

**ROCKEX MINING CORPORATION**  
**MANAGEMENT INFORMATION CIRCULAR FOR THE**  
**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

To be held at 9:30 a.m. on June 20, 2013

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**SOLICITATION OF PROXIES**

This Management Information Circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by and on behalf of the management of Rockex Mining Corporation (“**Rockex**” or the “**Corporation**”) for use at the Annual and Special Meeting (the “**Meeting**”) of holders of common shares of the Corporation (each a “**Common Share**”) to be held at 9:30 a.m. (Toronto time) on June 20, 2013 for the purposes set forth in the accompanying notice of annual meeting (the “**Notice**”) and for use at any adjournment(s) of the Meeting. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited by telephone or other personal contact by officers, directors, agents and employees of the Corporation. The costs of solicitation will be borne by the Corporation.

The information contained herein is given as of May 15, 2013, 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 AND PRINCIPAL SHAREHOLDERS**

**APPOINTMENT AND REVOCATION OF PROXIES**

**Registered Shareholders**

If you are a registered shareholder, you can vote your shares at the Meeting in person or by 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 form of proxy must be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof, duly authorized. Proxies to be exercised at the Meeting must be lodged with Computershare Trust Company of Canada, Registrar and Transfer Agent of the Corporation, 100 University Avenue, 11<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, to arrive no later than 9:30 a.m. (Toronto time) on June 18, 2013 or, if the Meeting is adjourned, not later than the close of business on the second business day preceding the day of such adjourned Meeting.

The persons named in the enclosed form of proxy are directors or officers of the Corporation. A shareholder has the right to appoint some other person (who need not be a shareholder) to attend and vote for and on behalf of the shareholder at the Meeting. Such right may be exercised either by inserting such other person's name in the blank space provided on the form of proxy and striking out the names of management's nominees or by substituting another proper form of proxy and, in either case, depositing the completed form of proxy so as to arrive at the principal offices of Computershare Trust Company of Canada, Registrar and Transfer Agent of the Corporation, 100 University Avenue, 11<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, not later than 9:30 a.m. (Toronto time) on June 18, 2013 or, if the Meeting is adjourned, not later than the close of business on the second business day preceding the day of such adjourned Meeting.

**Non-Registered or Beneficial Shareholders**

Your shares may not be registered in your name but in the name of an intermediary (usually a bank, trust company, securities dealer or broker, or trustees or administrators of self administered registered savings plans, registered retirement savings funds, registered education savings plans and similar plans, or a clearing agency in which an intermediary participates). If your shares are listed in an account statement provided to you by a broker, then it is likely that those 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 shares are registered in the name of an intermediary, you are a non-registered or beneficial shareholder (a “**beneficial shareholder**”). Beneficial shareholders should be aware that only registered shareholders, or the persons they appoint as their proxies, are permitted to vote at the Meeting. The purpose of the procedures described below is to permit non-registered shareholders to direct the voting of the 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**”).

### **Meeting Materials**

The Corporation has distributed copies of this Information Circular, the accompanying form of proxy and the Notice (collectively, the “**Meeting Materials**”), either directly to registered shareholders and to the NOBOs or to intermediaries for distribution to NOBOs. The Corporation has distributed copies of the Meeting Materials to intermediaries for forward distribution to the OBOs. Meeting Materials forwarded to beneficial shareholders will likely not include the Corporation’s form of proxy but instead an intermediary’s form of proxy or voting instruction form (see below). Unless you have waived your right to receive the Meeting Materials, the Corporation is required to deliver them to you as a beneficial shareholder of the Corporation and to seek your instructions as to how to vote your shares.

If you are a NOBO, and the Corporation or its agent has sent the Meeting 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 shares on your behalf. By choosing to send the Meeting Materials to NOBOs directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for delivering these materials to you and executing your proper voting instructions.

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

Brokers or agents can only vote the shares of the Corporation 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 voting instruction form (“**VIF**”) which must be completed and signed by the beneficial shareholder in accordance with the instructions provided by the intermediary. The purpose of this form is to seek instructions from the beneficial shareholder on how to vote on behalf of or otherwise represent the beneficial shareholder. A beneficial shareholder cannot use this form to vote or otherwise represent shares in person at the Meeting (but see “*Beneficial Shareholders – Attendance at Meeting*” below).

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions (Canada) Inc. (“**Broadridge**”). Broadridge mails the VIF to the beneficial shareholders and asks them to return the instruction forms to Broadridge. Broadridge then tabulates the results of all instructions respecting the shares to be represented at the Meeting. The instruction form must be returned to Broadridge well in advance of the Meeting in order to have the shares voted or otherwise represented at the Meeting.

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 shares owned by the beneficial 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*”.

**Beneficial shareholders should carefully follow the instructions of their intermediary on the forms they receive, including those regarding when and where the form of proxy or VIF is to be delivered, and contact their intermediaries promptly if they need assistance.**

### **Non-Objecting Beneficial Owners – NOBOs**

If you, as a NOBO, receive the Corporation’s form of proxy, you may complete and deliver the proxy as described above under the heading “*Registered Shareholders*”. If you, as a NOBO, receive the intermediary’s VIF, follow the instructions provided by the intermediary with respect to completing the form in order to ensure that your shares are voted or otherwise represented at the Meeting.

## **Objecting Beneficial Owners – OBOs**

If you are an OBO, you cannot use the mechanisms described above for registered shareholders and must follow the instructions provided by the intermediary in order to ensure that your shares are voted or otherwise represented at the Meeting.

## **Beneficial Shareholders – Attendance at Meeting**

If a beneficial shareholder who receives a VIF or a proxy signed by an intermediary wishes to attend and vote at the Meeting in person (or have another person attend and vote on their behalf), the beneficial shareholder, in the case of a typical VIF, should complete, sign and return the VIF in accordance with the directions on the form, or, in the case of a signed proxy, the beneficial shareholder should strike out the names of the persons designated in the form of proxy as the proxy holder and insert the name of the beneficial shareholder (or of such other person who will attend and vote on their behalf) in the blank space provided. A beneficial shareholder has the right to demand and to receive from an intermediary who is holding shares on behalf of the beneficial shareholder, a proxy enabling the beneficial shareholder to attend the Meeting and to vote the shares.

## **REVOKING PROXIES AND VOTING INSTRUCTION FORMS**

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, 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 the corporation:

- (a) at the registered office of the Corporation or at the principal office of Computershare Trust Company of Canada, 100 University Avenue, 11<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 Attention: Proxy Department, at any time up to 9:30 a.m. on the second business day preceding the day of the Meeting or any adjournment(s) thereof;
- (b) with the Chairman of the Meeting on the day of the Meeting, or any adjournment(s) 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.

## **VOTING OF SHARES BY PROXY**

**The persons named on the enclosed form of proxy will vote, or will withhold from voting, the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such directions, such shares will be voted “FOR” the matters specified in the Notice.**

**An intermediary may not vote, or give a proxy authorizing another person to vote, except in accordance with voting instructions received from the non-registered shareholder who beneficially owns the shares.**

### **Exercise of Discretion by Proxy**

**The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to such other matters as may properly come before the Meeting or any adjournment(s) thereof. At the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than matters referred to in the Notice. If amendments or variations to matters identified in the Notice 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.**

## RECORD DATE

The Board of Directors of the Corporation (the “**Board**”) has fixed May 21, 2013 as the record date for the determination of shareholders entitled to receive notice of the Meeting and to vote at the Meeting.

## OUTSTANDING VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of the date of this Information Circular, 60,496,807 Common Shares of the Corporation are issued and outstanding.

The Corporation will prepare, or cause to be prepared, a list of shareholders (the “**Shareholder List**”) entitled to receive notice of the Meeting not later than 10 days after the record date fixed for the Meeting. At the Meeting, the holders of Common Shares shown on the Shareholder List will be entitled to one vote per Common Share shown opposite their names on the Shareholder List. Unless otherwise required by law, every question coming before the Meeting shall be determined by a majority of votes duly cast on the matter.

To the knowledge of the directors and executive officers of the Corporation, there is no beneficial owner of, nor any person who exercises control or direction over, more than 10% of the outstanding Common Shares in the capital of the Corporation, other than as set out below:

Name	Number of Voting Securities	Type of Ownership or Control	Percentage of Outstanding Common Shares
Pierre Gagné	27,983,464 Common Shares	1,741,764 Indirect <sup>(1)</sup> 26,241,700 Direct	46.25%

Note:

<sup>(1)</sup> These shares are held directly by Pierre Gagné Contracting Ltd. (1,591,940) and 988491 Ontario Inc. (149,824), companies over which Pierre Gagné has control or direction.

The directors and officers of the Corporation own or control, directly or indirectly, in the aggregate 37,497,086 Common Shares representing approximately 61.98% of the issued and outstanding Common Shares of the Corporation as of May 15, 2013.

## PART TWO: BUSINESS TO BE TRANSACTED AT THE MEETING

### 1. Financial Statements:

The audited consolidated financial statements of the Corporation for the years ended December 31, 2012 and December 31, 2011, together with the report of the auditors thereon and accompanying management discussion and analysis are available under the Corporation’s company profile on SEDAR at [www.sedar.com](http://www.sedar.com), respectively, will be presented to the shareholders at the Meeting for their consideration.

