approval on compensation matters.

## 7. **Compensation**

- (a) *Describe the process by which the Board determines the compensation for the issuer's directors and officers.*

The Board, is responsible for reviewing the compensation of the officers and directors of the Company on an "as required" basis. The total compensation from all sources, including fees, salary, bonus, and stock options is considered in comparison to current market rates offered by similar issuers in the natural resources sector of the Canadian economy, and is intended to remain competitive in order to attract and retain talented and motivated individuals. In making such determinations, the Board gives due consideration to the recommendations of the Company's Remuneration and Nomination Committee before the Board makes its final determinations.

- (b) *Disclose whether or not the Board has a compensation committee comprised entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.*

The Board appointed a Remuneration and Nomination Committee effective June 18, 2014 the majority of which is independent which encourages an objective process for determining such compensation.

- (c) *If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.*

The compensation responsibilities of the Remuneration and Nomination Committee include, without limitation: (i) reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and evaluating the CEO's performance in light of those corporate goals and objectives, (ii) making recommendations to the Board with respect to the CEO's compensation level based on the evaluation of the CEO's performance, (iii) making recommendations to the Board in respect of non-CEO executive compensation, (iv) reviewing the major compensation policies of the Company and its subsidiaries, if any, and administering the Company's executive compensation program, including bonuses, incentive programs and equity-based programs for senior personnel, (v) making recommendations to the Board regarding awards of stock options pursuant to the Company's stock option plan and all executive short-term and long-term incentive compensation programs, (vi) reviewing the management succession plans for executive officers, (vii) reviewing principles and objectives relating to the recruitment, training, development, compensation and evaluation of employees, (viii) reviewing pension arrangements and performance of the Company's pension plan, if any, in conjunction with the Audit Committee of the Board, and (ix) reviewing executive compensation disclosure before the Company publicly discloses such information.

8. **Assessments**

*Describe whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees and its individual directors are performing effectively.*

The Board annually reviews the performance of nominees for re-election to the Board, with the objectives of ensuring comprehensive and independent oversight of the management of the Company, maintaining its working relationship with management, and promoting open communication and disclosure by management of material information to the Board with respect to the operations of the Company. Each of the charters of the committees of the Board provides that such committees will regularly report to the Board with respect to their activities, and make their minutes of meetings and supporting information available to the Board. This is intended to allow the Board to evaluate the effectiveness of its committees on an ongoing basis.



## **SCHEDULE "B"**

### **AUDIT COMMITTEE CHARTER – CHAMPION IRON LIMITED (the "Company")**

The Audit Committee is a committee of the Board of Directors of the Company to which the Board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

#### **Membership**

Membership will be not less than three non-executive Directors as appointed by the Board.

#### **Overall Purpose**

The overall purpose of the Audit Committee is to protect the interests of Champion Iron shareholders and other stakeholders by overseeing:

- On behalf of the Board:
  - The integrity of financial reporting;
  - The adequacy of the control environment and the processes for identifying and managing risk;
  - The internal and external audit functions;
  - Treasury and taxation practises; and
- As requested by the Board:
  - Compliance with applicable legal and regulatory requirements and internal codes of conduct.

The Committee will assist the Board by making appropriate recommendations. The Committee does not make decisions on behalf of the Board unless such authority in respect of any matter is expressly delegated by the Board.

#### **Chairman**

The Chairman of the Audit Committee will be appointed by the Board. The Chairman of the Committee shall be independent (ie have no material relationships with Champion other than Board and Committee roles) and shall not be the Chairman of the Board.

The Chairman of the Committee shall:

- Be knowledgeable of Champion's business and financial and auditing processes;
- Oversee planning and conduct of Committee meetings including approval of agendas and minutes;
- Oversee written and verbal reporting to the Board on key matters arising from the Committee, and
- Be involved in the selection of Committee members.

#### **Member Requirements**

All members of the Committee will be non-executive Directors and will be independent. Whilst the Chairman of the Board is precluded from chairing the Committee, the Chairman of the Board is not precluded from being a member of the Committee. All Committee members will be financially literate and at least one member will have accounting or related financial expertise.

## **Meeting Arrangements**

The Committee shall meet at least four times a year. Additional meetings may be held if requested by the Committee Chairman. A quorum for Committee meetings will require at least two members.

The Chief Executive Officer and Chief Financial Officer will be present for the entirety of all meetings except when the Committee Chairman requests or consents otherwise. The Chairman may invite other senior management to attend meetings as appropriate.

The external and internal auditor will attend meetings at the invitation of the Chairman. The Committee will regularly meet with external and internal auditors, without management present.

All board members are to be issued an invitation to attend each meeting, including those where the focus of the discussion is period and financial reporting.

## **Secretarial**

The Company Secretary or his designate shall be the secretary of the Committee and will be responsible for the minutes of meetings.

## **Responsibilities**

The Committee shall oversee the external audit function. This oversight will include:

- Reviewing the performance of the external auditor;
- Making recommendations to the Board of Directors regarding the continuation or termination of the external auditor's engagement and/or any material revision to the terms of engagement;
- Evaluating the independence of the external auditor and ensuring that the provision of non-audit services by the external auditor does not adversely impact independence;
- Reviewing the appropriateness of the audit approach, scope and methodology;
- Reviewing the results of the auditor's work with particular emphasis on unresolved or unadjusted issues between auditors and management;
- Providing a direct line of communication between the external auditor and the Board which is independent of management;
- Reviewing all reports to the Board and Committee by the external auditor; and
- Approving external auditor's fees.

The Committee shall assist the Board of Directors in fulfilling its fiduciary responsibilities relating to accounting and reporting practices by:

- Reviewing compliance with Accounting Standards, Financial Reporting Standards, Stock Exchange requirements and other legal requirements;
- Reviewing the position taken by management on significant transactions and accounting issues and any unusual or highly judgemental matters;
- Monitoring the effectiveness of the accounting and internal control systems;
- Reviewing quarterly, half year and full year Financial Statements and making the necessary recommendations to the Board;
- Considering capital management matters, including proposed dividends, prior to consideration by the Board;

- Ensuring that there are no material unresolved issues between management and the external auditor; and
- Reviewing other financial information distributed externally as required.

The Committee will review other key financial processes, in particular the tax and treasury operations, to ensure prudent management practices are in place.

The Committee shall assist the Board with regard to oversight of the Company's risk management processes by:

- Developing an understanding of key risk areas and the consequences of major risk events;
- Gaining assurance as to the adequacy of the Company's policies and processes for integrating risk management into its operations; and
- Reviewing the insurance strategy and determining the extent to which it aligns with the risk exposure of the Company.

The Committee shall oversee the internal audit function. The oversight will include:

- Reviewing the performance of the internal auditor and the approval of the annual internal audit plan;
- Reviewing significant internal audit findings and action by management to address these;
- Facilitating a direct line of communication from the internal auditor which is independent of management; and
- Approving the appointment of the Manager Risk and Internal Auditor.

As requested by the Board, the Committee shall review the processes and internal controls that management have put in place to ensure compliance with laws, regulations and internal codes of conduct.

### **Reporting Mechanism to the Board**

The Committee Chairman will report to the Board after each Committee meeting and will make recommendations to the Board as appropriate.

### **Access to Information and Independent Advice**

The Committee has the authority, subject to the law, to require access to any information, document, report or material in the possession of any employee of the Company or any related body corporate, and all employees must comply with such requests from the Committee.

The Committee may, with prior written approval of the Chairman of the Board, obtain such independent legal, financial, and other advice as it considers necessary, with the cost borne by the Company.

### **Reliance**

Audit Committee members are entitled to rely on employees of the Company or professional advisers or consultants engaged by the Committee or the Company where:

- There are reasonable grounds to believe that the employee, adviser or consultant is reliable and competent; and
- The reliance was made in good faith and after making an independent assessment of the information.

### **Review Processes**

The Charter, composition and annual agenda for the Committee will be reviewed at least annually. Any changes to this Charter will require the approval of the Board. The Committee will undertake a formal process of self-

assessment on an annual basis. The results of this assessment will be communicated to the Board in order to assist the Board in its periodic review of the Committee's effectiveness.