### 2. Appointment of Auditors:

Shareholders will be requested to re-appoint Grant Thornton LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the Board of Directors to fix the auditors’ remuneration and terms of engagement. Grant Thornton LLP was first appointed auditors of the Corporation in December, 2010 as a result of the reverse take over of the Corporation by Rockex Limited (the “**RTO**”) which became effective on January 1, 2011. Effective January 1, 2012, the Corporation amalgamated with its wholly-owned subsidiary, Rockex Limited, pursuant to subsection 177(1) of the *Business Corporations Act* (Ontario) and the amalgamated corporation appointed Grant Thornton LLP as its auditors on January 1, 2012. Grant Thornton LLP was first appointed auditors of Rockex Limited in 2008.

**The persons named in the form of proxy accompanying this Information Circular intend to vote for the appointment of Grant Thornton LLP as auditors until the next annual meeting of shareholders or until their successor is appointed and for the authorization of the Board of Directors to fix the remuneration and terms of engagement of the auditors, unless the shareholder who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the appointment of the auditors of the Corporation.**

### 3. Election of Directors:

The Articles of Amalgamation provide that the Board of Directors of the Corporation is to consist of a minimum of three (3) and a maximum of twelve (12) directors. On December 20, 2010, the Corporation adopted a special shareholders' resolution whereby the shareholders granted the directors the discretion to fix the number of directors from time to time within the minimum and maximum as provided in the Articles of the Corporation. The Board of Directors has fixed the number of directors to be elected at the Meeting at five (5), as Donald A. Sheldon does not intend to stand for re-election. All of the other incumbent directors intend to stand for re-election. The present term of office of each director of the Corporation will expire immediately prior to the election of directors at the Meeting unless, before such time, they cease to hold office in accordance with the *Business Corporations Act* (Ontario) or the by-laws of the Corporation.

The following table and notes thereto sets forth the nominees proposed by management for election as directors of the Corporation. **The persons named in the form of proxy accompanying this Information Circular intend to vote for the election of the nominees whose names are set forth below, unless the shareholder who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the election of directors of the Corporation.** Management does not contemplate that any of such nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the enclosed form of proxy have the right to vote for the election of the remaining nominees and may vote for another substitute nominee as management may recommend, unless the shareholder has specified that the Common Shares represented by such proxy be withheld from voting in the election of directors.

Nominee and jurisdiction of residence	Director since	Principal occupation during the preceding five years	Common shares of Rockex beneficially owned or controlled <sup>(1)</sup>
Gilles Filion <sup>(4)</sup> Ontario, Canada	January 1, 2012	Professional geologist; until 2005, Vice President of Exploration for Goldcorp Inc. (a gold mining and exploration company), Vice-President, Exploration of Lexam Exploration Inc. until 2008	1,070,000
Pierre Gagné <sup>(4)</sup> Ontario, Canada	January 1, 2012	President of Pierre Gagné Contracting Ltd. (a heavy civil construction company for the mining and marine industries)	27,983,464 <sup>(2)</sup>
Armando Plastino <sup>(3)</sup> Ontario, Canada	January 1, 2012	Retiree; until April 1, 2011, Chief Executive Officer of Essar Global's Canadian subsidiary, Essar Steel Algoma Inc. (an integrated steel and iron producer)	1,800,000 <sup>(5)</sup>
Bruce Reid <sup>(3)</sup> Ontario, Canada	January 1, 2012	Chief Executive Officer and a Director of Carlisle Goldfields Limited (a mineral exploration company) since January 2010; prior thereto, director of various mining mineral exploration and investment brokerage corporations including as Chief Executive Officer of US Silver Corp (a silver mining company) from 2006 to 2008	200,000
Jonathan Tondeur <sup>(3)(4)</sup> Ontario, Canada	January 1, 2012	Senior Partner, Vice-President, Surety at Stevenson & Hunt Insurance Brokers Ltd. (insurance brokers)	3,777,326

Note:

<sup>(1)</sup> As verified on the System of Electronic Disclosure by Insiders as of May 15, 2013.

<sup>(2)</sup> 26,241,700 shares are held by Pierre Gagné directly; 1,591,940 shares are held by Pierre Gagné Contracting Ltd. and 149,824 shares are held by 988491 Ontario Inc., both companies over which Pierre Gagné has control or direction.

<sup>(3)</sup> Member of the Audit Committee.

<sup>(4)</sup> Member of the Compensation Committee.

<sup>(5)</sup> 400,000 shares are held by Armando Plastino directly and 1,400,000 shares are held by APJN Enterprises Ltd., a company over which Armando Plastino has control or direction.

To the knowledge of the Corporation, no associate or affiliate of a proposed director beneficially owns, controls or directs, directly or indirectly, securities of the Corporation other than those affiliates and associates named in the above table and notes.

## **Proposed Directors: Information Relating to Bankruptcies, Cease Trade Orders and Sanctions**

To the knowledge of the Corporation, no proposed director is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) 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 Corporation, no proposed director is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) 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.

To the knowledge of the Corporation, no proposed director and no personal holding company of a director, has, within the 10 years before the date of this Information 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 or the personal holding company of a proposed director.

To the knowledge of the Corporation, no proposed director and no personal holding company of a 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, 2001, has entered into a settlement agreement with a securities regulatory authority or, before January 1, 2002, 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.

### **Majority Voting Policy**

The Board of Directors has determined not to adopt a majority voting policy for directors at this time. Further detail is provided in Part Four: “*Corporate Governance and Other Information – Statement of Corporate Governance Practices*”.

## **4. Confirmation of By-Law No. 3 - Advance Notice By-Law**

### ***Background***

The Board of Directors of the Corporation adopted a by-law of the Corporation to require advance notice to the Corporation in circumstances where nominations of persons for election to the Board of Directors are made by shareholders of the Corporation other than pursuant to: (a) a direction or approval of the Board of Directors of the Corporation, (b) a shareholder requisition to call a meeting made pursuant to the provisions of the *Business Corporations Act* (Ontario) (the “**Act**”) or (c) a shareholder proposal made pursuant to the provisions of the Act (the “**Advance Notice By-Law**”). The Advance Notice By-Law was effective immediately upon adoption and, to remain in effect following termination of the Meeting, must be confirmed by a resolution passed by a simple majority of the votes cast by shareholders at the Meeting. The full text of the Advance Notice By-Law is set forth in Schedule “A” of this Information Circular.

### ***Purpose of the Advance Notice By-Law***

The directors of the Corporation are committed to: (i) facilitating an orderly and efficient annual meeting or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of the Advance Notice By-Law is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. The Advance Notice By-Law fixes a deadline by

which holders of record of Common Shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and set forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

### ***Terms of the Advance Notice By-Law***

The following information is intended as a brief description of the Advance Notice By-Law and is qualified in its entirety by the full text of the Advance Notice By-Law, a copy of which is attached as Schedule “A” to this Information Circular. The terms of the Advance Notice By-Law are summarized below:

The Advance Notice By-Law provides that advance notice to the Corporation must be made in circumstances where nominations of persons for election to the Board of Directors are made by a shareholder of the Corporation other than pursuant to: (i) a “proposal” made in accordance with the Act; or (ii) a requisition of the shareholders made in accordance with the Act. Among other things, the Advance Notice By-Law fixes a deadline by which holders of record of Common Shares of the Corporation must submit director nominations to the Chairman of the Board prior to any annual or special meeting of shareholders and sets forth the specific information that a shareholder must include in the written notice to the Chairman of the Board for an effective nomination to occur. No person will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice By-Law.

In the case of an annual meeting of shareholders, notice to the Corporation must be made not fewer than 30 and not more than 65 days prior to the date of the annual meeting, unless such meeting is called for a date that is fewer than 50 days after the date on which the first public filing or announcement of the date of such meeting was made, in which case notice must be made not later than the close of business on the 10<sup>th</sup> day following the date of such filing or announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Corporation must be made not later than the close of business on the 15<sup>th</sup> day following the day on which the first public filing or announcement of the date on which notice of such meeting was made.

### ***Confirmation of Advance Notice By-Law by Shareholders***

If the Advance Notice By-Law is approved at the Meeting, it will continue to be effective and in full force and effect in accordance with its terms and conditions beyond the termination of the Meeting. The board of directors of the Corporation intends to review the by-law from time to time and update it to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges, or so as to meet industry standards. If the Advance Notice By-Law is not approved at the Meeting, the Advance Notice By-Law will terminate and be of no further force or effect from and after the termination of the Meeting.

At the Meeting, shareholders will be asked to approve the following by ordinary resolution (the “**Advance Notice By-Law Resolution**”):

“**BE IT RESOLVED**, as an ordinary resolution of the shareholders of the Corporation, that:

1. The adoption by the Corporation of By-Law No. 3, in the form of the by-law attached to this Information Circular of the Corporation, is hereby ratified, approved and confirmed without amendment; and,
2. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolution.”

**The Corporation’s board of directors recommends that shareholders vote “FOR” the approval of the Advance Notice By-Law Resolution. In the absence of a contrary instructions, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the approval of the Advance Notice By-Law Resolution.**

## **5. Other Business**

While management of the Corporation is not aware of any other matter to be acted upon at the Meeting other than the appointment of auditors, the election of directors, the confirmation of By-Law No. 3, and, if any other matter

properly comes before the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matter or proposal in accordance with the discretion of the persons authorized to act thereunder.

### PART THREE: COMPENSATION DISCLOSURE AND RELATED MATTERS

In accordance with the requirements of applicable securities legislation in Canada, the section below entitled “*Summary of Executive Compensation*” sets out the “*Summary Compensation Table*” and related tables and narrative disclosures, all as required under Form 51-102F6. The stated objective of Form 51-102F6 is to provide insight into executive compensation as a key aspect of the overall stewardship and governance of a corporation and to help investors understand how decisions about executive compensation are made.

#### OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table sets forth information concerning all option-based and share-based awards granted to the Named Executive Officers that were granted before, and remain outstanding as of, the end of the most recently completed financial year ended December 31, 2012.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
<b>Sam Garofalo</b> CFO and Vice-President Finance	300,000	\$1.00	March 14, 2016	Nil	N/A	N/A	N/A
<b>Edward (Ted) Yew</b> President and Chief Executive Officer	1,500,000	\$0.30	June 18, 2017	Nil	N/A	N/A	N/A

Note:

- (1) The value of option-based awards is based on the closing price on the TSX for the Shares on the last day of the fiscal year, December 31, 2012, namely \$0.12 per share.

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

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the Named Executive Officers for the financial year ended December 31, 2012.

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 (\$)
<b>Sam Garofalo</b> CFO and Vice-President Finance	Nil	N/A	N/A
<b>Edward (Ted) Yew<sup>(2)</sup></b> President and Chief Executive Officer	Nil	N/A	N/A

Note:

- (1) The value of option-based awards is based on the closing price on the TSX for the Shares on the last day of the fiscal year, December 31, 2012, namely \$0.12 per share.  
(2) As of December 31, 2012, none of the options granted had vested.

The terms of the Stock Option Plan are discussed in detail below under Part Three - “*Compensation Disclosure and Related Matters – Long Term Incentive Plans – Equity Compensation Plan Information*”.



**SUMMARY OF EXECUTIVE COMPENSATION**  
**(Form 51-102F6)**

**General Provisions**

The “*Summary Compensation Table*” details all of the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the Chief Executive Officer, the Chief Financial Officer and the other individuals (to a maximum of three) who were the most highly compensated executive officers of the Corporation and its respective subsidiaries (collectively, with the Chief Executive Officer and the Chief Financial Officer, the “**named executive officers**” or the “**NEOs**” of the Corporation, as the case may be) and whose total compensation from the Corporation or its subsidiaries, exceeded \$150,000 for the relevant fiscal year. Compensation disclosure for prior years can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com). Total compensation encompasses, as applicable, regular salary, the dollar value of option awards, non-equity incentive plan compensation which would include discretionary and non-discretionary bonuses, pension value with compensatory amounts for both defined and non-defined contribution retirement plans, and all other compensation which could include perquisites, tax gross-ups, premiums for certain insurance policies, payments resulting from termination, resignation, retirement or a change in control and all other amounts not reported in another column of the Table.

**Summary Compensation Table**  
**Rockex Mining Corporation**  
(Year Ended December 31, 2012)

Name and principal position	Year	Salary (\$)	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 (\$)			
<b>Edward (Ted) Yew<sup>(6)</sup></b> President and Chief Executive Officer	2012	107,939	0	130,088	0	0	0	0	238,027
<b>Sam Garofalo<sup>(2)</sup></b> CFO and Vice-President Finance	2012	60,000	0	0	0	0	0	0	60,000
	2011	60,000	0	194,453	0	0	0	0	254,453
	2010	42,000	0	0	0	0	0	0	42,000
<b>Donald A. Sheldon<sup>(3)</sup></b> CEO	2012	30,000	0	0	0	0	0	0	0
	2011	50,000	0	388,907	0	0	0	0	438,907
	2010	40,000	0	0	0	0	0	60,000	100,000
<b>Pierre Gagné</b> COO <sup>(4)</sup>	2012	90,000	0	0	0	0	0	0	0
	2011	90,000	0	259,271	0	0	0	0	349,271
	2010	55,000	0	0	0	0	0	0	55,000

Notes:

- (1) The value of option-based awards is based on the fair value of the awards calculated using the Black-Scholes model as at the grant date. Options issued during the year had variable vesting periods details of which may be found in the notes to the audited financial statements of the Corporation for the year ended December 31, 2011 and December 31, 2012, available by accessing the Corporation’s profile at [www.sedar.com](http://www.sedar.com). All options are subject to earlier expiration in the event of termination. Assumptions used were, no dividends paid, a risk free interest rate, a volatility rate and an expected life of five years. Specific details may be found in the notes to the audited financial statements of the Corporation for the year ended December 31, 2011 and December 31, 2012, available by accessing the Corporation’s profile at [www.sedar.com](http://www.sedar.com).
- (2) Sam Garofalo was appointed Chief Financial Officer of the Corporation on January 1, 2011. He also served as the Chief Financial Officer of Rockex Limited. Mr. Garofalo earned \$20,000 for consulting fees in 2009. On March 31, 2010, 40,000 shares were issued in satisfaction of these amounts at a deemed rate of \$0.50 per share in satisfaction of those fees. Mr. Garofalo, through his personal services corporation, 1752454 Ontario Inc., operating as Sam Garofalo Consulting, had entered into a contract with Rockex Limited for his services for the 2010 calendar year pursuant to which he was paid \$3,500/month. Effective January 1, 2011, his company is compensated at a rate of \$5,000 per month for his services.
- (3) Donald A. Sheldon was appointed Chief Executive Officer of the Corporation on February 28, 2011 and resigned as such on June 18, 2012. Prior to February 28, 2011 Mr. Sheldon served as a director of Rockex Limited and, effective January 1, 2011, as a director of the Corporation. Through his personal services company, Sheldon Executive Services Inc., Mr. Sheldon was paid \$40,000 for his services in 2009 and \$40,000 for his services in 2010. His company was also awarded a bonus of \$60,000 for his the special efforts during 2010. From March 1, 2011 until June 30, 2012, his company was compensated at a rate of \$5,000/month for his services as Chief Executive Officer of the Corporation.

- (4) Pierre Gagné was appointed Chief Operating Officer January 1, 2011. Prior to January 1, 2011 Mr. Gagné served as a director of Rockex Limited and, effective January 1, 2011, as a director of the Corporation. Mr. Gagné was appointed Chairman of the Board and Secretary on January 1, 2012. The Corporation pays Pierre Gagné Contracting Ltd. for the services of Pierre Gagné as Chief Operating Officer.
- (5) Each of Donald Sheldon, Sam Garofalo and Pierre Gagné were directors or executive officers of Rockex Limited prior to the RTO. Accordingly, compensation earned by the NEOs for the financial years ended December 31, 2010 and 2009 was while the NEOs were still employees or consultants of Rockex Limited. Effective January 1, 2012, the Corporation amalgamated with its wholly-owned subsidiary, Rockex Limited, pursuant to subsection 177(1) of the *Business Corporations Act* (Ontario).
- (6) Edward (Ted) Yew was appointed the President and Chief Executive Office on June 18, 2012.

## **REPORT ON EXECUTIVE COMPENSATION**

The Corporation's overall policy regarding compensation of the Corporation'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 Corporation, attract and retain suitable and qualified executive management and establish a compensation framework which is industry-competitive. The Corporation's policy is to recognize and reward individual performance as well as to place executive compensation within the middle range of compensation levels in the industry in which it operates, taking into account the size and scope of operations.

### **Compensation Process**

The Corporation relies on its Compensation Committee, which reports to the Board of Directors, in determining the compensation of its executive officers. The Compensation Committee focuses on the award of annual bonuses and the allocation of stock option grants to its executives and directors, as well as annual salaries or fees for services.

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

The Corporation has not adopted a policy forbidding NEOs and Directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Common Shares of the Corporation granted as compensation or held, directly or indirectly, by the NEO or Director. However, the Corporation is not aware of any NEO or Director having entered into this type of transaction.

### **Key Compensation Components**

The components of Rockex's total compensation for its executive officers are:

#### **1. Base Compensation:**

Base compensation of executive officers is determined based upon performance as well as the individual's experience level and the scope and complexity of the position held. Base compensation is intended to attract and retain executives and senior management required for the success of the Corporation; to motivate performance; to provide fair and competitive compensation; and to reward individual performance and contribution to the achievement of the Corporation's objectives. Base compensation is reviewed annually and validated against comparable positions in companies of similar size and industry and growth strategy. Information is drawn from a variety of sources, including proxy statements of competitive companies and of companies of other industries of comparable size and complexity as well as surveys conducted by compensation consultants.

#### **2. Potential Annual Incentive Awards and Bonuses:**

The Corporation does not currently have a formal annual incentive plan or bonus plan. All awards of bonuses are made at the discretion of the Board based on the recommendations of the Compensation Committee and are made for the benefit of the Corporation's executive officers, other officers and certain other key employees of the Corporation. Bonuses may be paid out as cash bonuses or in the form of equity compensation.