## SCHEDULE “C”

### A SUMMARY OF THE MATERIAL TERMS OF THE CHAMPION IRON LIMITED NEW OMNIBUS INCENTIVE PLAN (“NEW PLAN”)

The following is a summary of the material provisions of the New Plan. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the New Plan, the full text of which is set out in Schedule “D” to the management information circular dated July 17, 2018.

#### *Purpose*

The purpose of the New Plan is to provide Eligible Persons (as defined below) with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its returns to Shareholders. It is intended that the New Plan will assist the Company in attracting and retaining skilled and experienced employees and provide them with greater incentive to have a greater involvement with, and to focus on the longer term goals of, the Company.

#### *Participation*

The Board may invite “Eligible Persons” to participate in the New Plan. Eligible Persons include a director, full-time or permanent part-time employee of the Company or any of its affiliates or other person determined by the Board of Directors of the Company (the “**Board**”) in its absolute discretion.

#### *Type of Awards*

The following types of awards may be made under the New Plan: stock options, restricted share units, performance share units, deferred share units, or other share-based awards (collectively, the “**Awards**”). All of the Awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting and forfeiture provisions determined by the Board in its sole discretion, and subject to such limitations provided in the New Plan, and will be evidenced by an award agreement. In addition, subject to the limitations provided in the New Plan and in accordance with applicable law, the Board may accelerate or defer the vesting or payment of Awards, cancel or modify outstanding Awards, and waive any condition imposed with respect to Awards or ordinary shares of the Company (the “**Ordinary Shares**”) issued pursuant to Awards.

#### Stock Options

A stock option is a right to purchase Ordinary Shares upon the payment of a specified exercise price as determined by the Board at the time the stock option is granted. The exercise price shall not be less than the “Market Price” of an Ordinary Share at the time the option is issued, determined as the volume weighted average price per Ordinary Shares sold on the ASX if the Eligible Person is resident in Australia and otherwise the volume weighted average trading price of the Shares on the TSX, calculated by dividing the total value by the total volume of securities traded during the period of 5 trading days immediately prior to the date of issue.

Stock options may be subject to vesting conditions as determined by the Board. The Board will establish the expiry date for each stock option, provided that in no event will the expiry date be later than the date which is ten years following the grant date.

The exercise notice of such option must be accompanied by payment in full of the purchase price for the Ordinary Shares underlying the options to be acquired. No Ordinary Shares will be issued upon the exercise of stock options in accordance with the terms of the grant until full payment therefor has been received by the Company. The New Plan provides for a cashless exercise option.

#### Restricted Share Units

A restricted share unit (“**RSU**”) is a unit equivalent in value to an Ordinary Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive Ordinary Shares or cash based on the price of the Ordinary Shares at some future date.

A RSU will be subject to time based vesting conditions, timing of settlement and other terms and conditions, not inconsistent with the provisions of the New Plan, as the Board shall determine; provided that no RSU granted shall vest and be payable after December 31<sup>st</sup> of the third calendar year following the year of service for which the RSU was granted.

#### Performance Share Units

A performance share unit (“**PSU**”) is a unit equivalent in value to an Ordinary Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive Ordinary Shares or cash based on the price of the Ordinary Shares based on the achievement of performance goals established by the Board over a period of time.

The Board shall have the authority to determine any vesting and settlement terms applicable to the grant of PSUs, provided that no PSU granted shall vest and be payable after December 31<sup>st</sup> of the third calendar year following the year of service for which the PSU was granted. It is currently intended that PSUs granted under the New Plan will be subject to performance based vesting conditions as the Board shall determine from time to time designed to align the participant with the Company’s corporate objectives. The Board may modify the performance based vesting conditions to any PSU as necessary to align them with the Company’s corporate objectives if there are subsequent changes in the Company’s business, operations or capital or corporate structure.

All vesting conditions shall be such that the PSUs will comply with the exception to the definition of “salary deferral arrangement” contained in paragraph (k) of subsection 248(1) of the *Income Tax Act* (Canada) or any successor provision thereto.

#### Deferred Share Units

A deferred share unit (“**DSU**”) is a unit equivalent in value to an Ordinary Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive Ordinary Shares or cash based on the price of the Ordinary Shares on a future date, provided that in no event shall a DSU be settled prior to the applicable participant’s date of termination of service to the Company. If DSUs are settled in Ordinary Shares, the rules of the New Plan require that the Ordinary shares be purchased on-market.

DSUs will only be issued to directors of the Company or any of its affiliates who are not employees (the “**Directors**”). Subject to the Director participation limits set out under “Participation Limits”, below, any Director may, on an annual basis, elect to receive DSUs in lieu of such Director’s annual fees or in lieu of a portion of such Director’s annual fees by giving written notice of such election to the Board.

#### Other Share-Based Awards

The Board may grant to an Eligible Person, subject to the terms of the New Plan, such awards, other than those described above, that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Ordinary Shares (including, without limitation, securities convertible into Ordinary Shares), as are deemed by the Board to be consistent with the purpose of the New Plan.

#### *Participation Limits*

The grant of Awards under the New Plan is subject to the following limitations: (i) the number of Ordinary Shares that are issuable to insiders (as defined by the TSX from time to time in its rules and regulations governing security based compensation arrangements) pursuant to Awards under the New Plan, the Current Plan and any other share-based compensation arrangement adopted by the Company cannot exceed 10% of the issued and outstanding Shares; (ii) the number of Ordinary Shares that may be issued to insiders pursuant to Awards under the New Plan, the Current Plan and any other share-based compensation arrangement adopted by the Company within a one-year period cannot exceed 10% of the issued and outstanding Ordinary Shares; (iii) the number of Ordinary Shares reserved for issuance to all Directors under all Awards shall not exceed 1% of the issued and outstanding Ordinary Shares from time to time; and (iv) the aggregate value of the Market Price of all Shares underlying Awards granted to any one Director within a one-year period cannot exceed \$150,000, of which value not more than \$100,000 in value may be comprised of stock options.

### *Aggregate Maximum Number under the New Plan*

Subject to the adjustment provisions provided for in the New Plan, the total number of Ordinary Shares reserved for issuance pursuant to Awards granted under the New Plan, the Current Plan and any other share-based compensation arrangement adopted by the Company shall not exceed 10% of the issued and outstanding Ordinary Shares from time to time, representing 41,586,784 Ordinary Shares as of the date hereof.

If an outstanding Award is exercised or settled in full, for any reason expires or is terminated or cancelled without having been exercised or settled in full, or if Ordinary Shares acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company for an amount not greater than the participant's purchase price, the Ordinary Shares shall again be available for grant and issuance under the New Plan.

### *Settlement*

Unless otherwise set out in a particular award agreement, the Board may, in its absolute discretion, elect one or any combination of the following payment methods for the settlement of vested DSUs, vested RSUs, vested PSUs or such other vested share-based Awards (each, a "**Vested Share-Based Unit**"):

- (a) issuing a number of Shares from treasury to the participant equal to the number of Vested Share-Based Units on the relevant date, less the number of Shares that results by dividing the applicable withholding taxes by the Market Price as at the relevant settlement date;
- (b) causing a broker to purchase Shares on the TSX or the ASX for the account of the participant using an amount that results by multiplying (a) the relevant number of Vested Share-Based Units being settled, and (b) the Market Price on the relevant settlement date, net of applicable withholding taxes. The Company will pay all brokerage fees and commissions arising in connection with the purchase of Ordinary Shares by the Broker in accordance with the New Plan; or
- (c) making a payment in cash to the participant equal to the product that results by multiplying (a) the number of Vested Share-Based Units to be settled and (b) the Market Price on the settlement date, net of applicable withholding taxes.

### *Dividend Equivalents*

Unless otherwise determined by the Board and set forth in the particular Award agreement, RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs or DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Ordinary Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs and/or DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

Dividend equivalents credited to a Participant's accounts shall vest in proportion to the RSUs, PSUs and DSUs to which they relate.

### *Assignment*

Subject to certain exceptions provided under the New Plan (including the assignment of Awards to certain Permitted Assigns (as such term is defined in the New Plan)), Awards are not transferable or assignable.