#### **3. Stock Options:**

The Corporation has adopted a stock option plan (see full description under "*Long-Term Incentive Plan*" later in this Part Three) approved by the shareholders on June 28, 2011 to conform with the TSX policies. The stock option plan

is also intended to achieve a commonality of interest between shareholders and the NEOs and to motivate the NEOs to maximize total return on shareholder equity over the long term. Previous grants of stock options are taken into account when considering new grants.

### Compensation Decisions

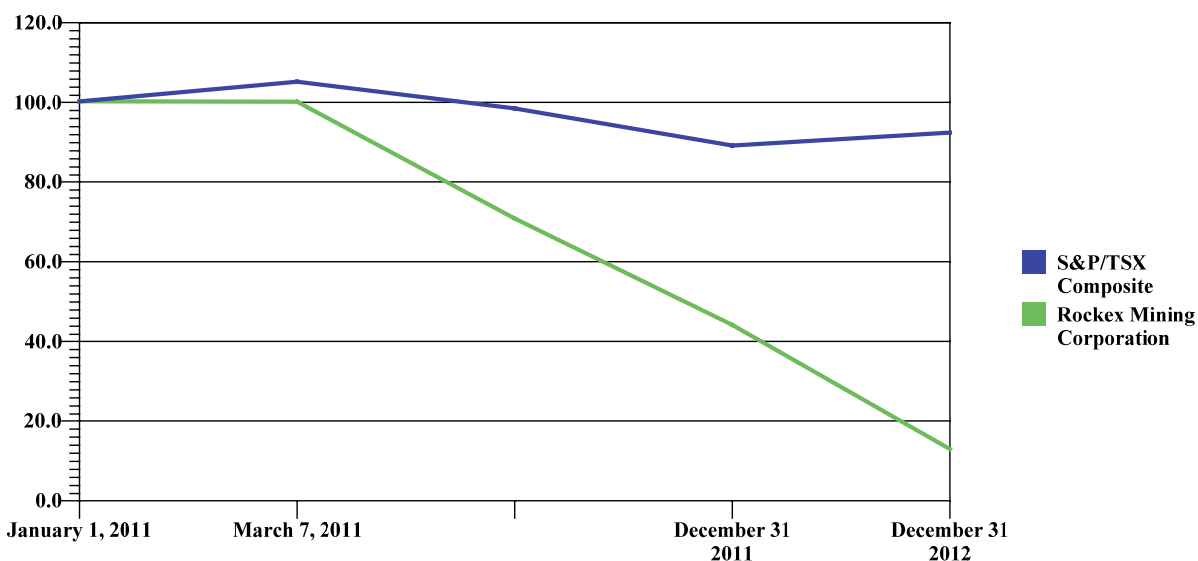
Stock options were also granted during the fiscal year ended December 31, 2012 under the Stock Option Plan to officers of the Corporation as follows:

Optionee	Relationship	No. of Shares	Exercise Price	Expiry Date
Edward (Ted) Yew	President and Chief Executive Officer	1,500,000	\$0.30	June 18, 2017
Stephen Stewart	Vice-President – Corporate Development	100,000	\$0.25	Nov. 19, 2017

### Performance Graph

The Corporation became a reporting issuer effective January 1, 2011 upon closing of the RTO and the common shares of the Corporation have been listed and posted for trading on the TSX under the trading symbol “RXM” since March 7, 2011. Prior to that time Rockex Limited was a private company. The Corporation is using the January 1, 2011 share price as the initial date in the following graph and table. This starting point represents the last price at which the common shares traded prior to January 1, 2011. The following graph and table is a reporting requirement under Canadian securities laws, and compares the Corporation’s cumulative total shareholder return had \$100 been invested in the Corporation on January 1, 2011 at the closing price of the common shares on that date, with the cumulative total return of the S&P/TSX Composite Index over the same period.

An analysis of the trend in the graph below demonstrates no direct correlation between the “Shareholder Return” performance of the Corporation and the trend in the Corporation’s compensation of its executive officers reported over the same period. Executive Compensation is very modest and consists of mostly option based awards. The drop in the Corporation’s “Shareholder Return” line in the graph below is attributable in large part to negative market sentiment towards junior mining companies over the relevant period, all of which have been reflected in the substantial decrease in the market capitalization of the Corporation over the relevant period.



	January 1, 2011	March 7, 2011	December 31, 2011	December 31, 2012
S&P/TSX Composite Index	\$100	\$105	\$89	\$92
Rockex Mining Corporation	\$100	\$100	\$44	\$13

## PENSION PLAN BENEFITS AND RETIREMENT ALLOWANCES

There are no pension plan benefits or other retirement benefits in place for any of the NEOs or directors of Rockex.

## EMPLOYMENT CONTRACTS, TERMINATION AND CHANGE OF CONTROL BENEFITS

There are no plans or agreements or arrangements in place with respect to any of the Rockex NEOs for termination of employment or change in control benefits save and except pursuant to the employment agreement with Edward Yew, the CEO (the “**Yew Contract**”). The Yew Contract pays the CEO an annual salary of \$200,000 and awarded him 1,500,000 stock options which vest on certain terms over a period of two years. The CEO may also earn a performance bonus of up to 50% of his base salary. The contract may be terminated by the Corporation at any time without cause on 12 months’ notice or payment in lieu thereof or, on a change of control, by the CEO which will entitle him to 12 months’ compensation. In the initial phase, the Corporation can terminate the Yew Contract on payment of three months’ compensation if, among other things, certain measurable objectives are not achieved.

Under the Rockex Stock Option Plan, all options expire ninety (90) days after a person ceases to be an officer, director or consultant or leaves the employ of Rockex. The options granted to an optionee engaged in investor relations activities for Rockex expire on the earlier of its expiry date or thirty (30) days after the optionee ceases to be engaged to provide investor relations activities to Rockex. In the event of a change in control of Rockex or in the event of a sale by Rockex of all or substantially all of the property or assets of Rockex, all optionees under the plan (other than the options granted to the optionee in relation to its performance of investor relations activity, which options must be exercised within thirty (30) days of the close of any such transaction) become entitled to exercise all options held by such optionee, whether or not vested at such time, within ninety (90) days of the close of any such transaction. Individual contracts may vary the terms for expiry of options following the termination of such contracts.

## DIRECTORS’ COMPENSATION

Rockex has and had no arrangements, standard or otherwise, pursuant to which directors are or were compensated by Rockex for their services in their capacity of Directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the most recently completed financial year or subsequently, up to and including the date of this Information Circular other than as described in this Information Circular. Although the directors currently receive no fees for acting as directors of the Corporation, they are entitled to participate in the stock option plan of the Corporation. (See “*Long Term Incentive Plans – Equity Compensation Plan Information*”). Accordingly, their compensation is designed to align their interests with the returns to shareholders. In addition, certain directors received or participated in fees payable by the Corporation to their firms (see “*Interests of Informed Persons in Material Transactions*”).

The following table sets out all amounts of compensation provided to the directors for the Corporation’s financial year ended December 31, 2012. The compensation provided to directors who are also NEOs is not shown on the following table but is included in the Summary Compensation Table for NEOs which appears in the section above entitled “*Summary of Executive Compensation*”.

### DIRECTOR COMPENSATION TABLE ROCKEX MINING CORPORATION

The following table sets out all amounts of compensation provided for directors for the Corporation’s financial year ended December 31, 2012.

Name <sup>(1)</sup>	Year	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Gilles Filion	2012	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Jonathan Tondeur	2012	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Bruce Reid	2012	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Armando Plastino	2012	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Notes:

- (1) The compensation for directors who were also NEOs at December 31, 2012, is disclosed in the NEO compensation table for Rockex Mining Corporation which appears above.
- (2) The value of option-based awards is based on the fair value of the awards calculated using the Black-Scholes model as at the grant date. Options issued during the year had variable vesting periods details of which may be found in the notes to the audited financial statements of the Corporation for the year ended December 31, 2012, available by accessing the Corporation's profile at www.sedar.com. All options are subject to earlier expiration in the event of termination. Assumptions used were, no dividends paid, a risk free interest rate, a volatility rate and an expected life of five years. Specific details may be found in the notes to the audited financial statements of the Corporation for the year ended December 31, 2012, available by accessing the Corporation's profile at www.sedar.com.

### Material Factors Necessary to Understand Director Compensation

Chris Dougherty, Gilles Filion, Donald A. Sheldon, Jonathan Tondeur and Pierre Gagné were appointed as directors of Rockex Mining Corporation on January 1, 2011 when the RTO took effect. Sam Garofalo ceased to be a director on March 4, 2011 and Bruce Reid was appointed as a director on the same day. Armando Plastino was appointed as a director on March 14, 2011. Chris Dougherty ceased to be a director on June 27, 2012.

Directors of Rockex do not receive any compensation for attending meetings of the directors, meetings of the Audit Committee, meetings of the Compensation Committee or meetings of the shareholders of Rockex. The directors are eligible to be granted stock options, as described below under the heading "*Rockex Stock Option Plan*".

### Incentive Plan Awards (Directors)

Directors participate in the Rockex Stock Option Plan. Directors are not entitled to bonuses or other non-equity incentive plans. No stock options were awarded to any directors of the Corporation in 2012.