*Blackout Extension*

Where the expiry date for a stock option occurs during or within nine business days following the end of a period of time when, pursuant to any policies or determinations of the Company, securities of the Company may not be traded by a person, including any period when such person has material undisclosed information pertaining to the Company (the “**Blackout Period**”), the expiry date for such stock option shall be extended to the date which is ten business days following the end of such Blackout Period.

*Change of Control*

Notwithstanding anything to the contrary set forth in the New Plan, upon or in anticipation of any change in control of the Company, the Board may, in its sole and absolute discretion and without the need for the consent of any participant, take one or more of the following actions contingent upon the occurrence of that change in control: (a) cause any or all outstanding stock options to become vested and immediately exercisable, in whole or in part; (b) cause any or all outstanding RSUs, PSUs or DSUs to become non-forfeitable, in whole or in part; (c) cause any outstanding stock option to become fully vested and immediately exercisable for a reasonable period in advance of the change in control and, to the extent not exercised prior to that change in control, cancel that stock option upon closing of the change in control; (d) cancel any stock option in exchange for a substitute award; (e) cancel any RSU, PSU or DSU in exchange for restricted share units, performance share units or deferred share units with respect to the share capital of any successor person or its parent; and/or (f) redeem any RSU, PSU or DSU for cash and/or other substitute consideration with a value equal to the Market Price of a Share on the date of the change in control.

*Termination*

The table below sets out the effect that an Eligible Person’s termination of employment or service would have on their stock options, PSUs or RSUs under the New Plan:

<b>Component</b>	<b>Resignation</b>	<b>Retirement</b>	<b>Termination with cause</b>	<b>Termination without cause</b>	<b>Disability or death</b>
Stock options	<ul style="list-style-type: none"> <li>•unvested options expire and terminate immediately</li> <li>•vested options may be exercised before the expiry date or within 30 days after the resignation date, whichever is earlier</li> </ul>	<ul style="list-style-type: none"> <li>•options continue to vest in accordance with their terms and may be exercised before the expiry date or within 36 months of the retirement date, whichever is earlier</li> </ul>	<ul style="list-style-type: none"> <li>•options, whether vested or not, expire and terminate immediately upon notification being given</li> </ul>	<ul style="list-style-type: none"> <li>•options continue to vest in accordance with their terms and may be exercised before the expiry date or within 30 days of the termination date, whichever is earlier</li> </ul>	Disability: <ul style="list-style-type: none"> <li>•options continue to vest in accordance with their terms and may be exercised before the expiry date</li> </ul> Death: <ul style="list-style-type: none"> <li>•options become fully vested and may be exercised or surrendered within 12 months or before the expiry date, whichever is earlier</li> </ul>



<b>Component</b>	<b>Resignation</b>	<b>Retirement</b>	<b>Termination with cause</b>	<b>Termination without cause</b>	<b>Disability or death</b>
PSUs	<ul style="list-style-type: none"> <li>•unvested PSUs are forfeited</li> </ul>	<ul style="list-style-type: none"> <li>•pro-rata portion of the unvested PSUs will vest</li> <li>•unvested PSUs are forfeited</li> </ul>	<ul style="list-style-type: none"> <li>•PSUs, whether vested or not, are forfeited</li> </ul>	<ul style="list-style-type: none"> <li>•pro-rata portion of the unvested PSUs will vest</li> <li>•unvested PSUs are forfeited</li> </ul>	<ul style="list-style-type: none"> <li>•pro-rata portion of the unvested PSUs will vest</li> <li>•unvested PSUs are forfeited</li> </ul>
RSUs	<ul style="list-style-type: none"> <li>•unvested RSUs are forfeited</li> </ul>	<ul style="list-style-type: none"> <li>•pro-rata portion of the unvested RSUs will vest</li> <li>•unvested RSUs are forfeited</li> </ul>	<ul style="list-style-type: none"> <li>•RSUs, whether vested or not, are forfeited</li> </ul>	<ul style="list-style-type: none"> <li>•pro-rata portion of the unvested RSUs will vest</li> <li>•unvested RSUs are forfeited</li> </ul>	<ul style="list-style-type: none"> <li>•pro-rata portion of the unvested RSUs will vest</li> <li>•unvested RSUs are forfeited</li> </ul>

DSUs will only be settled upon a Director ceasing to hold office as a Director under any circumstances.

#### *No Loans or Financial Assistance*

The New Plan does not provide for financial assistance to participants to facilitate the payment of the purchase price for stock options.

#### *Adjustments on Reorganizations*

Appropriate adjustments to the New Plan and to Awards shall be made, and shall be conclusively determined, by the Board to give effect to adjustments in the number of Ordinary Shares resulting from subdivisions, consolidations, substitutions, or reclassifications of the Ordinary Shares, the payment of stock dividends by the Company (other than dividends in the ordinary course) or other reorganisation of the capital of the Company in accordance with the rules of any stock exchange.

#### *Amendment of the New Plan*

The Board may, without Shareholder approval, amend or suspend any provision of the New Plan, or terminate the New Plan, or amend the provisions of any Award as it, in its discretion, determines appropriate subject to the requirements of any stock exchange, applicable law and the New Plan. Such changes include, without limitation: (a) amendments of a “housekeeping” or administrative nature; (b) amendments necessary to comply with the provisions of applicable law; (c) amendments necessary for Awards to qualify for favorable treatment under applicable tax laws; (d) changes to the vesting provisions or other restrictions applicable to any Award, Award agreement or the New Plan; (e) changes to the provisions of the New Plan relating to the expiration of Awards prior to their respective expiration dates upon the occurrence of certain specified events determined by the Board; (f) changes in the exercise price of a stock option granted to a participant who is not an Insider of the Company; (g) the cancellation of an Award; or (h) amendments necessary to suspend or terminate the New Plan.

Notwithstanding the above, approval of the holders of the voting shares of the Company shall be required for any amendment that: (a) reduces the exercise price of an Award for the benefit of any insider; (b) extends the term of an Award beyond its original expiry time for the benefit of any insider; (c) removes or exceeds the limits in the New Plan on participation by insiders or Directors; (d) increases the maximum number of Ordinary Shares issuable, either as a fixed number or a fixed percentage of the Company’s outstanding capital; (e) amends the amendment provisions of the New Plan; or (f) allows for the transfer or assignment of Awards other than to a permitted assign, other than for normal estate settlement purposes.

**SCHEDULE "D"**

**2018 OMNIBUS INCENTIVE PLAN**

**CHAMPION IRON LIMITED**  
**2018 OMNIBUS INCENTIVE PLAN**

**1. PURPOSE OF THIS PLAN**

1.1 **Purpose of this Plan.** The purpose of this Plan is to provide Eligible Persons with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its returns to shareholders. It is intended that this Plan will assist the Company in attracting and retaining skilled and experienced employees and provide them with greater incentive to have a greater involvement with, and to focus on the longer term goals of, the Company. For greater certainty, it is intended that the grant of Awards under this Plan will be made for future services of the Participant, to be performed between the date of grant and the date of vest. Awards that vest immediately do not alter this intention.

**2. DEFINITIONS AND INTERPRETATION**

2.1 **Definitions.** In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) **“Affiliate”** means any Person that is a subsidiary of the Company, or directly or indirectly controls, or is controlled by, or is under common control with, the Company.
- (b) **“Applicable Withholding Taxes”** means any and all taxes and other source deductions or other amounts which an employer is required by law to withhold from any amounts to be paid or credited hereunder.
- (c) **“ASX”** means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.
- (d) **“Australian Award”** means an Award granted to an Eligible Person resident in Australia, denominated in Australian dollars;
- (e) **“Award”** means any Option, Performance Share Unit, Restricted Share Unit, Deferred Share Unit or Other Share-Based Award granted under this Plan.
- (f) **“Award Agreement”** means any written agreement, contract or other instrument or document evidencing the terms and conditions on which an Award has been granted under this Plan.
- (g) **“Blackout Period”** means, with respect to any Person, the period of time when, pursuant to any policies or determinations of the Company, securities of the Company may not be traded by such Person, including any period when such Person has material undisclosed information.
- (h) **“Board”** means the board of directors of the Company as constituted from time to time; provided, however, that if the board of directors delegates or appoints a committee to perform some or all of the Board’s administrative functions hereunder, references in this Plan to the “Board” will be deemed to also refer to that committee in connection with matters to be performed by that committee.
- (i) **“Business Day”** means any day other than a Saturday, Sunday or statutory holiday in Montreal, Québec, Canada or Sydney, Australia.
- (j) **“Cause”** means, with respect to a particular Employee:
  - (i) “cause” as such term is defined in the employment or other written agreement between a member of the Company Group and the Employee;

- (ii) in the event there is no written or other applicable employment agreement between a member of the Company Group and the Employee or “cause” is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or
  - (iii) in the event neither (a) nor (b) apply, “cause” as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where an employer can terminate an individual’s employment without notice or pay in lieu thereof.
- (k) **“Canadian Award”** means any Award other than an Australian Award, denominated in Canadian dollars;
- (l) **“Change in Control”** means, at any time the occurrence of any of the following, in one transaction or a series of related transactions:
- (i) the acquisition by any Person or Persons acting jointly or in concert (as determined by the Securities Act), whether directly or indirectly, of beneficial ownership of, or control or direction over, voting securities of the Company that, together with all other voting securities of the Company beneficially owned or controlled or directed by such Persons, constitute in the aggregate more than 50% of all of the then outstanding voting securities of the Company;
  - (ii) an amalgamation, arrangement, consolidation, share exchange or other form of business combination of the Company with another Person that results in the holders of voting securities of that other Person holding, in the aggregate, more than 50% of all outstanding voting securities of the Person resulting from the business combination;
  - (iii) in the case of a scheme of arrangement under Part 5.1 of the Corporations Act, the court approving the scheme pursuant to section 411(4)(b) of the Corporations Act;
  - (iv) in the case of a takeover bid under Chapter 6 of the Corporations Act, the bidder receiving acceptances in respect of more than 50% of all of the then outstanding voting securities of the Company;
  - (v) the sale, assignment, transfer, exchange or other disposition of all or substantially all of the assets of the Company and its Affiliates to another Person or Persons acting jointly or in concert (as determined by the Securities Act), other than a wholly-owned Affiliate of the Company;
  - (vi) the dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more Persons which were wholly-owned Affiliates of the Company prior to such event;
  - (vii) as a result of, or in connection, with: (A) a contested election of directors of the Company, or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Company or any of its Affiliates and another Person, the nominees named in the most recent management information circular of the Company for election to the Board shall not constitute a majority of the Board; or
  - (viii) any other transaction that is deemed to be a “Change in Control” for the purposes of this Plan by the Board in its sole and absolute discretion;
- provided that an event described in this definition shall not constitute a Change in Control where such event occurs as a result of a reorganization of the Company Group in circumstances where the shareholdings or ultimate ownership remains substantially the same upon the completion of the reorganization.
- (m) **“Code”** means the United States Internal Revenue Code of 1986, as amended.

- (n) **“Company”** means Champion Iron Ltd ACN 119 770 142, and includes any successor company thereto.
- (o) **“Company Group”** means the Company and its Affiliates.
- (p) **“Corporations Act”** means the Australian *Corporations Act 2001* (Cth).
- (q) **“Date of Grant”** means, for any Award, the date specified by the Board at the time it grants the Award or, if no such date is specified, the actual date upon which the Award was granted.
- (r) **“Deferred Share Unit”** means any unit granted under Article 9 of this Plan.
- (s) **“Director”** means a director of the Company from time to time who is not an Employee.
- (t) **“Disability”** means, unless otherwise defined in the Participant's employment agreement or in the applicable Award Agreement, the permanent incapacity of a Participant that cannot be reasonably accommodated by the relevant member of the Company Group.
- (u) **“Effective Date”** means August 17, 2018, the date on which this Plan was approved by the shareholders of the Company.
- (v) **“Eligible Person”** means a Director or Employee or other person determined by the Board in its absolute discretion.
- (w) **“Employee”** means a full-time or permanent part-time employee of a member of the Company Group from time to time.
- (x) **“Exercise Notice”** has the meaning ascribed thereto in Section 6.7 of this Plan.
- (y) **“Exercise Price”** means the price per Share at which a Participant may purchase Shares pursuant to an Option, provided that if such price is adjusted pursuant to Section 4.3 hereof, **“Exercise Price”** thereafter means the price per Share at which such Participant may purchase Shares pursuant to such Option after giving effect to such adjustment.
- (z) **“Expiry Date”** has the meaning ascribed thereto by Section 6.3 of this Plan.
- (aa) **“Insider”** means an “insider” as defined by the TSX from time to time in its rules and regulations governing Security Based Compensation Arrangements.
- (bb) **“Legal Representative”** has the meaning ascribed thereto by Section 6.7 of this Plan.
- (cc) **“Market Price”** means:
  - (i) in respect of an Australian Award, the VWAP per Share on the ASX denominated in Australian dollars during the period of 5 trading days immediately prior to the relevant date; provided, however, that if the Shares are not then quoted or listed on the ASX, then the VWAP per Share on the TSX during the period of 5 trading days immediately prior to the relevant date (converted into Australian dollars at the exchange rate published by the Bank of Canada on that date); or, if the Shares are not then quoted or listed on the ASX or on the TSX, the market value of a Share as determined by the Board immediately before the relevant date; or
  - (ii) in respect of a Canadian Award, the VWAP per Share on the TSX during the period of 5 trading days immediately prior to the relevant date; provided, however, that if the Shares are not then quoted or listed on the TSX, then the VWAP per Share on the ASX during the period of 5 trading days immediately prior to the relevant date (converted into

Canadian dollars at the exchange rate published by the Bank of Canada on that date); or, if the Shares are not then quoted or listed on the TSX or on the ASX, the market value of a Share as determined by the Board immediately before the relevant date

- (dd) **“Options”** means stock options granted hereunder to acquire Shares pursuant to the terms and conditions hereof and as evidenced by an Award Agreement and **“Option”** means any one of them.
- (ee) **“Other Share-Based Award”** means any right granted under Article 9 of this Plan.
- (ff) **“Participant”** means an Eligible Person designated to be granted an Award under this Plan.
- (gg) **“Performance Share Unit”** means a unit granted under Article 8 of this Plan.
- (hh) **“Permitted Assign”** means:
  - (i) a trustee, custodian or administrator acting on behalf of, or for the benefit of, a Participant;
  - (ii) a holding entity of a Participant;
  - (iii) a Registered Retirement Savings Plan (**“RRSP”**), Registered Retirement Income Fund (**“RRIF”**) or Tax Free Savings Account (**“TFSA”**) of a Participant;
  - (iv) a trust established by the Participant for the benefit of the Participant’s family members;
  - (v) a spouse of a Participant;
  - (vi) a trustee, custodian or administrator acting on behalf of, or for the benefit of, the spouse of a Participant;
  - (vii) a holding entity of the spouse of a Participant; or
  - (viii) an RRSP, RRIF or TFSA of the spouse of a Participant.
- (ii) **“Person”** includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative.
- (jj) **“Plan”** means this Champion Iron Limited 2018 Omnibus Incentive Plan, as the same may from time to time be supplemented or amended and in effect.
- (kk) **“Previous Plan”** means the 2014 Champion Iron Incentive Plan.
- (ll) **“Restricted Share Unit”** means any unit granted under Article 7 of this Plan evidencing the right to receive a Share at some future date.
- (mm) **“Retirement”** in the case of Employees, means retirement from active service with the Company or an Affiliate in accordance with the Company’s policies in place from time to time, or, with the consent for the purposes of this Plan of such officer as may be designated by the Board, at or after such earlier age and upon the completion of such years of service as the Board may specify, and in the case of Directors, means ceasing to be a Director (whether as a result of resignation, not standing for re-election to the Board or not being elected or re-elected as a member of the Board by the shareholders of the Company at a meeting or for any other reason other than as a result of death).