## LONG-TERM INCENTIVE PLANS

Rockex has adopted a stock option plan which is described in detail below.

### Securities Authorized for Issuance Under Stock Option Plan

The following table sets out information as at December 31, 2012 with respect to compensation plans under which equity securities of Rockex are authorized for issuance to employees or non-employees such as directors and consultants. Rockex has only one plan which falls within this description: the Rockex Stock Option Plan. See detailed description under "*Stock Option Plan*" below.

## EQUITY COMPENSATION PLAN INFORMATION

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	(b) Weighted average exercise price of outstanding options, warrants and rights (\$)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a) (#)
Equity compensation plans approved by securityholders	4,525,000 (options)	N/A	1,031,843 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	4,525,000 (options)	N/A	1,031,843 <sup>(1)</sup>

Note:

<sup>(1)</sup> Based on 10% of the 55,568,436 shares outstanding on December 31, 2012.

### Stock Option Plan

The purpose of the Rockex Stock Option Plan (the "**Plan**") is to attract, retain and motivate Eligible Persons (as defined below) by affording such persons the opportunity to acquire an equity interest in Rockex through rights granted to purchase Common Shares of the Corporation. The exercise price of Rockex options granted is determined at the discretion of the Board but may not be less than the market price, as defined as closing price on TSX or other exchange on which the shares are trading the day prior to the grant (the "**Exchange**"). If no trading has occurred on the day prior to the grant then the market price shall be determined by averaging the closing bid and

ask price on the day prior to the grant. The term and vesting period for options granted under the Plan is also determined at the discretion of the Board but in no circumstances shall the options granted pursuant to the Plan have a term in excess of ten years.

Under the Plan, options may be granted in favour of directors, officers, key employees (part-time or full-time) or consultants or corporations that are wholly-owned by any of the foregoing, or consultant companies of Rockex or any Rockex subsidiary (“**Eligible Persons**”).

The Plan is in the form of a “rolling” stock option plan reserving for issuance upon the exercise of options granted pursuant to the Plan a maximum of 10% of the issued and outstanding Common Shares at any time (on a non-diluted basis) subject to the receipt of any necessary approval from the shareholders and/or securities regulatory authorities. As at May 15, 2013, there were stock options to purchase 4,525,000 Common Shares issued and outstanding under the Plan. Options to purchase an additional 1,529,680 Common Shares remain issuable under the Plan which represents 2.53% of the Common Shares currently issued and outstanding. If applicable, the Plan is to be administered by the Rockex Board in accordance with the rules and policies of the Exchange.

Subject to the provisions of the 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 Persons to whom options should be granted, the number of Common Shares which will be optioned from time to time to such Eligible Persons and the terms and conditions of each such grant of options. The Board will comply with all the Exchange and other regulatory requirements in granting options and otherwise administering the Plan.

The Rockex Board may make certain amendments to the Plan and may discontinue the Plan without security holder approval at any time upon receipt of any necessary regulatory approval including, without limitation, approval of the Exchange. Such powers of the Board to amend the Plan include but are not limited to:

1. minor changes of a housekeeping nature;
2. amending options issued under the Plan, including with respect to the option period (provided that the period during which an option is exercisable does not exceed 10 years from the date the option is granted), vesting period, exercise method and frequency, option price and method of determining the option price, assignability and effect of termination of an Eligible Person’s employment or cessation of the optionee’s directorship;
3. changing the classes of Eligible Persons able to participate under the Plan;
4. accelerating, vesting or extending the expiration date of any option (provided that such option is not held by an insider), provided that the period during which an option is exercisable does not exceed 10 years from the date the option is granted; and
5. adding a cashless exercise feature, payable in cash or securities, whether or not providing for a full deduction of the number of underlying shares from the Plan reserve.

Any amendments to the terms of an option shall also be subject to any necessary regulatory approval, including without limitation, the approval of the Exchange. The Board will however, require security holder approval at all times in the following circumstances:

1. the extension of the terms of an Option held by an insider;
2. the reduction in the exercise price held by an insider;
3. increasing the maximum percentage of Common Shares available for issuance under the Plan to a percentage that is greater than that which is currently available under the Plan; and
4. changing the number of Common Shares available for issuance under the Plan from a rolling percentage to a fixed maximum number, where such fixed maximum number of Common Shares available for issuance is greater than the number that shareholders had previously consented to under the rolling plan;

A summary of some of the additional provisions of the Plan are as follows:

- (a) insider participation shall be limited such that the number of Common Shares issued to insiders within a one-year period, or issuable to insiders at the time of any such grant, under the Plan, together with any

other security based compensation arrangement, shall not exceed 10% of issued and outstanding Common Shares;

- (b) the Plan does not provide for a maximum number of Common Shares which may be issued to an individual pursuant to the Plan and any other share compensation arrangement (expressed as a percentage or otherwise);
- (c) the Plan does not provide for a maximum number of Common Shares which may be issued to any one consultant pursuant to the Plan and any other share compensation arrangement (expressed as a percentage or otherwise);
- (d) the Plan does not provide for a maximum number of Common Shares which may be issued to employees, consultants and their associates engaged in investor relations activities for Rockex (expressed as a percentage or otherwise), however, options granted to consultants performing investor relations activities for Rockex shall vest over twelve (12) months from the date of the grant, with no more than one-quarter (1/4) of the options vesting in any three (3) month period;
- (e) options granted shall be non-assignable and not transferable;
- (f) the Board may authorize Rockex to loan money at its discretion to an Eligible Person on such terms as it may determine to assist such Eligible Person to exercise an option held by such person;
- (g) if an optionee ceases to be an Eligible Person for cause or for breach of a consulting agreement, no option held by such optionee may be exercised following the date on which such optionee ceases to be an Eligible Person;
- (h) if an optionee dies while an Eligible Person (if an individual), any vested option held by him at the date of death shall be exercisable, but only by the person or persons to whom the optionee's rights under the option shall pass by the optionee's will or the laws of descent and distribution. All such options shall be exercisable only for a period of one (1) year after the date of death or prior to the expiration of the option period in respect thereof, whichever is sooner;
- (i) if an optionee ceases to be an Eligible Person because of resignation, retirement or any reason other than cause or death, any vested option held by such optionee may be exercised only for a period of ninety (90) days after the date on which such optionee ceases to be an Eligible Person, or prior to the expiration of the option period in respect thereof, whichever is sooner, with the exception of optionees who provide investor relations activities whose options may be exercised only for a period of thirty (30) days after the date on which such optionee ceases to be an Eligible Person, or prior to the expiration of the option period in respect thereof, whichever is sooner; and

A copy of the Rockex Stock Option Plan has been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

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

Rockex Limited maintained \$10,000,000 of group liability insurance for its directors and officers which policy has been assumed by the Corporation. The premium for such policy including tax totals \$21,330 for the period March 4, 2012 to March 4, 2013 and has been renewed at the same rate for the following year. This coverage is in addition to the corporate indemnification outlined in the Corporation's By-Law.

#### **INDEBTEDNESS OF DIRECTORS, EXECUTIVES AND SENIOR OFFICERS**

None of the executive officers, former executive officers, employees, directors, former employees, former directors or proposed nominees for election as directors of the Corporation, nor any of their associates, is or was since the beginning of the most recently completed financial year of the Corporation indebted to the Corporation.

#### **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 "informed person" of the Corporation, insider of the Corporation, 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 Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation, except as disclosed below. An "informed person" means (i) a director or

executive officer of the Corporation, (ii) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation, (iii) any person or company who beneficially owns or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, and (iv) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, so long as it holds any of its securities.

- (a) Donald A. Sheldon, a director of Rockex Limited during 2011, a director until the Meeting, as well as former Chief Executive Officer of the Corporation until June 18, 2012 is a director of Sheldon Huxtable Professional Corporation, a law firm that provides legal services to the Corporation.
- (b) Pierre Gagné Contracting Ltd. is a corporation owned and controlled by Pierre Gagné, a director of Rockex Limited during 2011 and current director and Chairman of the Board of the Corporation. Pierre Gagné Contracting Ltd. has provided drilling and geological contracting services to Rockex Limited and continues to provide such services to the Corporation at market rates.

## **PART FOUR: CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Corporation has adopted a series of guidelines, policies and procedures that comprise its corporate governance framework. The Corporation's corporate governance practices are regulated by a number of regulatory bodies and are influenced by emerging concepts of best practices. National Instrument 58-101, Disclosure of Corporate Governance Practices requires every reporting issuer company to disclose on an annual basis its approach to corporate governance. Corporate governance standards and regulatory requirements are continually evolving. The Board of Directors and management closely monitor corporate governance regulatory developments, in particular the best practices and governance recommendations of the Canadian Securities Administrators as set out in National Instrument 58-201, Corporate Governance Guidelines, and review the Corporation's corporate governance policies and procedures in light of these developments.

#### (a) Board of Directors

The Rockex Board believes that Rockex should establish and operate in an environment of effective internal control with corporate governance structures and procedures in place to facilitate oversight by the Board of Directors. The Board of Directors assumes responsibility for, among other things, enhancing shareholder value, reviewing strategic plans and priorities, operating plans and capital budgets, senior management planning and succession, annual corporate performance and dividend policy. The Board of Directors delegates the authority to manage the day-to-day operations to senior management. All significant decisions that might affect Rockex should be brought before the Board of Directors for review and approval before they are implemented.

#### (b) Composition and Independence of the Board

The Rockex Board is currently comprised of six (6) directors, of whom five (5) are independent within the meaning of the OBCA and of whom three (3) are independent within the meaning of National Instrument 52-110 "*Audit Committees*" ("**NI 52-110**").

The Rockex Board currently consists of Donald A. Sheldon (a member of a law firm that provides services to Rockex and, accordingly, not independent as defined in NI 52-110), Pierre Gagné (a director, officer and shareholder of Pierre Gagné Contracting Ltd., a company which provides exploration services to Rockex and the Secretary of Rockex and therefore not independent as defined in NI 52-110), Gilles Filion (a consultant that provides services to Rockex and, accordingly, not independent as defined in NI 52-110), Bruce Reid (independent within the meaning of NI 52-110), Armando Plastino (independent within the meaning of NI 52-110) and Jonathan Tondeur (independent within the meaning of NI 52-110). The size, experience and background of the Rockex Board will facilitate effective decision-making and provide for an open and effective dialogue. The Rockex Board elects from its ranks a chairperson to preside at all meetings of the Rockex Board - currently, Pierre Gagné is Chairman of the Board.

#### (c) Directorships

No member of the Rockex Board is also a director of another reporting issuer (or the equivalent) in Ontario or in another jurisdiction other than the following:



- (i) Pierre Gagné who is a director of Metalcorp Limited, a mineral exploration company whose shares are listed on the TSXV;
- (ii) Gilles Filion who is a director of Metalcorp Limited, a mineral exploration company whose shares are listed on the TSXV; and
- (iii) Bruce Reid who is a director of Carlisle Goldfields Limited, a mineral exploration company whose shares are listed on the TSX, a director of Noravena Capital Corp., a corporation whose shares are listed on the TSXV, a director of KWG Resources Inc., a mineral exploration company whose shares are traded on the TSXV, a director of Debut Diamonds Inc., a mineral exploration company whose shares are listed on the CNSX, and a director of GoldTrain Resources Inc., a mineral exploration company whose shares are listed on the CNSX.

(d) Orientation and Continuing Education

The Rockex Board has not had a formal continuing education program. However, the Rockex Board anticipates implementing a policy for encouraging continuing education program for directors. Under such a policy, new directors, when added, would be provided with access to information, including sufficient historical data, to become familiar with Rockex and its operating facilities and assets, and to familiarize themselves with the procedures of the Rockex Board. All directors would be given the opportunity to visit Rockex's offices with management and to interact with and request briefings from management in order to familiarize themselves with the business. All directors would be encouraged to become members of the Institute of Corporate Directors. Members of the Rockex Board may also engage outside consultants at the expense of Rockex to review matters on which they feel they require independent advice.

(e) Ethical Business Conduct

The Rockex Board considers effective communication between itself and the shareholders essential. The Rockex Board is responsible for reviewing Rockex's annual and quarterly financial statements and other continuous disclosure documents such as management information circulars sent to shareholders for shareholder meetings. Rockex is committed to full, true and plain public disclosure of all material information in a timely manner in order to keep security holders and the investing public informed about Rockex's activities. The objective is to ensure that communications to the investing public are timely, factual, accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements.

Management is expected by the Rockex Board to comply with all statutes, regulations, and administrative policies applicable to Rockex, to supervise employees and consultants in such a manner as to be informed of their activities, to promote the free flow of information, and allow employees, consultants and others to anonymously report to any member of management or the board of directors on concerns involving accounting and other issues (protection of "whistleblowers"). Management is expected by the Rockex Board to report to the Board regarding any concerns with respect to the foregoing, which are of a material nature, whether or not a satisfactory resolution was already implemented by management, or which management believes are reasonably likely to arise in the future and which would be of a material nature.

Every director of Rockex who is in any way directly or indirectly interested in a contract or a proposed contract with Rockex must declare his or her interest at a meeting of the directors of Rockex in accordance with applicable law and then withdraw from that part of the meeting at which the proposed contract is considered by the remaining directors. 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 or her interest then exists, or in any other case at the first meeting of the directors after the acquisition of his or her interest and no director shall as a director vote in respect of any contract or arrangement in which he or she is interested as aforesaid, and if he or she does so vote, his or her vote shall not be counted. Any materials prepared for a meeting of the Rockex Board and referencing the contract in question will be redacted for the director concerned and he or she will absent himself from all discussions at such meetings relating to the contract in question.

(f) Nomination of Directors

The full Rockex Board is responsible for recommending candidates for nomination for election to the Rockex Board. The Rockex Board periodically and at least annually is expected to consider the composition of the Board of Directors, 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 Rockex Board is also responsible for

recruiting and recommending candidates for election as directors when necessary. Candidates should be interviewed by individual members of the Rockex Board prior to their nomination for election as a director.

(g) Compensation of Officers and Directors

The Rockex Board is responsible for reviewing and approving corporate goals and objectives relevant to executive compensation and evaluating performance relative to those goals and objectives. Rockex has constituted a Compensation Committee - comprised of Gilles Filion (not independent), Pierre Gagné (not independent) and Jonathan Tondeur (independent) - to consider such matters, to report to the Board and make recommendations regarding compensation. Performance is defined to include achievement of Rockex's strategic objective of growth and enhancement of shareholder value through increases in stock price. It is the responsibility of the Rockex Board as a whole to determine the level of compensation in respect of Rockex's senior executives with a view to providing such executives with a competitive compensation package having regard to responsibilities and performance. The total compensation from all sources, including salary, bonus, and stock options should be considered.

No compensation was paid to directors of Rockex during the fiscal year ended December 31, 2012 in their capacities as directors. No standard or other compensation arrangements are in place for the directors in their capacities as directors and, except as disclosed in this Circular, there were no other arrangements for compensation of directors of Rockex as consultants or experts by Rockex or any of its subsidiaries during the most recently completed financial year.

Although there is currently no policy to pay fees to directors for acting as directors of Rockex, they may participate in the Rockex Stock Option Plan. Accordingly, their compensation is designed to align their interests with the returns to shareholders. (See "*Stock Option Plan*"). In addition, certain directors are expected to receive fees for providing professional and other services.

(h) Other Board Committees

The Rockex Board is legally obligated to have one committee, the Audit Committee. The Audit Committee supervises the adequacy of internal accounting controls and financial reporting practices and procedures and the quality and integrity of audited and unaudited financial statements, including through discussions with external auditors. Further information regarding the Audit Committee may be found under the heading "Audit Committee" below.

(i) Assessments

The Chairman of the Rockex Board is responsible for evaluating the performance of directors by annually reviewing the performance of nominees for re-election to the Rockex Board, with the objectives of: ensuring comprehensive and independent oversight of the management of Rockex, maintaining the directors' working relationship with management, and promoting open communication and disclosure by management of material information to the board of directors.

The Rockex Board is expected to monitor the effectiveness of the Audit Committee on an on-going basis and to require the Audit Committee to report to the Board of Directors on the proceedings of each Audit Committee meeting.

### **Board Committees**

The Corporation currently has an Audit Committee consisting of three (3) independent directors. The current members are Armando Plastino, Bruce Reid and Jonathan Tondeur. For further information see "*Audit Committee Disclosure*" below.

The Board also has a Compensation Committee – comprised of Gilles Filion, Pierre Gagné and Jonathan Tondeur – and a Corporate Governance Committee – comprised of Armando Plastino and Jonathan Tondeur. All significant operating and executive compensation matters are presented directly to the Board for review, discussion and approval.

### **Majority Voting Policy**

New rules of the Toronto Stock Exchange (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. On May 15, 2013, the Board of Directors considered whether to adopt a majority voting policy and determined not to adopt such a policy at this time for the following reasons. If the resignation of a director who received a majority withheld vote is accepted, the Board would have the following options: (i) to continue with a vacancy, (ii) to reduce the size of the Board, or (iii) to appoint an individual, who was not nominated at the shareholders’ meeting and about whom the shareholders have been given no information, to fill the vacancy. In view of the relatively small size of the Board, the first two options are not desirable, especially if an independent director were obliged to resign. As for the third option, there would be no guarantee of identifying a nominee with the appropriate skill set willing to replace the resigning director within a reasonable length of time. In addition, a majority voting policy would be unworkable if a majority of the directors should receive majority withheld votes. The Board is also aware that certain shareholders may vote in accordance with agendas which are not necessarily in the best interests of the Corporation. An example is shareholders who as a matter of policy withhold votes from proposed directors who are members of management. The Corporation is governed by the *Business Corporations Act* (Ontario) (the “**OBCA**”) which provides for plurality voting (i.e. shareholders may vote for or withhold their votes for each director with the result that a director may be elected if he or she receives just one vote) as opposed to majority voting for directors. The Board believes that plurality voting is an advantage for the Corporation. It ensures that a full Board will be elected annually at shareholders’ meetings. It does not diminish the right of shareholders to nominate other persons for election as directors in accordance with the OBCA and the Corporation’s by-laws.

In keeping with the new rules of the TSX, the Corporation will continue to elect each director annually and individually, will advise the TSX by e-mail if a director receives a majority withheld vote and will forthwith after the shareholders’ meeting issue a press release disclosing the detailed results of the voting for directors.

### **Audit Committee Disclosure**

#### **Audit Committee Charter**

The Audit Committee charter of Rockex is attached as Schedule “B”.

#### **Composition and Independence of Audit Committee**

The Audit Committee is currently composed of three (3) members: Armando Plastino, Bruce Reid and Jonathan Tondeur. All are independent for the purpose of the OBCA audit committee requirements and National Instrument 52-110 “*Audit Committees*” (“**NI 52-110**”).

#### **Financial Literacy**

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements. All of the members of the Rockex Audit Committee are financially literate.

#### **Relevant Education and Experience**

Each Audit Committee member possesses certain education and experience which is relevant to the performance of his or her responsibilities as an Audit Committee member and, in particular, education or experience which provides the member with one or more of the following: an understanding of the accounting principles used by Rockex to prepare its financial statements; the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Rockex’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

**Armando Plastino** – Mr. Plastino has served as a director of Rockex since March 14, 2011. He has been involved in the active supervision of individuals who engaged in the preparation, analysis and evaluation of financial statements in his capacities as the Chief Executive Officer of Essar Steel Algoma Inc. until April 1, 2011. Accordingly, he

possesses an understanding of the internal controls required for a company like Rockex and procedures for financial reporting.

**Bruce Reid** – Mr. Reid has served as a director of Rockex since March 4, 2011. He has been involved in the active supervision of individuals who engaged in the preparation, analysis and evaluation of financial statements in his capacities as the Chief Executive Officer of US Silver Corp from 2006 to 2008 and currently as the Chief Executive Officer of Carlisle Goldfields Limited. Accordingly, he possesses an understanding of the internal controls required for a company like Rockex and procedures for financial reporting. He has also had experience with other mining and mineral exploration companies, including experience in the preparation, analysis and evaluation of financial statements comparable to the breadth and complexity of Rockex’s financial statements.

**Jonathan Tondeur** – Mr. Tondeur was as a director of Rockex Limited from May 27, 2010 until January 1, 2012 and has been a director of Rockex since January 1, 2011. He has been involved in the active supervision of individuals who engaged in the preparation, analysis and evaluation of Rockex’s financial statements, and possesses an understanding of the internal controls of Rockex and procedures for financial reporting. He has also had experience with the preparation, analysis and evaluation of financial statements for Rockex Limited whose financial statements were comparable to Rockex’s financial statements.

### **Reliance on Certain Exemptions**

Until the constitution of the current Audit Committee comprised of three independent directors, the Corporation relied on the exemption provided under Section 3.6 of NI 52-110 *Temporary Exemption for Limited and Exceptional Circumstances*. The Corporation may rely on this exemption to the requirement that all members of the Audit Committee be “independent” for up to two (2) years.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee meets and/or its individual members meet with the Corporation’s auditors, independent of management, and have direct communication channels with the external auditors to discuss and review specified issues as appropriate.

### **Audit Fees**

The following table sets forth the aggregate fees billed to the Corporation by Grant Thornton LLP, Chartered Accountants, for services rendered in the fiscal years ended December 31, 2012 and December 31, 2011.

	<b>Fiscal Year ended December 31, 2012 (\$)</b>	<b>Fiscal Year ended December 31, 2011 (\$)</b>
Audit fees	24,000	24,000
Audit-related fees	nil	6,825
Tax fees	nil	nil
All Other fees	4,860	22,480
<b>Total</b>	<b>28,860</b>	<b>53,305</b>

### **AVAILABILITY OF INFORMATION**

Additional information relating to Rockex can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on Rockex’s website [www.rockexmining.com](http://www.rockexmining.com). Financial information is provided in the Corporation’s consolidated financial statements and management discussion and analysis (“MD&A”) for the financial year ended December 31, 2012. Securityholders may obtain copies of this Information Circular, the MD&A and the audited consolidated financial statements for the most recently completed financial year from the Corporation’s office at 580 New Vickers Street, Thunder Bay, Ontario P7E 6P1, Canada: telephone (807) 623-2626 or by e-mail to the Corporate Secretary at [pgclgagne@tbaytel.net](mailto:pgclgagne@tbaytel.net).

## **DATE OF INFORMATION**

The information contained in this Information Circular is given as of May 15, 2013 unless otherwise indicated herein. Management of the Corporation knows of no matter to come before the Meeting, other than the matters referred to in the accompanying Notice.

## **BOARD APPROVAL**

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

*“Pierre Gagné”*

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Pierre Gagné  
Secretary

## SCHEDULE "A"

### ROCKEX MINING CORPORATION

#### BY-LAW NO. 3

#### ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

**BE IT ENACTED** and it is hereby enacted as a by-law of **ROCKEX MINING CORPORATION** (hereinafter called the "**Corporation**") as follows:

1. Subject only to the *Business Corporations Act* (Ontario) (hereinafter the "**Act**") and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting, management information circular or otherwise; or
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act, or
- (c) by any person (a "**Nominating Shareholder**") who, (i) at the close of business on the date of the giving of the notice provided for below in this Section 1 and on the record date for notice of such meeting, is a registered or beneficial holder of one or more shares carrying the right to vote at such meeting and (ii) who complies with the notice procedures set forth below in this By-law.

(A) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof (a "**Notice**") in proper written form to the Chairman of the Board at the registered office of the Corporation in accordance with this By-law.

(B) To be timely, a Nominating Shareholder's Notice to the Chairman of the Board must be given:

- (I) in the case of an annual meeting of shareholders of the Corporation, not fewer than 30 and not more than 65 days prior to the date of the annual meeting of shareholders of the Corporation, unless such meeting is called for a date that is fewer than 50 days after the date on which the first public filing or public announcement of the date of such meeting was made, in which case Notice must be given not later than the close of business on the 10<sup>th</sup> day following the date of such public filing or public announcement; and
- (II) in the case of a special meeting of shareholders of the Corporation (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15<sup>th</sup> day following the day on which the first public filing or public announcement of the date on which Notice of such meeting was made.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this sub-paragraph (B). In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's Notice as described above.

(C) To be in proper written form a Nominating Shareholder's Notice to the Chairman of the Board must set forth:

- (I) as to each individual whom the Nominating Shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the individual, (ii) the principal occupation or employment of the individual, (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the individual as of the record date of the meeting of shareholders (if such date shall then have been made publicly available and

shall have occurred) and as of the date of such Notice, and (iv) any other information relating to the individual that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as hereinafter defined); and

- (II) as to the Nominating Shareholder, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has or will have a right to vote any shares of the Corporation and any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

2. No individual shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 1.; provided, however, that nothing in Section 1, shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the Meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination is out of order and shall be disregarded.

3. For purposes of Section 1, (i) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com) ("**SEDAR**"); and (ii) "**Applicable Securities Laws**" means the *Securities Act* (Ontario) and the equivalent legislation in the other provinces and territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the provinces and territories of Canada.

4. Notwithstanding any other provisions of this or any other by-law of the Corporation, Notice given to the Chairman of the Board pursuant to the Section 1 may only be given by personal delivery, facsimile transmission or by email (at such facsimile number or email address as stipulated from time to time by the Corporation under its profile on SEDAR), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (at the number as aforesaid; provided that receipt of confirmation of such transmission has been received) to the Chairman of the Board at the registered office of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (local time at the registered office of the Corporation) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next subsequent day that is a business day. For the purposes hereof, a "**business day**" is any day other than a Saturday, Sunday or statutory holiday in the province of Ontario.

**PASSED AND ENACTED** as of the 15<sup>th</sup> day of May, 2013.

**WITNESS** the corporate seal of the Corporation.

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*President*

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*Secretary*

## SCHEDULE “B”

### ROCKEX MINING CORPORATION

#### AUDIT COMMITTEE CHARTER

##### **Purpose of the Audit Committee**

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of Rockex Mining Corporation (the “**Corporation**”), more specifically, to foster communication between directors and external auditors, to enhance the independence of the external auditors and to represent the interests of shareholders through oversight of the external auditors on behalf of the shareholders.

It is the objective of the Committee to maintain free and open communications among members of the Board, the committees of the Board and the external auditors with respect to the financial management of the Corporation.

##### **Authority and Membership**

The Committee is established pursuant to the Corporation’s By-law No. 1 and section 158 of the *Business Corporations Act* (Ontario) (the “**Act**”).

The Committee shall be comprised of three (3) or more directors as determined from time to time by resolution of the Board. Subject to the provisions of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), each member of the Committee must be independent and financially literate. The meaning of “independent” and “financially literate” shall be determined by reference to NI 52-110, sections 1.4 to 1.6, inclusive, sections 3.1(3) and (4), and section 3.9. A person who is not financially literate may be appointed to the Committee, provided that the member becomes financially literate within a reasonable period of time following his or her appointment. Members of the Committee shall be elected by the Board annually or at such other time as may be determined by the Board.

The Chair of the Committee (the “**Chair**”) shall be designated by the Board, provided that if the Board does not so designate a Chair, the members of the Committee may, by majority vote, designate a Chair.

##### **Committee Responsibilities**

1. The Committee is responsible for having a written charter setting out its mandate and responsibilities.
2. The Committee is responsible for recommending to the Board:
  - (i) the external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attesting services for the Corporation; and
  - (ii) the compensation of the external auditors.
3. The Committee is directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attesting services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting.
4. The Committee must pre-approve all non-audit services to be provided to the Corporation or any of its subsidiary entities by its external auditors.
5. The Committee must review the financial statements, Management’s Discussion and Analysis (“**MD&A**”) and annual and interim earnings press releases before the Corporation publicly discloses the information.
6. The Committee must be satisfied that adequate procedures are in place for the review of any disclosure of financial information extracted or derived from the financial statements, other than the public disclosure referred to in item 5 above, and must periodically assess the adequacy of those procedures.
7. The Committee is responsible for establishing procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Corporation and others in respect of concerns regarding questionable accounting or auditing matters.



8. The Committee is responsible for reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.

#### **Pre-Approval of *De Minimis* Non-Audit Services**

An audit committee satisfies the pre-approval requirement regarding non-audit services of the external auditor if:

- (a) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent (5%) of the total amount of fees paid by the Corporation and its subsidiary entities to the Corporation's external auditor during the fiscal year in which the services are provided;
- (b) the Corporation or the subsidiary entity of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Committee of the Corporation and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

#### **Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the pre-approval of non-audit services requirement.
2. The pre-approval of non-audit services by any member to whom authority has been delegated pursuant to item 1 above must be presented to the Committee at its first scheduled meeting following such pre-approval.

#### **Pre-Approval Policies and Procedures**

The Committee satisfies the pre-approval requirement in subsection 2.3(4) of NI 52-110 if it adopts specific policies and procedures for the engagement of the non-audit services, provided that:

- (a) the pre-approval policies and procedures are detailed as to the particular service;
- (b) the Committee is informed of each non-audit service; and
- (c) the procedures do not include delegation of the Committee's responsibilities to management.

#### **Meetings of the Committee**

The Committee shall meet with such frequency and at such intervals as it shall determine to be necessary to carry out its duties and responsibilities, provided that the Committee meets at least once annually. The proceedings of all meetings must be minuted.

The Committee may invite such other persons to its meetings as it deems necessary.

The auditor of the Corporation or a member of the Committee may call a meeting of the Committee.

The auditor may attend Committee meetings, is entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, is entitled to attend and be heard thereat and, if requested by a member of the Committee, shall attend every meeting of the Committee held during the term of office of the auditor. The auditor of the Corporation shall be entitled to attend at the expense of the Corporation and be heard at meetings of the Board on matters relating to the auditors' duties.

The presence (in person or by telephone or other similar means) of a majority of the Committee's members shall constitute a quorum for any Committee meetings. All decisions of the Committee require the vote of a majority of its members present at a meeting at which a quorum is present.

#### **Roles and Responsibilities**

##### **1. Financial Reporting**

The Committee shall:

- (i) gain an understanding of the current areas of greatest financial risk and how management is managing them effectively;
- (ii) consider with the external auditors any fraud, illegal acts, deficiencies in internal control or other similar issues;
- (iii) review significant accounting and reporting issues, including recent professional and regulatory pronouncements and understand their impact on the financial statements;

- (iv) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks and exposures;
- (v) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;
- (vi) establish procedures for the confidential, anonymous submission by employees of the Corporation and others in respect of concerns regarding questionable accounting or auditing matters;
- (vii) review any legal matters which could significantly impact the financial statements; and
- (viii) review and recommend approval to the Board of:
  - prospectus-type documents
  - related news releases
  - information and earnings guidance provided to analysts and rating agencies.

## **2. Annual Financial Statements**

The Committee shall review the financial statements of the Corporation and shall report to the Board before such financial statements are approved by the Board under section 159 of the Act (respecting approval of financial statements by the Board). The Committee shall:

- (i) meet with management and the external auditors to review the financial statements and the results of the audit;
- (ii) review the annual audited financial statements prior to presentation to the Board and distribution to shareholders and determine whether they are complete and consistent with the information known to Committee members and assess whether the financial statements reflect appropriate accounting principles;
- (iii) recommend that the annual financial statements and all related documents be received and approved by the Board;
- (iv) review the financial reports and statements of the Corporation that require the approval of the Board prior to being submitted to any regulatory body;
- (v) be satisfied that adequate procedures are in place for the review of any disclosure of financial information extracted or derived from such financial statements and periodically assess the adequacy of those procedures;
- (vi) review complex and/or unusual transactions and judgmental areas such as significant claims and contingencies that could materially impact the Corporation's financial position;
- (vii) review MD&A of financial information in the annual report and the Annual Information Circular; and
- (viii) review all Related Party transactions.

## **3. Interim Financial Statements**

The Committee shall assess the fairness of the preliminary and interim statements and disclosures and obtain explanations from management and internal and external auditors on whether:

- (i) actual financial results for the interim period varied significantly from budgeted or forecasted results;
- (ii) changes in financial ratios and the relationships in the interim financial statements are consistent with changes in the Corporation's operations and financing practices;
- (iii) generally accepted accounting principles have been consistently applied;
- (iv) there are any actual or proposed changes in accounting or financial reporting practices;
- (v) there are any significant or unusual events or transactions; and
- (vi) the preliminary announcements and interim financial statements contain adequate and appropriate disclosures.

## **4. Risk and Uncertainty**

The Board, in consultation with management, identifies the principal business risks, decides on an acceptable level, approves related risk management policies and assigns oversight responsibilities to Board committees and the Board as a whole.

The Committee should annually obtain or request the external auditor's opinion of management's assessment of significant financial risks facing the Corporation and how effectively they are being managed or controlled.

## **5. Internal Control**

The Committee shall review the plans of the internal and external auditors to ensure the combined evaluation and testing of control is comprehensive, well-coordinated, cost-effective and appropriate to the risks, business activities and changing circumstances of the Corporation. The Committee shall:

- (i) review appointments of key people involved in financial reporting;
- (ii) review fraud prevention programs and monitor their implementation;
- (iii) review annual budget and management control procedures;
- (iv) evaluate whether management is setting the appropriate "control culture" by communicating the importance of internal control and the management of risk and ensuring that all employees and others having roles in financial and other transactions have an understanding of their roles and responsibilities;
- (v) consider how management is held to account for the security of computer systems and applications, and the contingency plans for processing financial information in the event of a systems breakdown;
- (vi) gain an understanding of whether internal control recommendations made by the external auditors have been implemented by management; and
- (vii) review the process and procedures for officer certification of financial information.

The Committee has authority to communicate directly with the Corporation's internal and external auditors.

## **6. External Audit**

The Committee is directly responsible for engaging and overseeing the work of the external auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Corporation. The external auditors shall report all material issues or potentially material issues to the Committee. The external auditor shall report directly to the Committee, and the Committee has the authority to communicate directly with the external auditors of the Corporation.

The Committee shall:

- (i) review the external auditor's proposed audit scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope;
- (ii) review the performance of the external auditors;
- (iii) consider the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services retained by the Corporation;
- (iv) review the annual audit plan and fees proposed by the external auditors;
- (v) review the nature and extent of the liaison between the Corporation's staff and the external auditors;
- (vi) ensure that significant findings and recommendations made by the external auditors are received and discussed on a timely basis;
- (vii) report to the Board any conflict between the external auditors and management that the Committee has been unable to resolve within a reasonable period of time;
- (viii) review the draft audit opinion on annual financial statements;
- (ix) review the management representation letter provided to the external auditors;
- (x) meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately; and
- (xi) make recommendations to the Board regarding the external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation and their compensation.

The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall be accountable to the Board through the Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

## **7. Compliance with Laws and Regulations**

The Committee shall:

- (i) review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any fraudulent acts or non-compliance;
- (ii) obtain regular updates from management and others (e.g. internal and external auditors, legal counsel) concerning the Corporation's compliance with financial related laws and regulations such as:
  - tax and financial reporting laws and regulations.
  - legal, tax and withholding remittances.
  - environmental protection laws.
  - occupational health and safety laws.
  - personal information and protection of privacy laws
- (iii) review insider stock trades for compliance with applicable securities laws and the Corporation's stock trading policies;
- (iv) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (v) review the findings of any examination by regulatory agencies.

## **8. Other Matters**

### **(a) Conflicts of Interest**

The Committee shall:

- (i) review the Corporation's policies relating to the avoidance of conflicts of interest between the Corporation and directors and members of management as well as procedures with respect to officers' expense accounts and perquisites, including the use of corporate assets; and
- (ii) annually, review and approve the CEO's expense accounts for the year then ended.

### **(b) Committee's Right to Seek Independent Advice**

The Committee has the authority to seek independent expert advice, including the retaining of independent counsel, accountants or others, as it determines necessary to assist the Committee in fulfilling its duties and responsibilities and the Committee has the authority to set and pay from the Corporation's funds the compensation for any advisors employed.

### **(c) Committee's Caveat**

While the Committee has the duties and responsibilities as set out in this Charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Corporation's financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles, consistently applied.