- (nn) “**Share-Based Unit**” has the meaning ascribed thereto in Section 12.1.
- (oo) “**Securities Act**” means the *Securities Act*, R.S.O. 1990, c. S.5, as amended from time to time.
- (pp) “**Shares**” means a fully-paid ordinary share in the capital of the Company, provided that if the rights of any Participant are subsequently adjusted pursuant to Section 4.3 hereof, “**Shares**” thereafter means the shares which such Participant is entitled to purchase after giving effect to such adjustment.
- (qq) “**Stock Exchanges**” means such stock exchanges or other organized markets on which the Shares are listed or posted for trading from time to time, being the ASX and TSX as of the date hereof.
- (rr) “**Termination Date**” means, in the case of an Employee or Director whose employment or term of office or engagement with a member of the Company Group terminates (i) by reason of such Employee’s or Director’s death, the date of death, or (ii) for any reason other than the Employee’s or the Director’s death, (A) in the case of an Employee, the Employee’s last day of active employment with the Company, regardless of whether the Employee’s termination of employment was lawful, and does not include any period of statutory, contractual, common law or other reasonable notice of termination of employment or any period of salary continuance or deemed employment, and (B) in the case of a Director, the date on which the Director ceases to be a member of the Board.
- (ss) “**TSX**” means the Toronto Stock Exchange.
- (tt) “**Vested Share-Based Unit**” has the meaning ascribed thereto in Section 11.1.
- (uu) “**VWAP**” means, as applicable (i) the volume weighted average price of Shares sold on the ASX during the relevant period but does not include any "crossing" transacted outside the "Open Session State" or any "special crossing" transacted at any time, each as defined in the operating rules of the ASX, or any overseas trades or trades pursuant to the exercise of options over Shares, or (ii) the volume weighted average trading price of the Shares on the TSX, calculated by dividing the total value by the total volume of securities traded for the relevant period.

2.2

**Control.** In this Plan, unless the context otherwise requires:

- (a) a Person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the Person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;
- (b) a Person controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interest, however designated, into which the entity is divided are beneficially owned by that Person and the Person is able to direct the business and affairs of the entity;
- (c) the general partner of a limited partnership controls the limited partnership.
- (d) A Person who controls an entity is deemed to control any entity that is controlled or deemed to be controlled, by the entity.
- (e) A Person is deemed to control an entity if the aggregate of
  - (i) any securities of the entity that are beneficially owned by that Person, and
  - (ii) any securities of the entity that are beneficially owned by an entity controlled by that person

is such that, if that Person and all of the entities referred to in Section 2.2(e)(ii) that beneficially own securities of the entity were one Person, that Person would control the entity.

2.3 **Certain Rules of Interpretation.** In this Plan, unless the context otherwise requires:

- (a) Whenever the Board is to exercise discretion in the administration of the terms and conditions of this Plan, the term “discretion” means the sole and absolute discretion of the Board.
- (b) Words importing the singular include the plural and vice versa and words importing any gender include any other gender;
- (c) The term “including” means “including without limiting the generality of the foregoing”.
- (d) The words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Plan as a whole and not to any particular Article or Section of this Plan.
- (e) As used herein, the terms “Article” and “Section” mean and refer to the specified Article or Section of this Plan.
- (f) Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.
- (g) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins and including the day on which the period ends. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the next succeeding Business Day.
- (h) Unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.
- (i) Unless otherwise specified, all references to money amounts are to Canadian currency.

### 3. **ADMINISTRATION OF PLAN**

3.1 **Administration of Plan.** Subject to Section 3.2, this Plan will be administered by the Board and the Board has the sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants under this Plan may be made;
- (b) make grants of Awards under the Plan (including any combination of Options, Performance Share Units, Restricted Share Units, Deferred Share Units or Other Share-Based Awards) in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
  - (i) the conditions under which
    - (A) Awards may be granted to Participants; or
    - (B) Awards may be forfeited to the Company;
  - (ii) the number of Shares to be covered by any Award;



- (iii) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Board may consider appropriate in accordance with the provisions of this Plan;
- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan;
- (g) correct any defect, supply any omission or reconcile any inconsistency in this Plan or in any Award or Award Agreement in the manner and to the extent it deems necessary to carry out the intent of this Plan in accordance with the provisions of this Plan;
- (h) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

3.2 **Delegation.** To the extent permitted by applicable law, the Board may at any time delegate to a committee of the Board all or any of the powers conferred on the Board hereunder, including the power to sub-delegate to any specified officer of the Company or its Affiliates all or any of the powers delegated by the Board. In such event, the committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party.

3.3 **Directors Entitled to Vote.** Directors who are eligible for Awards or have received Awards may vote on any matters affecting the administration of this Plan or the grant of Awards, except that no such member will act upon the grant of an Award to himself or herself, but any such member may be counted in determining the existence of a quorum at any meeting of the Board during which action is taken with respect to the grant of Awards to himself or herself.

3.4 **Decision of Board Final.** Any decision made or action taken by the Board arising out of or in connection with the administration or interpretation of this Plan will be final and binding on all persons, including the Company, its Affiliates and affected Participants and Permitted Assigns.

3.5 **Award Agreements.** Each Award will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Board may direct. Each Award Agreement will be executed by the Participant to whom the Award is granted and on behalf of the Company by any member of the Board or any officer of the Company or such other person as the Board may designate for such purpose. Each Award Agreement must (i) contain a statement of the rights of the holder of the Award to participate in new issues of securities without exercising the Award (or a statement that the holder of the Award cannot participate in new issues of securities without exercising the Award) and (ii) allow the rights of the holder of the Award to be changed to comply with the listing rules of the ASX applying to reorganisations of capital.

#### **4. SHARES AVAILABLE FOR AWARDS**

4.1 Shares Subject to this Plan.

- (a) The aggregate number of Shares that may be reserved for issuance pursuant to Awards granted under this Plan and the Previous Plan shall not exceed 10% of the Shares issued and outstanding from time to time. The Company will reserve for the purposes of the Plan, out of its unissued Shares, such number of Shares.

- (b) If an outstanding Award is exercised or settled in full, for any reason expires or is terminated or cancelled without having been exercised or settled in full, or if Shares acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company for an amount not greater than the Participant's purchase price, the Shares shall again be available for grant and issuance under this Plan.
- (c) Offers of Awards granted under this Plan and the Previous Plan must not cause the Company to exceed the 5% threshold set out in ASIC Class Order 14/1000.

4.2 **Participation Limits.** The grant of Awards under the Plan is subject to the following limitations:

- (a) the number of Shares that are issuable to Insiders pursuant to Awards under this Plan, the Previous Plan and any other share-based compensation arrangement adopted by the Company cannot exceed 10% of the issued and outstanding Shares;
- (b) the number of Shares that may be issued to Insiders under this Plan, the Previous Plan and any other share-based compensation arrangement adopted by the Company within a one-year period cannot exceed 10% of the issued and outstanding Shares;
- (c) the number of Shares reserved for issuance to all Directors under all Awards shall not exceed 1.0% of the issued and outstanding Shares from time to time over the life of this Plan; and
- (d) the aggregate value of the Market Price of all Shares underlying Awards granted to any one Director within a one-year period cannot exceed \$150,000, of which value not more than \$100,000 in value may be comprised of Options.

4.3 **Adjustments.** Appropriate adjustments to this Plan and to Awards shall be made, and shall be conclusively determined, by the Board to give effect to adjustments in the number of Shares resulting from subdivisions, consolidations, substitutions, or reclassifications of the Shares, the payment of stock dividends by the Company (other than dividends in the ordinary course) or other reorganisation of the capital of the Company in accordance with the rules of any Stock Exchange. Any dispute that arises at any time with respect to any such adjustment will be conclusively determined by the Board, and any such determination will be binding on the Company, the Participant and all other affected parties.

4.4 **Change in Control.** Notwithstanding anything to the contrary set forth in this Plan, upon or in anticipation of any Change in Control of the Company, the Board may, in its sole and absolute discretion and without the need for the consent of any Participant, take one or more of the following actions contingent upon the occurrence of that Change in Control:

- (a) cause any or all outstanding Options to become vested and immediately exercisable, in whole or in part;
- (b) cause any or all outstanding Restricted Share Units, Performance Share Units or Deferred Share Units to become non-forfeitable, in whole or in part;
- (c) cause any outstanding Option to become fully vested and immediately exercisable for a reasonable period in advance of the Change in Control and, to the extent not exercised prior to that Change in Control, cancel that Option upon closing of the Change in Control;
- (d) cancel any Option in exchange for a substitute award;
- (e) cancel any Restricted Share Unit, Performance Share Unit or Deferred Share Unit in exchange for restricted share units, performance share units or deferred share units with respect to the share capital of any successor person or its parent; and/or

- (f) redeem any Restricted Share Unit or Performance Share Unit for cash and/or other substitute consideration with a value equal to the Market Price of a Share on the date of the Change in Control.

In the sole and absolute discretion of the Board, any cash or substitute consideration payable upon cancellation of an Award may be subjected to (i) vesting terms or other restrictions substantially identical to those that applied to the cancelled Award immediately prior to the Change in Control; or (ii) earn-out, escrow, holdback or similar arrangements, to the extent such arrangements are applicable to any consideration paid to shareholders in connection with the Change in Control. Subsections (a) through (f) of this Section 4.4 may be utilized independently of, successively with, or in combination with each other, and nothing therein contained shall be construed as limiting or affecting the ability of the Board to deal with Awards in any other manner. All determinations by the Board under this Section 4.4 will be final, binding and conclusive for all purposes.

4.5 **No Limitation.** The grant of any Awards under this Plan will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

4.6 **No Fractional Shares.** No adjustment or substitution provided for in this Article 5 will require the Company to issue a fractional share in respect of any or other Awards and the total substitution or adjustment with respect to each Award will be limited accordingly. No fractional Shares may be purchased or issued under this Plan.

## 5. ELIGIBILITY

5.1 **Eligibility.** Any Eligible Person shall be eligible to be a Participant.

5.2 **Change in Status.** A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which an Award was granted to such Participant will not result in the termination of the Award granted to such Participant provided that such Participant remains an Eligible Person.

## 6. OPTIONS

6.1 **Grant of Options.** Options may be granted pursuant to the terms of this Plan from time to time by the Board. The Award Agreement evidencing any Option will incorporate the following terms and conditions contained in this Article 6 and will contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Board may impose in its sole and absolute discretion.

6.2 **Exercise Price.** The Exercise Price per Share purchasable under each Option will be determined by the Board and shall be not less than the Market Price of the Shares at the time of grant. If the Option is a Canadian Award, the Exercise Price shall be stated and payable in Canadian dollars. If the Option is an Australian Award, the Exercise Price shall be stated and payable in Australian dollars.

6.3 **Term of Options.** Subject to Sections 6.4 and 6.8, each Option will expire (the "**Expiry Date**") on the date determined by the Board and specified in the Award Agreement pursuant to which such Option is granted, provided that in no event will the Expiry Date be later than the date which is ten years following the Date of Grant.

6.4 **Blackout Extension.** Where the Expiry Date for an Option occurs during or within nine Business Days following the end of a Blackout Period, the Expiry Date for such Option shall be extended to the date which is ten Business Days following the end of such Blackout Period.

6.5 **Vesting.** Options shall be subject to such vesting conditions as determined from time to time by the Board.

6.6 **Exercise of Options.** Subject to the terms and conditions of this Plan, the Board may impose such limitations or conditions on the exercise or vesting of any Option as the Board in its discretion deems appropriate, including limiting the number of Shares for which any Option may be exercised during any period as may be specified by the Board and which number of Shares for which such Option may be exercised in any period will be specified in the Award Agreement with respect to such Option.

6.7 **Notice.**

- (a) Each Award Agreement will provide that the Option granted thereunder may be exercised only by notice (the “**Exercise Notice**”) delivered to the Company and signed by the Participant, or the legal representative or committee or attorney, as the case may be (the “**Legal Representative**”), of the Participant, and accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the Option or portion thereof being exercised, payable:
  - (i) in cash, or by certified cheque, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Board; or
  - (ii) pursuant to a broker-assisted cashless exercise, whereby the Participant shall elect on the Exercise Notice to receive:
    - (A) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Shares underlying the Option (or portion thereof being exercised) by a securities dealer designated by the Company, less the aggregate Exercise Price, any Applicable Withholding Taxes, and any transfer costs charged by the securities dealer to sell the Shares;
    - (B) an aggregate number of Shares that is equal to the number of Shares underlying the Option (or portion thereof being exercised) minus the number of Shares sold in the capital markets by a securities dealer designated by the Company as required to realize cash proceeds equal to the aggregate Exercise Price, any Applicable Withholding Taxes and any transfer costs charged by the securities dealer to sell the Shares; or
    - (C) a combination of (i) and (ii).
- (b) Subject to Article 19, upon receipt of payment in full, the number of Shares in respect of which the Option is exercised will be issued to the Participant as fully paid, following which the Participant shall have no further rights, title or interest with respect to such Option or portion thereof.

6.8 **Treatment of Options Upon Termination of Employment.**

- (a) **General Rule.** Unless otherwise determined by the Board, in its discretion, or as provided in this Section 6.8 or pursuant to the terms of any particular Award Agreement or the Participant's employment agreement, all rights to purchase Shares pursuant to an Option shall expire and terminate immediately upon the Participant's Termination Date, whether or not such termination is with or without notice, adequate notice or legal notice, provided that if such employment of the Participant is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Participant of such termination for Cause.
- (b) **Death.** If the Participant's employment or service with the Company Group ceases by reason of the death of the Participant, any Option held by the Participant shall become fully vested and may be exercised by the Participant's Legal Representative in accordance with Section 6.7 at any time during the period that terminates on the earlier of the Option's Expiry Date and the first

anniversary of the Participant's Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period.

- (c) **Disability.** If the Participant's employment or service with the Company Group terminates by reason of Disability, any Option held by the Participant shall continue to vest in accordance with its terms and may be exercised in accordance with Section 6.7 at any time until the Option's Expiry Date.
- (d) **Retirement.** If the Participant's employment or service with the Company Group terminates by reason of Retirement, any Option held by the Participant shall continue to vest in accordance with its terms and may be exercised in accordance with Section 6.7 at any time during the period that terminates on the earlier of the Option's Expiry Date and the third anniversary of the Participant's Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period.
- (e) **Resignation.** If the Participant's employment with the Company Group terminates by reason of voluntary resignation, then:
  - (i) the unvested part of any Option held by the Participant shall expire and terminate immediately on the Participant's Termination Date; and
  - (ii) the vested part of any Option held by the Participant may be exercised in accordance with Section 6.7 at any time during the period that terminates on the earlier of the Option's Expiry Date and the 30<sup>th</sup> day after the Participant's Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period.
- (f) **Termination Without Cause.** If the Participant's employment with the Company Group is terminated for any reason other than for Cause, any Option held by the Participant shall continue to vest in accordance with its terms and may be exercised in accordance with Section 6.7 at any time during the period that terminates on the earlier of the Option's Expiry Date and the 30<sup>th</sup> day after the Participant's Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period.

## 7. RESTRICTED SHARE UNIT AWARDS

7.1 **Grants.** The Board is hereby authorized to grant Restricted Share Units to an Eligible Person. Restricted Share Units will be subject to time based vesting conditions as the Board shall determine from time to time.

7.2 **Restrictions and Vesting.** A Restricted Share Unit Award will be subject to an Award Agreement containing time based vesting conditions, timing of settlement and other terms and conditions, not inconsistent with the provisions of this Plan, as the Board shall determine; provided that no Restricted Share Unit granted shall vest and be payable after December 31<sup>st</sup> of the third calendar year following the year of service for which the Restricted Share Unit was granted.

7.3 **Restricted Share Unit Account.** A bookkeeping account, to be known as the "Restricted Share Unit Account" shall be maintained by the Company for each holder of Restricted Share Units, in which the Company shall record all Restricted Share Units credited to each holder from time to time. The initial value of a Restricted Share Unit will be equal to the Market Price of a Share on the Date of Grant of such Restricted Share Unit.

## 8. PERFORMANCE SHARE UNIT AWARDS

8.1 **Grants.** The Board is hereby authorized to grant Performance Share Units to an Eligible Person. Performance Share Units will be subject to performance based vesting conditions as the Board shall determine from time to time. The Board may modify performance goals relating to any Performance Share Unit as necessary to align

them with the Company's corporate objectives if there are subsequent changes in the Company's business, operations or capital or corporate structure.

8.2 **Restrictions and Vesting.** A Performance Share Unit Award will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of this Plan, as the Board shall determine. The Board shall have the authority to determine any vesting and settlement terms applicable to the grant of Performance Share Units, provided that no Performance Share Unit granted shall vest and be payable after December 31<sup>st</sup> of the third calendar year following the year of service for which the Performance Share Unit was granted and all vesting conditions shall be such that the Performance Share Units comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of subsection 248(1) of the *Income Tax Act* (Canada) or any successor provision thereto.

8.3 **Performance Share Unit Account.** A bookkeeping account, to be known as the "Performance Share Unit Account" shall be maintained by the Company for each holder of Performance Share Units, in which the Company shall record all Performance Share Units credited to each holder from time to time. The initial value of a Performance Share Unit will be equal to the Market Price of a Share on the Date of Grant of such Performance Share Unit.

## 9. DEFERRED SHARE UNITS

9.1 **Grants.** The Board is hereby authorized to grant Deferred Share Units to Directors from time to time.

9.2 **Settlement of DSUs.** A Deferred Share Unit Award will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of this Plan, as the Board shall determine. DSUs shall be settled on the date established in the Award Agreement; provided, however that:

- (a) if a DSU is settled with Shares, such Shares must be satisfied by the Company causing a broker to purchase those Shares on-market on the TSX or ASX for the account of the Participant in accordance with Section 11.3; and
- (b) in no event shall a DSU Award be settled prior to the applicable Participant's Termination Date and if the Award Agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the Termination Date.

9.3 **Board Fees.** Subject to Section 4.2, any Director may, on an annual basis, elect to receive DSUs in lieu of such Director's annual fees or in lieu of a portion of such Director's annual fees by giving written notice of such election to the Board.

9.4 **Deferred Share Unit Account.** A bookkeeping account, to be known as the "Deferred Share Unit Account" shall be maintained by the Company for each holder of Deferred Share Units, in which the Company shall record all Deferred Share Units credited to each holder from time to time. The initial value of a Deferred Share Unit will be equal to the Market Price of a Share on the Date of Grant of such Deferred Share Unit.

## 10. OTHER SHARE-BASED AWARDS

10.1 **Grant of Share-Based Awards.** The Board is hereby authorized to grant to an Eligible Person, subject to the terms of this Plan, such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as are deemed by the Board to be consistent with the purpose of this Plan; provided, however that such Award will comply with applicable law. Subject to the terms of this Plan, the Board will determine the terms and conditions of the Other Share-Based Awards.

## 11. SETTLEMENT OF SHARE-BASED AWARDS

11.1 **Form of Payment.** Subject to Section 9.2(a) and unless otherwise set forth in the particular Award Agreement, the Board may elect one or any combination of the following payment methods for the settlement of vested Restricted Share Units, vested Performance Share Units, vested Deferred Share Units or such vested Other Share-Based Awards as the Board, in its absolute discretion may determine:

- (a) issuing Shares to the Participant in accordance with Section 11.2;
- (b) causing a broker to purchase Shares on the TSX or ASX for the account of the Participant in accordance with Section 11.3; or
- (c) paying cash to the Participant in accordance with Section 11.4.

Where the Board does not specify any payment method for the vested Restricted Share Units, vested Performance Share Units, vested Deferred Share Units or such vested Other Share-Based Awards as the Board, in its absolute discretion may determine (each, a “**Vested Share-Based Unit**”), payment shall be in cash as provided in Section 11.4.

### 11.2 **Payment in the Form of Newly-Issued Shares.**

- (a) Where the Company issues Shares, the number of Shares that are issuable to the Participant on the relevant date shall be issued by the Company, as fully paid Shares in consideration of past services valued by the Board at no less than the Market Price of the number of Shares covered by the relevant Vested Share-Based Unit(s).
- (b) For greater certainty and without limiting the generality of the foregoing, the number of Shares issued to a Participant will be equal to the number of Vested Share-Based Unit(s) on the relevant date, less the number of Shares that results by dividing the Applicable Withholding Taxes by the Market Price as at the relevant settlement date.
- (c) Fractional Shares shall not be issued and where a Participant would be entitled to receive a fractional Share in respect of any fractional Vested Share-Based Unit(s) credited to the Participant, the Company will pay to such Participant, in lieu of such fractional Shares, cash equal to the Market Price on the relevant settlement date of the fractional Vested Share-Based Unit(s), net of Applicable Withholding Taxes.

### 11.3 **Payment in the Form of Shares Purchased on the TSX or the ASX.**

- (a) Where Shares are purchased on the TSX or the ASX (as applicable) to be delivered to the Participant, the Company will remit, in cash, to the relevant broker, the product that results by multiplying (a) the relevant number of Vested Share-Based Units being settled, and (b) the Market Price on the relevant settlement date, net of Applicable Withholding Taxes. The Broker will be required to, within (2) two trading days of the TSX or the ASX (as applicable), use the amount to purchase Shares on the TSX or the ASX (as applicable) as agent and for the account of the Participant. The actual number of Shares purchased by the broker will be that number that the Broker is able to purchase with the amount remitted to the broker. Should the funds provided to the broker be insufficient to purchase the total required Shares to settle the Vested Share-Based Units, the broker will inform the Company of the shortfall and, within two (2) Business Days, the Company will provide broker with funds sufficient to purchase the additional Shares required. If the broker purchases more Shares than are necessary to settle the Vested Share-Based Units, any excess Shares will be held in trust for purposes of this Plan.
- (b) Where the Participant would be entitled to receive a fractional Share in respect of any fractional Vested Share-Based Units credited to the Participant, the Company will pay to such Participant, in

lieu of such fractional Share, cash equal to the Market Price on the relevant settlement date net of Applicable Withholding Taxes.

- (c) Shares purchased by the broker shall be delivered to the Participant within ten Business Days of the relevant settlement date.
- (d) The Company will pay all brokerage fees and commissions arising in connection with the purchase of Shares by the broker in accordance with this Plan.

11.4 **Payment in the Form of Cash.** Where the Board elects to pay the Vested Share-Based Units in cash, the payment will be equal to the product that results by multiplying (a) the number of Vested Share-Based Units to be settled and (b) the Market Price on the settlement date, net of Applicable Withholding Taxes.

11.5 **Timing of Payment.** Unless otherwise agreed to by the Participant and the Board, the Company will make the payment in cash, Shares, or a combination thereof, as elected by the Board and calculated in accordance with Sections 11.1 to 11.4, to the Participant within ten (10) Business Days of the applicable settlement date. If the Participant and the Board agree to an alternate payment date, the payment date must be no later than December 31 of the calendar year of during which the settlement date occurs. If any payment under the terms of this Plan would otherwise occur during a Black-out Period, the payment date for such Share-Based Unit(s) shall be extended to the date which is ten (10) Business Days following the end of such Blackout Period.

## 12. TREATMENT OF SHARE-BASED UNITS UPON TERMINATION OF EMPLOYMENT

12.1 **General Rule.** Unless otherwise determined by the Board, in its discretion, or as provided in this Section 12.1 or the provisions of any applicable Award Agreement or the Participant's employment agreement, upon the Participant terminating employment with the Company for any reason, all Restricted Share Units, Performance Share Units, Deferred Share Units or such Other Share-Based Awards as the Board, in its absolute discretion may determine (each, a "**Share-Based Unit**"), previously credited to the relevant such Participant's account which did not vest on or prior to the Participant's Termination Date shall be terminated and forfeited as of the Participant's Termination Date. All Vested Share-Based Units shall be settled in accordance with Section 11.1.

12.2 **Treatment Upon Termination for Cause.** If the Participant's employment with the Company is terminated for Cause, all Share-Based Units previously credited to the Participant, whether vested or unvested, shall be terminated and forfeited as of the Participant's Termination Date.

12.3 **Treatment Upon Death, Disability, Retirement or Termination Without Cause.** If the Participant's employment with the Company ceases by reason of the death of the Participant, Disability, Retirement or the Participant's employment is terminated by the Company for any reason other than for Cause, a portion of the Participant's unvested Share-Based Units will vest as of the Termination Date. The percentage which will vest in respect of Share-Based Units granted on each Date of Grant will be determined by a fraction, the numerator of which is the number of days from the later of the Date of Grant or the most recent Vesting Date up to and including the Termination Date, and the denominator of which is the number of days from the later of the Date of Grant or the most recent Vesting Date up to and including the original final Vesting Date of the Award (assuming target performance was achieved with respect to any Performance Vesting Conditions). Such Share-Based Units shall be settled as soon as practicable following the Termination Date in accordance with Section 11.1. Any Share-Based Units which do not vest as previously stated shall be terminated and forfeited.

## 13. ADDITIONAL SHARE-BASED UNIT AWARD TERMS

13.1 **Dividend Equivalents.** Unless otherwise determined by the Board and set forth in the particular Award Agreement, Restricted Share Units, Performance Share Units and Deferred Share Units shall be credited with dividend equivalents in the form of additional Restricted Share Units, Performance Share Units or Deferred Share Units, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of Restricted Share Units, Performance Share Units and/or Deferred Share Units, as applicable, held by the Participant on the record date for the payment of such dividend, by



(b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's accounts shall vest in proportion to the Restricted Share Units, Performance Share Units and Deferred Share Units to which they relate. Notwithstanding the foregoing, the Board may in its discretion include in an Award Agreement applicable to a Share-Based Award a dividend equivalent right entitling the Participant to receive amounts equal to the normal cash dividends that would be paid, during the time such Award is outstanding and unexercised, on the Shares covered by such Award if such Shares were then outstanding and may decide whether such payments shall be made in cash, in Shares or in another form, whether they shall be conditioned upon the vesting of the Award to which they relate, the time or times at which they shall be made, and such other terms and conditions as the Board shall deem appropriate. The foregoing does not obligate the Company to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

#### **14. NON-TRANSFERABILITY OF AWARDS**

No Award is transferable or assignable to anyone other than a Permitted Assign. An Award may only be exercised by the Participant or a Permitted Assign or, in the event of:

- (a) the death of the Participant or a Permitted Assign; or
- (b) the appointment of a committee or duly appointed attorney of the Participant or a Permitted Assign on the grounds that the Participant or a Permitted Assign is incapable, by reason of physical or mental infirmity, of managing their affairs;

the Participant's or a Permitted Assign's Legal Representative.

#### **15. TAX MATTERS**

15.1 **Tax Matters.** The Participant will be solely responsible for paying any applicable withholding taxes arising from the grant, vesting or exercise of any Award and payment is to be made in a manner satisfactory to the Company. Notwithstanding the foregoing, the Company will have the right to withhold from any Award or any Shares issuable pursuant to an Award an amount that the Company deems necessary to satisfy its obligation, if any, to withhold Canadian or other jurisdictional federal, provincial, state or local income or other taxes or source deductions arising in respect of any Awards.

15.2 **Taxes – Section 409A of the Code.** With respect to Participants who are subject to taxation in the United States, Awards under this Plan are intended to be exempt from, or to the extent subject thereto, to comply with Section 409A of the Code, and, accordingly, to the maximum extent permitted, this Plan shall be interpreted in accordance therewith. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, a Participant shall not be considered to have terminated employment or service with the Company for purposes of this Plan until the Participant would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. Any payments described in this Plan that are due within the "short term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything to the contrary in this Plan, to the extent that any Awards (or any other amounts payable under any plan, program or arrangement of the Company) are payable upon a separation from service and such payment would result in the imposition of any individual tax and penalty interest charges imposed under Section 409A of the Code, the settlement and payment of such awards (or other amounts) shall instead be made on the first business day after the date that is six (6) months following such separation from service (or death, if earlier). Each amount to be paid or benefit to be provided under this Plan shall be construed as a separate identified payment for purposes of Section 409A of the Code. The Company makes no representation that any or all of the payments or benefits described in this Plan will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. Participants shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

## 16. CONDITIONS

Notwithstanding any of the provisions contained in this Plan or in any Award Agreement, the Company's obligation to issue Shares to a Participant pursuant to the exercise of an Option or the granting of any Award will be subject to, if applicable:

- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental authority as the Company will determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) any shareholder approvals or other regulatory approvals or approvals required under the rules of a Stock Exchange; and
- (c) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

## 17. SUSPENSION, AMENDMENT OR TERMINATION OF PLAN

17.1 **Amendments Not Requiring Shareholder Approval.** Subject to the rules of any Stock Exchange, applicable law and Section 17.2, the Board may, without shareholder approval, amend or suspend any provision of this Plan, or terminate this Plan, or amend the provisions of any Award as it, in its discretion, determines appropriate, provided, however, that no such amendment, suspension or termination may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant without the consent of the affected Participant. Without limiting the generality of the foregoing, subject to the requirements of any Stock Exchange, applicable law and Section 17.2, the Board may make the following types of amendments to this Plan or any Awards without seeking security holder approval:

- (a) amendments of a "housekeeping" or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
- (b) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Stock Exchanges);
- (c) amendments necessary for Awards to qualify for favorable treatment under applicable tax laws;
- (d) changes to the vesting provisions or other restrictions applicable to any Award, Award Agreement or this Plan;
- (e) changes to the provisions of this Plan relating to the expiration of Awards prior to their respective expiration dates upon the occurrence of certain specified events determined by the Board;
- (f) changes in the Exercise Price of an Option granted to a Participant who is not an Insider of the Company;
- (g) the cancellation of an Award; or
- (h) amendments necessary to suspend or terminate this Plan.

17.2 **Amendments Requiring Shareholder Approval.** Approval of the holders of the voting shares of the Company shall be required for any amendment that:

- (a) reduces the exercise price of an Award for the benefit of any Insider (for this purpose, a cancellation or termination of an Award of a Participant prior to its Expiry Date for the purpose of

reissuing an Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Award);

- (b) extends the term of an Award beyond its original expiry time for the benefit of any Insider;
- (c) removes or exceeds the limits in this Plan on participation by Insiders or Directors;
- (d) increases the maximum number of Shares issuable, either as a fixed number or a fixed percentage of the Company's outstanding capital;
- (e) amends the amendment provisions of this Plan; or
- (f) allows for the transfer or assignment of Awards other than to a Permitted Assign, other than for normal estate settlement purposes.

## **18. COMPLIANCE WITH LAWS**

18.1 **Compliance with Laws.** This Plan, the grant and exercise of Awards under this Plan and the Company's obligation to issue Shares on the exercise of Awards will be subject to all applicable federal, provincial and foreign laws, rules and regulations and the rules of any applicable regulatory authority (including, without limitation, the rules, regulations and policies of the Stock Exchanges). No Award will be granted and no Shares will be issued under this Plan where such grant or issue would require registration of this Plan or of such Shares under the securities laws of any foreign jurisdiction and any purported grant of any Award or issue of Shares in violation of this provision will be void. Shares issued to Participants pursuant to the exercise of Awards may be subject to limitations on sale or resale under applicable securities laws.

## **19. GENERAL**

19.1 **No Rights as Shareholder.** Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a shareholder of the Company with respect to any Shares reserved for the purpose of any Award.

19.2 **No Effect on Employment.** Nothing in this Plan or any Award Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Company or affect in any way the right of the Company to terminate his or her employment at any time.

19.3 **No Warranty as to Share Price.** The Company makes no representation or warranty as to the future market value of any Share distributed pursuant to this Plan.

19.4 **No Fettering of Directors' Discretion.** Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board in connection with any allotment and issuance of Shares which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.

19.5 **Recoupment.** Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Company and in effect at the Date of Grant of the Award, or as otherwise required by law or the rules of the Stock Exchange. The Board may at any time waive the application of this Section 19.5 to any Participant or category of Participants.

19.6 **Notices.** Any notice to be given to the Company pursuant to the provisions of this Plan must be given by registered mail, postage prepaid, and, addressed, if to the Company to the Corporate Secretary (Canada), and, if to a Participant, to his or her address contained in the Company's personnel records, or at such other address as such Participant may from time to time designate in writing to the Company. Any such notice will be deemed given or delivered three Business Days after the date of mailing.

19.7           **Applicable Law.** This Plan and any Award Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

19.8           **Invalid Provisions.** In the event that any provision of this Plan is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability will not be construed as rendering any other provisions contained herein as invalid or unenforceable, and all such other provisions will be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein.