

NORTHERN IRON CORP.

May 7, 2012

MANAGEMENT INFORMATION CIRCULAR

For the Annual and Special Meeting
to be held on Tuesday, May 29, 2012

GENERAL PROXY INFORMATION

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF NORTHERN IRON CORP. (THE “COMPANY”) OF PROXIES TO BE USED AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD ON TUESDAY, MAY 29, 2012 AT THE TORONTO BOARD OF TRADE – DOWNTOWN CENTRE, FIRST CANADIAN PLACE, SUITE 350, 77 ADELAIDE STREET WEST, TORONTO, ONTARIO M5X 1C1 AT 7:30 A.M. (TORONTO TIME), AND AT ANY ADJOURNMENT THEREOF (THE “MEETING”) FOR THE PURPOSES SET OUT IN THE ENCLOSED NOTICE OF MEETING (THE “NOTICE OF MEETING”). It is expected that the solicitation will be primarily by mail but proxies may also be solicited personally or by telephone by the directors, officers and employees of the Company who will not receive any additional compensation for such services. The cost of solicitation by management will be borne by the Company.

The record date for determining holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) in the capital of the Company entitled to notice of, and to attend and vote their shares at, the Meeting is April 17, 2012 (the “**Record Date**”).

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers or directors of the Company. **A SHAREHOLDER DESIRING TO APPOINT A PERSON OTHER THAN THE PERSON NAMED ON THE FORM OF PROXY TO ATTEND AND ACT ON HIS, HER OR ITS BEHALF AT THE MEETING MAY DO SO** either by striking out the names of management’s designees and inserting such person’s name in the blank space provided in the accompanying form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1 (Fax no. (416) 361-0470) not later than 4:30 p.m., Toronto time, on Wednesday, May 29, 2012, the last business day preceding the date of the Meeting, or in the event of an adjournment of the Meeting, by 4:30 pm on the last business day preceding the date of the adjournment, or delivered to the chairman on the day of the Meeting or any adjournment thereof.

Each Shareholder is entitled to appoint a person to represent such Shareholder at the Meeting, who need not be one of the persons named in the accompanying form of proxy.

A proxy must be signed in writing or, subject to the means of electronic signature permitting a reliable determination that the document was created or communicated by or on behalf of the Shareholder or the attorney, as the case may be, by electronic signature by the Shareholder or an attorney who is authorized by a document that is signed in writing or by electronic signature or, if the Shareholder is a body corporate, by an officer or attorney of the body corporate duly authorized.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the Shareholder or by his, her, or its attorney authorized in writing, and deposited either at Equity Financial Trust Company (200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 (fax (416) 361-0470)) or at the registered office of the Company (40 University Avenue, Suite 720, Toronto, Ontario M5J 1T1) at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of such Meeting on the day of the Meeting, or adjournment thereof, or in any other manner permitted by law.

In addition to any other manner permitted by law, section 110(4) of the *Business Corporations Act* (Ontario) (the “**OBCA**”) provides that a shareholder may revoke a proxy before it is exercised by: (i) depositing an instrument in writing signed in the same manner as the proxy at the registered office of the Company at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the chair of such Meeting on the day of the Meeting or an adjournment thereof; or (ii) transmitting, by telephonic or electronic means, a revocation that complies with the same requirements as the proxy and that, subject to the means of electronic signature permitting a reliable determination that the document was created or communicated by or on behalf of the shareholder or the attorney, as the case may be, is signed by electronic signature.

A Shareholder attending the Meeting has the right to vote in person and if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

The shares voted at the Meeting will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for. Where a choice is specified on a proxy, securities represented by the proxy will be voted in accordance with the choice so specified in the proxy. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE ITEM OF BUSINESS AS SET OUT IN THE NOTICE OF MEETING AND AS STATED ELSEWHERE IN THIS MANAGEMENT INFORMATION CIRCULAR.**

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matter identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting, in such manner as such nominee in his or her judgment may determine. **IF OTHER MATTERS WHICH ARE NOT PRESENTLY KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGEMENT OF THE PERSON OR PERSONS VOTING THE PROXY.** As of the date of this management information circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the accompanying Notice of Meeting.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The authorized capital of the Company consists of an unlimited number of Common Shares without nominal or par value. As at April 17, 2012, the Record Date, the Company had issued and outstanding 74,629,875 Common Shares, each carrying one vote per share. Other than as disclosed below, to the knowledge of management of the Company, no person beneficially owns, directly or indirectly, or has control or direction over, 10% or more of the Common Shares of the Company.

In accordance with the provisions of the OBCA, the Company will prepare a list of all persons who are registered holders of Common Shares as of the Record Date, and the number of Common Shares registered in the name of each person on such date. Each Shareholder is entitled to one vote for each Common Share registered in such Shareholder's name as it appears on the list.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered Shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares of the Company beneficially owned by a person (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of the Common Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101, the Company will have distributed copies of the Notice of Meeting, this management information circular and the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the "**Voting Instructions Form**") which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of their shares of the Company. Should a Non-Registered Holder who receives the Voting Instructions Form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the Voting Instructions Form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the Voting Instructions Form.

REQUIRED SHAREHOLDER APPROVALS

Unless otherwise noted under "PARTICULARS OF MATTERS TO BE ACTED UPON", all resolutions submitted to the Shareholders must be approved by a majority of the votes cast by holders of Common Shares of the Company present in person or represented by proxy at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or officer of the Company, no proposed nominee for election to the board of directors of the Company (the "**Board**"), and no associate or affiliate of any such person has any material interest, direct or indirect, in any matter to be acted upon at the Meeting other than the election of directors.

The above information was supplied by the management of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

FINANCIAL STATEMENTS

Shareholders of the Company will be asked to review and consider the audited financial statements and the Management's Discussion and Analysis of the Company for the financial year ended September 30, 2011, together with the Auditor's Report thereon, copies of which will be provided to each shareholder upon receipt of a financial statement request form, which accompanies this management information circular and are available at www.sedar.com.

ELECTION OF DIRECTORS

The articles of incorporation of the Company provide that the Board shall consist of not less than three and not more than ten directors. The Company currently has five directors.

The term of office of each of the present five directors expires at the Meeting. Each of the persons named below will be presented for election at the Meeting as management's nominees. Each director elected will hold office until the next annual meeting of the Company or until his successor is elected or appointed ("**End of Term**"), unless his office is vacated before his End of Term in accordance with the articles of incorporation of the Company or the provisions of OBCA.

In accordance with the Company's articles of incorporation, six persons are nominated as directors of the Company. The following table sets forth the name of each person nominated by management of the Company for election as a director, his principal occupation, business or employment, his current position with the Company, if any, the period of time for which he has been a director of the Company, and the number of shares of the Company beneficially owned, directly or indirectly, or subject to control or direction, by such person as of May 7, 2012.

Name, Province of Residence, & Positions with Company	Director Since	Shares Beneficially Owned	Principal Occupation and Past Experience
Basil Botha British Columbia, Canada President and CEO, Chair of the Audit Committee	March 23, 2010	824,500 ⁽¹⁾	Mr. Botha has served as an Executive Chairman of the Company since March 2010 and the President and Chief Executive Officer of the Company since January 2011. Mr. Botha has more than 30 years international coal mining and marketing experience, primarily gained with Otavi Mining Ltd. and Reef Coal Mining Ltd. in Johannesburg, South Africa. He has extensive knowledge dealing with coal beneficiation processes and ancillary by-products and has specialized in start-up mining operations, mergers, acquisitions and corporate finance.

Name, Province of Residence, & Positions with Company	Director Since	Shares Beneficially Owned	Principal Occupation and Past Experience
David Richard Brown, Ontario, Canada Director, Member of the Audit Committee, Member of the Compensation Committee	November 20, 2009	525,000 ⁽²⁾	Mr. Browns has been a Partner in Osprey Capital since August 2001. Prior to joining Osprey Capital, Mr. Brown spent ten years with the Bank of Nova Scotia and Scotia Capital Markets in New York as a corporate lending officer. After four years in the corporate lending group, Mr. Brown moved to the Bank of Nova Scotia's investment bank, where he served as head of investment grade fixed income origination, focusing primarily on foreign issuers accessing the U.S. capital markets.
Paul Sarjeant Ontario, Canada Director	October 13, 2011	Nil ⁽³⁾	Mr. Sarjeant is a Professional Geologist who has been involved in mineral exploration and development in North and South America and throughout Africa, Asia and Europe for more than 25 years. He holds a BSc (honors) in geological sciences from Queen's University in Kingston, Ontario and is a member of the Association of Professional Geoscientists of Ontario. Mr. Sarjeant worked with Echo Bay Mines as Senior Geologist, International Project Valuations to 1995 and served as President and CEO of Auric Resources Ltd to 1999 and was President and CEO of Grandview Gold Inc to 2010. Mr. Sarjeant serves as a director/consultant to a number of private and public mining companies. He currently is President and CEO of Lions Gate Metals Inc. and is the founder of Doublewood Consulting Inc.
Gordon McCreary	April 24, 2012	300,000	<p>As a mining engineer, Mr. McCreary's entire career of 40 years has been focused on the identification and advancement of mineral properties from exploration through development to production. Mr. McCreary offers a wealth of northern precious metal experience as well as deep relationships with the financial community to finance the advancement of mineral projects.</p> <p>Mr. McCreary serves as a director of Asia Now Resources Corp. since 2006 and as the Chairman since November 2010. He has served on the audit committee and has worked closely with senior management in property assessments and investor relations.</p> <p>Mr. McCreary served as the president and CEO of Baffinland Iron Mines Corporation from 2004 to 2010 and as Vice-President Corporate Affairs of Kinross Gold Corporation from 1993 to 2004.</p>

Name, Province of Residence, & Positions with Company	Director Since	Shares Beneficially Owned	Principal Occupation and Past Experience
David Miller Ontario, Canada Proposed Director	N/A	Nil	<p>David Miller is a leading advocate for the creation of sustainable urban economies. In addition to being a strong and forceful champion for the next generation of jobs through sustainability, David advises companies and governments on practical measures to make this happen. In addition to his work at Aird & Berlis LLP, David also works with The World Bank, the OECD, United Nations Environment Program (UNEP) and is the Future of Cities Global Fellow at Polytechnic Institute of New York University (NYU-Poly). He is also a member of the David Suzuki Foundation Board, an Honorary Director of Canadian Association of Physicians for the Environment (CAPE) and a Chair of the Board of Directors for Cape Farewell North America.</p> <p>David Miller served as the Mayor of Toronto from 2003 – 2010, and was Chair of the C40 Cities Climate Leadership Group from 2008 – 2010.</p>
Alberto Hassan	N/A	Nil	<p>Alberto Hassan has 45 years of experience in the steel and automotive industry. Mr. Hassan was instrumental in the development of the Hot Briquetted Iron (HBI) industry in Venezuela, as well as the FINMET® Process Technology. Among others, he served as the President and CEO of Orinoco Iron, an Executive Director of VENPRECAR, Project Director of the an HBI and Steel mill, General Manager of FIOR de Venezuela, Chairman of the Copal Palua Port and Plant Manager of General Motors de Venezuela. Mr. Hassan founded the HBI Association, the international trade association for HBI, in 1998 and served as its Chairman from 2004 until the merger of HBI Association in 2010 with International Pig Iron Association (IPIA), which resulted in formation of international Iron Metallics Association (IIMA), where he currently serves as the President.</p>

- (1) Mr. Botha also holds stock options exercisable for 600,000 Common Shares (options exercisable for 250,000 Common Shares at an exercise price of \$0.10 per share until April 1, 2015; and options exercisable for 350,000 Common Shares at an exercise price of \$0.10 per share until June 11, 2015).
- (2) Mr. Brown also holds stock options exercisable for 350,000 Common Shares at an exercise price of \$0.10 per share until June 11, 2015.
- (3) Mr. Sarjeant holds stock options exercisable for 350,000 Common Shares (options exercisable for 200,000 Common Shares at an exercise price of \$0.30 per share until October 13, 2016; and options exercisable for 150,000 Common Shares at an exercise price of \$0.30 per share until December 21, 2016).

Pursuant to Item 7.2 of National Instrument 51-102F5 – Continuous Disclosure Obligations, the following disclosure is being made with respect to persons proposed to be nominated by management of the Company for election as a director.

Bankruptcy Proceedings

None of the proposed directors or executive officers of the Company has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Penalties or Sanctions

Other than as described below, none of the proposed directors of the Company is, or during the past ten years was: (i) a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade order or similar order, or an order that denied that issuer access to any statutory exemptions for a period of more than 30 consecutive days, during his tenure or after his tenure if the order resulted from an event that occurred during his tenure; or (ii) a director or executive officer of any company that during his tenure or within one year after his tenure, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Other than as described below, no director of the Company has been subject to any: (i) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Basil Botha, the President and CEO of the Company was subject to an investigation by the British Columbia Securities Commission (the "BCSC") in connection with whether or not, during the period from January 1, 2006 to February 18, 2008, in relation to his activities with respect to an investment club, including managing online brokerage accounts for some of the members and charging the members on a fee for profit basis, he may have breached section 34 of the *Securities Act* (British Columbia), which provides that a person must not act as an advisor unless the person is registered.

Mr. Botha's counsel and the BCSC have entered into a settlement agreement, pursuant to which Mr. Botha reimbursed the fees paid by members of the investment club and paid \$10,000 to the BCSC in respect of settlement of the matter. The settlement agreement provided that Mr. Botha will comply fully with the *Securities Act* (British Columbia), the Securities Rules, BC Reg. 194/97, and any applicable regulations and Mr. Botha was prohibited from becoming or acting as an advisor for a period of three years from the date of the settlement agreement. Under the terms of the settlement agreement, Mr. Botha was not prohibited from acting as a director of a public company.

The shares of G4G Resources Ltd. were halted from trading on the TSX Venture Exchange due to a request by the TSX Venture Exchange for the company to provide an NI 43-101 compliant technical report on a mineral property of the company. The trading halt was imposed for the period of time between the date of the request and the date when the report was provided to the TSX Venture Exchange. Mr. Botha is the President and Chief Executive Officer of G4G Resources Ltd.

Unless a proxy specifies that the shares it represents are to be withheld from voting in favour of the candidates proposed above, the proxies named in the accompanying form of proxy intend to vote in favour of the candidates proposed above.

RE-APPOINTMENT OF AUDITOR

Shareholders of the Company will be asked to approve the re-appointment of **MNP LLP** as the auditor of the Company to hold office until the close of the next annual meeting of the Shareholders of the Company and to authorize the Board to fix the remuneration to be paid to the auditor. MNP LLP was first appointed the auditor of the Company on September 29, 2010.

Unless a proxy specifies that the shares it represents are to be withheld from voting in favour of the appointment of MNP LLP as the auditor of the Company, the proxies named in the accompanying form of proxy intend to vote *in favour* of the appointment of MNP LLP as auditor of the Company and the authorization of the Board to fix the remuneration paid to the auditor.

APPROVAL OF AMENDED AND RESTATED STOCK OPTION PLAN

The Company's stock option plan was most recently approved by the Board on May 2, 2011. This Amended Stock Option Plan (the "**Plan**") is a rolling stock option plan as described in TSX Venture Exchange Policy 4.4. The Plan is the successor to a stock option plan first adopted for the Company on May 1, 2010. Under Section 2.9 of Exchange Policy 4.4, the Company is required to obtain the approval of its Shareholders for its rolling plan. Accordingly, the Shareholders will be asked to approve the Plan. The Plan is further described under "Stock Option Plan". A copy of the Plan is attached as Schedule "A". Shareholders are asked to pass the following ordinary resolution (meaning a resolution passed by the majority of votes cast in person or by proxy at the Meeting) authorizing the approval of the Plan:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the current Amended Stock Option Plan of the Company be approved; and
2. any director or officer of the Company is hereby authorized to execute (whether under the corporate seal of the Company or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with such reapproval, the execution of any such document of the doing of any such other act or thing by any director or officer of the Company being conclusive evidence of such determination."

Unless a proxy specifies that the shares it represents are to be voted against of the approval of the Amended and Restated Stock Option Plan, the proxies named in the accompanying form of proxy intend to vote *in favour* of approval of the Amended and Restated Stock Option Plan.

INFORMATION CONCERNING THE COMPANY

EXECUTIVE COMPENSATION

Compensation of Executive Officers

Compensation Discussion and Analysis

The Company has a compensation committee, which committee has been delegated the task of reviewing the performance of the Company's management and advisors from time to time, and recommending compensation awards or adjustments. The ultimate decision on these issues rests with the Board, taking into consideration the compensation committee's recommendations, corporate and individual performance, and industry standards. The experience of Board and committee members who are also involved as

management of, or Board members or advisors to, other companies also informs decisions concerning compensation; however no formal objectives, criteria or analysis are used.

Summary Compensation Table

Pursuant to National Instrument 51-102 Continuous Disclosure Obligations, the Company is required to disclose all annual and long-term compensation for services rendered to the Company for its three most recently completed financial years, in respect of (i) the CEO, (ii) the CFO and (iii) any other executive officer whose compensation in any of those years exceeded \$150,000 (together, the “**Named Executive Officers**”). The Company currently has two Named Executive Officers: Basil Botha, President and CEO, and Grant T. Smith, Chief Financial Officer.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Basil Botha, President and Chief Executive Officer	2011	65,000	N/A	N/A	N/A	N/A	N/A	N/A	65,000
	2010	30,000	N/A	61,671	N/A	N/A	N/A	N/A	91,671
	2009	Nil	N/A	N/A	N/A	N/A	N/A	N/A	Nil
Grant T. Smith, Chief Financial Officer	2011	51,840 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	51,840 ⁽²⁾
	2010	Nil	N/A	N/A	N/A	N/A	N/A	N/A	Nil
	2009	Nil	N/A	N/A	N/A	N/A	N/A	N/A	Nil

⁽¹⁾ The fair value of the option-based awards has been estimated using the Black-Scholes Option-Pricing model.

⁽²⁾ Paid to Clearline Chartered Accountants – a company of which Grant T. Smith is a director.

Option Based Awards

The Company has a compensation committee, which committee has been delegated the task of reviewing the performance of the Company’s management and advisors from time to time, and recommending Option-Based Awards and other compensation awards or adjustments. The ultimate decision on these issues rests with the Board, taking into consideration the compensation committee’s recommendations, corporate and individual performance, and industry standards. Previous grants of Option Based Awards are taken into consideration in making this determination. The experience of Board and committee members who are also involved as management of, or Board members or advisors to, other companies also informs decisions concerning compensation.

Option based awards are issued under the Plan, the terms of which are set out under “Stock Option Plan”. A copy of the Plan is attached as Schedule “A”.

Outstanding share-based awards and option-based awards granted to Named Executive Officers

The following stock options granted to the Named Executive Officers were outstanding at the end of the financial year ended September 30, 2011.

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 (\$)	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)
Basil Botha	250,000	\$0.10	April 1, 2015	25,000	Nil	Nil
	350,000	\$0.10	June 11, 2015	35,000	Nil	Nil
Grant T. Smith	Nil	N/A	N/A	N/A	Nil	Nil

Incentive plan awards granted to Named Executive Officers – value vested or earned during the year

The following options granted to Named Executive Officers of the Company vested during the financial year ended September 30, 2011.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year
Basil Botha	Nil	Nil	Nil
Grant T. Smith	Nil	Nil	Nil

Management Contracts

Raul Sanabria provides services to the Company as the Vice-President, Exploration through a consulting agreement between the Company and Golden Hammer Exploration Ltd., a company controlled by Mr. Sanabria.

Compensation of Directors

The following table discloses the compensation provided to the directors of the Company (other than directors who are also Named Executive Officers) during the Company’s financial year ended September 30, 2011. (Compensation of directors who are also Named Executive Officers is disclosed under “Executive Compensation – Compensation of Executive Officers”. Directors who are also Named Executive Officers do not receive additional compensation for their services as directors.)

Name	Fees earned (\$)	Share - based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
David Richard Brown	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael T. R. List	386,172 ⁽²⁾	Nil	Nil	Nil	Nil	Nil	386,172 ⁽²⁾
Brian Thurston ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- 1) The fair value of options set out in this chart was estimated on the date of grant using the Black-Scholes option pricing model.
- 2) Paid to Ormston List Frawley LLP, a law firm in which Michael T.R. List is a partner, for legal services.
- 3) Mr. Thurston has resigned as a director of the company as of April 24, 2012.

The directors of the Company received no compensation from the Company during the financial year ended September 30, 2011. No compensation is paid to the directors of the Company for attendance at Board or committee meetings, although the Company reimburses all reasonable expenses incurred by directors in respect of their duties. No other remuneration is anticipated to be paid to the directors in their capacity as directors in the foreseeable future.

Outstanding share-based awards and option based awards granted to directors

The following stock options granted to the directors of the Company (other than directors who are also the Named Executive Officers) were outstanding at the end of the financial year ended September 30, 2011. (Compensation of directors who are also Named Executive Officers is disclosed under “Executive Compensation – Compensation of Executive Officers”. Directors who are also Named Executive Officers do not receive additional compensation for their services as directors.)

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 (\$)	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)
David Richard Brown	350,000	0.10	June 11, 2015	35,000	Nil	Nil
Michael T. R. List	350,000	0.10	June 11, 2015	35,000	Nil	Nil
Brian Thurston	350,000	0.10	June 11, 2015	35,000	Nil	Nil

Incentive plan awards to directors – value vested or earned during the year

No options were granted to directors of the Company, during the financial year ended September 30, 2011.

Termination and Change of Control Benefits

The Company is a party to an employment agreement with Basil Botha pertaining to Mr. Botha’s position as the President and CEO of the Company. Pursuant to the employment agreement, the Company is entitled

to terminate Mr. Botha's employment at any time without cause by giving ten months prior written notice of termination of employment or in lieu of such notice, by continuing Mr. Botha's monthly salary payments for a period of ten months from the date of termination of Mr. Botha's employment.

STOCK OPTION PLAN

Description of the Plan

The Company adopted a stock option plan on May 1, 2010. The plan was amended by the Board on May 2, 2011. The amendments to the Company's stock option plan in 2011 were made for the purpose of compliance with TSX Venture Exchange Policy 4.4 relating to stock option plans.

As of September 30, 2011, the number of Common Shares reserved for issuance was 2,300,000 under the Plan. The maximum number of Common Shares that may at any one time be reserved for issuance under the Plan is 10% of the number of Common Shares issued and outstanding at that time. As of September 30, 2011, the maximum number of Common Shares that could be reserved for issuance under the Plan was 7,402,987. At that date, the number of Common Shares that are reserved for future issuance under future options that may be, but have not been, issued under the Plan was 5,102,987. Any Common Shares subject to an option, which for any reason is cancelled or terminated without having been exercised, are again available to be granted under the Plan.

The persons eligible to receive stock options under the Plan are any director, officer, employee (full or part-time), consultant or management company employee of the Company or any affiliate of the Company designated by the directors under the Plan.

The Board currently administers the Plan, but administration may be delegated to a committee of the Board. The Board has the authority to determine, among other things, the persons to whom options are granted and the number of such options. At the time an option is granted, the Board also determines the exercise price of the option which, subject to a minimum price of \$0.10, shall be equal to the closing price of the Common Shares on such stock exchange or quotation system on which the Common Shares may be listed or quoted on the day immediately preceding the date of grant, and any vesting criteria or other restrictions with respect to the exercisability of the option. Options granted will vest immediately on being granted, unless the Board determines otherwise. Subject to any restrictions contained in the Plan, the Board may also impose such other terms and conditions, as it shall deem necessary or advisable at the time of grant.

The term of the options will be determined by the Board, but in any case must be no more than five years from the date of grant. Options are not transferable other than by testamentary will or the laws of descent and distribution. If an optionee ceases to be an eligible person, pursuant to the Plan, for any reason whatsoever, the option (to the extent that it has vested at the time of termination) is exercisable for a period of 90 days or until the option's expiration date, whichever is earlier, after which time the options will terminate and be of no further force and effect. If an optionee dies, the legal representative of the optionee may exercise the option (to the extent that it has vested at the time of death) until the earlier of one year after the date of death and the option's expiration date.

The Plan provides that the maximum number of Common Shares which may be reserved for issuance to any participant pursuant to options may not exceed 5% of the Common Shares outstanding at the time of grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to such person under any other option to purchase Common Shares under any other share compensation arrangement. Under the Plan, the maximum number of Common Shares that may be issued to any participant, or to any one insider and its associates, within a one-year period pursuant to option exercises may not exceed 5% of

the outstanding issue.

The maximum number of Common Shares which may be reserved for issuance to all the insiders of the Company pursuant to share options is limited to 10% of the Common Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to insiders under any other share compensation arrangement.

The Company will not provide any optionee with financial assistance in order to enable such optionee to exercise share options granted under the Plan.

A copy of the Plan is attached as Schedule “A”.

Stock Options Granted and Outstanding

A total of 300,000 options were granted during the financial year ended September 30, 2011, under the Plan. During that financial year, no options were exercised, no options expired, and no options were cancelled.

As of the date hereof, there are options exercisable for 3,625,000 Common Shares outstanding under the Plan. The Company has no equity compensation plans other than its Plan.

The following table sets out the number of shares reserved for issuance, the weighted average exercise price, and the number of shares remaining for future issuance under the Company’s equity compensation plans as of September 30, 2011:

Amended and Restated Stock Option Plan Information			
Plan Category	Number of Common Shares to be Issued on the Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance under the Amended and Restated Stock Option Plan
Plans Approved by Shareholders	2,300,000	\$0.13	5,102,987
Plans Not Approved by Shareholders	-	-	-
Total	2,300,000	\$0.13	5,102,987

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 – *Corporate Governance Guidelines* has set out a series of guidelines for effective corporate governance. The guidelines address matters such as the constitution and independence of corporate boards, the function to be performed by boards and their committees and the effectiveness of their board members. National Instrument 58-101 - Disclosure of Corporate Governance Practices (“**NI-58-101**”) requires the disclosure by each reporting issuer of its approach to corporate governance with reference to the guidelines, as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

The Board of Directors

The Board is responsible for overseeing the management of the Company and the conduct of the Company's affairs generally.

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Company. A "material relationship" is defined as a relationship which, in the view of the Board, could be reasonably expected to interfere with such member's independent judgment.

The Board is currently composed of five directors. The three independent directors are David Richard Brown, Gordon McCreary and Paul Sarjeant. Basil Botha and Michael T. R. List, are considered to be non-independent by virtue of their roles as the President and CEO and the Secretary of the Company. All of the current members of the Board, except Michael T. R. List, are proposed for re-election to the Board.

Directorships

Certain directors of the Company are also directors of other reporting issuers (or equivalent) in a Canadian jurisdiction or a foreign jurisdiction. The following is a list of those other directorships:

<u>Name of Director</u>	<u>Other reporting issuer (or equivalent in a foreign jurisdiction)</u>
Basil Botha	G4G Resources Ltd.
David Richard Brown	Grandview Gold Inc. Asia Now Resources Corp.
Paul Sarjeant	Firesteel Resources Inc. Golden Harp Resources Inc. Sonoma Capital Inc. G4G Resources Inc.
Gordon McCreary	Asia Now Resources Corp. McChip Resources Inc.

Orientation and Continuing Education

The Company does not provide formal continuing education to its directors. The Board's continuing education is typically derived from correspondence with the Company's solicitors, auditors and other advisers to remain up to date in relevant corporate and securities' law matters. In addition, historically, Board members have been nominated who are familiar with the Company and the nature of its business.

Ethical Business Conduct

The role of the Board is to oversee the conduct of the Company's business, to set corporate policy and to supervise management, which is responsible to the Board for the day-to-day conduct of business. However, given the size of the Company, all material transactions are addressed at Board level.

The Board discharges six specific responsibilities as part of its overall stewardship responsibility.

These are:

- **Strategic Planning Process:** Given the Company's size, the strategic plan is elaborated directly by management, with input from, and the assistance of, the Board.
- **Managing Risk:** The Board directly oversees most aspects of the business of the Company and thus does not require the elaboration of systems or the creation of committees to effectively monitor and manage the principal risks of all aspects of the business of the Company.
- **Appointing, Training and Monitoring Senior Management:** No formal system of selection, training and assessment of management has been established; however, the Board monitors management's performance, which is measured against the overall strategic plan, through reports and regular meetings with management.
- **Communication Policy:** It is and always has been the unwritten policy of the Board to communicate effectively with its shareholders, other stakeholders and the public generally through statutory filings and mailings, as well as news releases. The Company's shareholders are provided the opportunity to make comments to the Board by telephone or written communications, or at shareholder meetings. In addition, in May of 2011, the Board adopted a disclosure policy with the objective of ensuring that communications to the investing public about the Company are in compliance with all applicable regulatory requirements, are timely, factual and accurate, and are broadly disseminated in accordance with all applicable legal and regulatory requirements. The policy provides guidance on the disclosure of material information, a process for the review of Company documents, confidentiality requirements, and other requirements concerning press releases, designation of spokespersons, and other communication with third parties. Information relating to the Company is filed on the System for Electronic Data Analysis and Retrieval (“**SEDAR**”) and can be accessed on the internet at www.sedar.com, as well as on the Company's website at www.ringoffireresources.com.
- **Insider Trading Policy:** The Company's insider trading policy regulates trading in the Company's securities by directors, officer, employees, and certain third party contractors. The policy also imposes restrictions in the disclosure and use of material non-public information concerning the Company.
- **Ensuring the Integrity of the Company's Internal Control and Management System:** The Company has adopted a number of policies to assist the Board in effectively tracking and monitoring the implementation and operation of approved strategies. Such policies include a whistle-blower and complaints policy describing how to submit complaints, who manages the complaints, and how confidentiality is maintained.

Nomination of Directors

The Board performs most of the function of a nominating committee with respect to the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Company's development and given the small size of the Board.

While there are no specific criteria for Board membership, the Company attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas such as finance which would assist in guiding the Company's officers in the performance of their roles.

Compensation

A Compensation Committee of the Board was established in September of 2011. This committee is currently composed of two directors: David Richard Brown and Michael T.R. List. Mr. Brown is an independent director under MI 52-110, and Mr. List is not independent by virtue of his position as the Secretary of the Company. The mandate of this committee is to establish appropriate levels of compensation for the directors, officers, contractors and consultants of the Company.

Directors do not receive any compensation in their capacities as directors, although they are all eligible to receive grants of stock options under the Plan.

Compensation to Executive Officers of the Company who also act as directors of the Company is disclosed under “Executive Compensation” above.

Assessments

The Board assesses, on an annual basis, the contribution of the Board as a whole and of each of the individual directors, in order to determine whether each is functioning effectively.

AUDIT COMMITTEE

Audit Committee Charter

The full text of the Company’s Audit Committee Charter is set out in Schedule “B” hereto.

Composition of the Audit Committee

National Instrument 52-110 (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose in its management information circular certain information concerning the constitution of its audit committee (the “**Audit Committee**”) and its relationship with its Independent Auditor.

The Audit Committee is currently composed of Messrs. Basil Botha, David Richard Brown and Gordon McCreary. As defined in NI 52-110, all members of the Audit Committee are independent, except Mr. Botha who is not considered independent by virtue of his position as the President and CEO of the Company.

All current members of the Audit Committee are considered to be financially literate.

Mr. Botha holds an MBA and has substantial corporate finance and financial experience gained through operating both private and public companies for over 25 years. Mr. Botha was a past member of the audit committee of Lithium Americas Corp.

Prior to joining Osprey Capital as a partner in 2001, Mr. Brown spent ten years with the Bank of Nova Scotia and Scotia Capital Markets in New York. He began this period as a corporate lending officer. After four years in the corporate lending group, Mr. Brown moved to the Bank of Nova Scotia's investment bank, where he became head of investment grade fixed income origination, focusing primarily on foreign issuers accessing the U.S. capital markets.

Mr. Brown holds a Masters degree in finance from the Daniels School of Business at the University of Denver and a BA in Economics from the University of Guelph.

Mr. McCreary has more than 23 years of exploration management and operational experience working on Russian and North American projects. Mr. McCreary has acted as an independent and managing director for various public companies. Mr. McCreary currently serves on the audit committee of Asia Now Resources Corp. Due to his experience as a director or officer of various public companies and as a member of the audit committee of Asia Now Resources Corp., Mr. McCreary is extensively familiar with financial statements and accounting principles.

Audit Committee Oversight

There have been no recommendations of the Audit Committee, since the commencement of the Company's most recently completed financial year, which the Board has not adopted.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Services Fees

The following table sets out the aggregate fees billed by the Company's external auditor in each of the last two financial years.

Category of Fees	Year Ended September 30, 2011	Year Ended September 30, 2010
Audit Fees ⁽¹⁾	\$20,750	\$5,000
Audit-Related Fees ⁽²⁾	\$4,000	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	\$16,550	Nil

- (1) Aggregate fees billed by the Company's external auditor in the fiscal year for audit services.
- (2) Aggregate fees billed in the fiscal year for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.
- (3) Aggregate fees billed in the fiscal year for professional services rendered by the Company's external auditor for tax compliance, tax advice, and tax planning.
- (4) Aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than the services reported in the rows above.

Exemption

The Company is relying on the exemption in section 6.1 of NI 52-110 relating to the disclosure of information regarding its Audit Committee.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's current auditor is MNP LLP, Chartered Accountants, 2300, 1055 Dunsmuir Street, Box 49148, Vancouver, British Columbia, V7X 1J1.

Equity Financial Trust Company has been appointed as the Company's registrar and transfer agent.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this management information circular, no director or officer of the Company, no proposed nominee for election to the Board, no person owning or exercising control over more than 10% of the Company's issued and outstanding shares, and no associate or affiliate of any such

person has had any material interest, direct or indirect, in any material transaction involving the Company since the commencement of the financial year ended September 30, 2011.

ADDITIONAL INFORMATION

Additional information relating to the Company is filed on the System for Electronic Data Analysis and Retrieval (“**SEDAR**”) and can be accessed on the internet at www.sedar.com, as well as on the Company's website at www.northernironcorp.com.

Financial information is provided in the Company’s comparative financial statements and in its management discussion and analysis (“**MD&A**”) for its most recently completed financial year. Shareholders may obtain copies of such financial statements and MD&A on SEDAR which can be accessed on the internet at www.sedar.com, or by mailing a request to: Northern Iron Corp. 409 Granville Street, Suite 1051, Vancouver, British Columbia, V6C 1T2.

BOARD APPROVAL

The contents and sending of this management information circular have been approved by the Board.

DATED as of the 7th day of May, 2012.

“Basil Botha”

Basil Botha,
President and CEO

SCHEDULE "A"

NORTHERN IRON CORP.

AMENDED STOCK OPTION PLAN

(Effective as of May 2, 2011)

1. PURPOSE

The purpose of this Stock Option Plan (the "Plan") is to provide an incentive to the directors, officers, consultants, and employees of the Corporation or any of its subsidiaries to achieve the longer term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation on an ongoing basis, and to attract to and retain in the employ of the Corporation and its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

2. DEFINITIONS

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- a) "**Board of Directors**" means the Board of Directors of the Corporation;
- b) "**Common Shares**" means the Common Shares of the Corporation and any share or securities of the Corporation into which such Common Shares are changed, converted, subdivided, consolidated or reclassified;
- c) "**Corporation**" means Northern Iron Corp. and any successor corporation, and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- d) "**Discounted Market Price**" means the Market Price less the maximum discounts based on closing price, subject to such minimum exercise price mandated under the policies of the TSX Venture Exchange or other relevant stock exchange or regulatory authority;
- e) "**Insider**" has the meaning set forth in Policy 1.1 of the TSX Venture Exchange, as it has been or may be amended on one or more occasions;
- f) "**Investor Relations Activities**" has the meaning set forth in Policy 1.1 of the TSX Venture Exchange, as it has been or may be amended on one or more occasions;
- g) "**Market Price**" means the per share closing price for the Common Shares on the TSX Venture Exchange, or if not then listed on the TSX Venture Exchange, on the stock exchange on which the greatest volume of Common Shares is traded on the last Trading Day immediately preceding the date of such grant;

- h) “**Option**” means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price to be determined by the Board of Directors;
- i) “**Option Period**” means such period as may be determined by the Board of Directors during which an Optionee may exercise an Option, commencing on the date such Option is granted to such Optionee and ending no later than the date ten (10) years thereafter;
- j) “**Optionee**” means a person who is a director, officer, consultant, employee or management company employee of the Corporation or its subsidiaries, or a corporation wholly-owned and controlled by such a person, who is granted an Option pursuant to this plan;
- k) “**Plan**” means the Stock Option Plan of the Corporation as created hereby and as amended from time to time and;
- l) “**Trading Day**” means a day on which at least a board lot of Common Share shall have been sold through the facilities of TSX Venture Exchange or other relevant stock exchange.

3. **ADMINISTRATION**

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan, and all decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Optionees and the Corporation, subject to shareholder approval if required by any relevant stock exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration of the Plan to the President of the Compensation Committee of the Corporation (if created).

4. **ELIGIBILITY**

The Board of Directors may from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. If the Corporation grants stock options to an employee, consultant, management company employee, or to a corporation owned by an employee, consultant, or management company employee then the Corporation must represent that the intended Optionee is a bona fide employee, consultant or management company employee.

The number of authorized but unissued Common Shares that may be subject to Options granted to Optionees under the Plan at any time plus the number of Common Shares that have been issued prior to such time on exercise of Options granted under the Plan, shall not exceed 10% of the issued Common Shares of the Corporation, with no vesting provisions, subject to the following conditions:

- a) No more than five percent (5%) of the issued and outstanding Common Shares of the Corporation may be granted to any one (1) individual in any 12 month period;
- b) No more than two percent (2%) of the issued and outstanding Common Shares of the Corporation may be granted to any one (1) consultant in any 12 month period; and

- c) No more than two percent (2%) of the issued and outstanding Common Shares of the Corporation may be granted to all persons employed primarily to conduct Investor Relations Activities in any 12 month period;

provided that appropriate adjustments shall be made as set forth in Section 10 hereof, both in the total number of Common Shares authorized to be issued hereunder and the number of Common Shares covered by individual grants, and to give effect to any relevant changes in the capitalization of the Corporation. Common Shares in respect of which Options are not exercised will be available for subsequent Options.

5. **PARTICIPATION**

- a) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation;
- b) Notwithstanding any express or implied term of the Plan to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as a guarantee of employment by the Corporation to the Optionee; and
- c) No Optionee shall have any rights whatsoever as a shareholder in respect of any of the Common Shares under an Option, including the right to receive dividends or other distributions therefrom or thereon, other than in respect to Common Shares in respect of which the Optionee shall have exercised the Option and which the Optionee shall have actually taken up and paid in full, pursuant to the Plan.

6. **OPTION AGREEMENT**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the "**Stock Option Agreement**"). The Stock Option Agreement will be in the form of agreement as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

7. **EXERCISE OF OPTIONS**

- a) An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period;
- b) The exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted subject to any limitations imposed by any relevant stock exchange or regulatory authority, and shall be an amount at least equal to the Discounted Market Price of the Common Shares;

- c) An Option shall not be exercisable for more than 90 days after an Optionee ceases to be a director, officer, consultant, employee or management company employee of the Corporation for any reason other than death; and
- d) An Option shall not be exercisable for more than 30 days after an Optionee ceases to be a person employed primarily to conduct Investor Relations Activities.

8. **HOLD PERIOD**

In addition to any resale restrictions under relevant securities laws, where the exercise price of an Option is based on the Discounted Market Price, all stock options and any listed Common Shares issued on the exercise of the Option must include the following TSX Venture Exchange hold period commencing on the date the Option was granted:

*Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident before **[insert date that is the date following the fourth month after the grant of the option]**.*

9. **OPTIONEE'S RIGHT NOT TRANSFERABLE**

- a) No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner, except by bequeath or the laws of descent and distribution or if so provided in the Stock Option Agreement with the Optionee. Any such right or interest shall be exercisable:
 - (i) during the lifetime of an Optionee only by such Optionee or his legal representatives; or
 - (ii) after the death of an Optionee, only as specified in the Stock Option Agreement with the Optionee, and up to a maximum of one year from the date of the death of the Optionee.
- b) If an Optionee is an Insider of the Corporation at the time of any proposed amendment that would reduce the exercise price of an Option granted to such Optionee, the Corporation must obtain disinterested shareholder approval for such amendment;
- c) Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

10. **ANTI-DILUTION; CORPORATE TRANSACTIONS**

In the event of:

- a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any

exercise thereafter of the Option, such additional number of shares as would have resulted from such subdivision, redivision or change if the exercise of the Option has been made prior to the date of such subdivision, redivision or change;

- b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change; or
- c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, or in case of any change of control of the Corporation, at any time during the term of the outstanding Options, the Board of Directors or the board of directors of any successor corporation or entity may, in its discretion:
 - i. upon written notice to the holders of the outstanding Options, accelerate the exercise date or dates of all outstanding Options;
 - ii. if the outstanding Options have been accelerated pursuant to item (i) above, terminate all outstanding Options prior to consummation of the transaction unless exercised within the period prescribed in the written notice to the holders of such Options;
 - iii. provide for payment of an amount equal to the excess of the Market Price, as determined by the Board of Directors or the board of directors of any successor corporation or entity over the option price of the Common Shares as of the date of the transaction, in exchange for the surrender of the right to exercise the outstanding Options; or
 - iv. provide for the assumption of the outstanding Options, or the substitution therefore of new options, by the successor corporation or entity.

11. **TERMINATION AND ASSIGNMENT**

- a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of any relevant stock exchange or regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of such stock exchange or regulatory authority.

- b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 11 (a) hereof, subject to the approval of the relevant stock exchange or regulatory authority and the approval of the shareholders of the Corporation if required by such authority. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.

12. **APPLICABLE LAW**

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

13. **GENDER**

Wherever the singular or masculine or neuter is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

14. **COSTS**

The Corporation shall pay all costs of administering the Plan.

15. **EFFECTIVE DATE**

The Plan shall become effective as and from, and the effective date of the Plan shall be, May 20, 2010, subject to receipt of all necessary Board and regulatory approvals.

APPROVED by the Board of Directors: May 2, 2011.

SCHEDULE “B”

AUDIT COMMITTEE CHARTER

NORTHERN IRON CORP.

I. Mandate and Purpose of the Committee

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Northern Iron Corp. (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company’s financial statements, Management’s Discussion & Analysis (“MD&A”) and other financial reporting;
- (b) the qualifications, independence and performance of the Company’s auditor;
- (c) internal controls over financial reporting and disclosure controls and procedures;
- (d) the Company’s compliance with legal and regulatory requirements, as they relate to the Company’s financial statements and MD&A
- (e) communication among the Company’s auditor, senior management of the Company (“Management” and the Board; and
- (f) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

II. Authority

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties;
- (b) access without restriction all Company personnel and documents necessary to carry out its responsibilities; and
- (c) communicate directly with the Company’s auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

III. Composition and Expertise

The Committee shall be composed of a minimum of three members, each whom is a director of the Company. Each Committee member must be “independent” and “financially literate” as such terms are defined under the Canadian Securities Administrators’ National Instrument 52-110 – *Audit Committees*, subject to any available exemptions.

Committee members shall be appointed annually by the Board at the first meeting of the Board following

each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint the Chair of the Committee, who may serve consecutive terms.

IV. Meetings

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 48 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

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

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

V. Committee and Charter Review

The Committee may conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee may also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, and may also consider requirements and guidelines established by Canadian securities regulators and stock exchanges, and shall recommend changes to the Board thereon.

VI. Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

VII. Duties and Responsibilities

(a) Financial Reporting

The Committee is responsible for reviewing and recommending approval to the Board of the Company's financial statements, MD&A and annual and interim earning press releases before the Company publicly discloses this information.

The Committee is also responsible for:

- (i) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (ii) discussing with management and the Company's auditor the quality of applicable reporting standards, not just the acceptability thereof;
- (iii) discussing with management any significant variances between comparative reporting periods;
- (iv) establishing adequate procedures for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assessing the adequacy of these procedures; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor. The Company's auditor is required to report directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) Relationship with the Auditor

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the

auditor; and

(iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) Accounting Policies

The Committee is responsible for:

- (i) reviewing the Company's accounting policies to ensure completeness and acceptability with applicable reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards and other legislation applicable to the Company;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting; and
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments.

(e) Risk and Uncertainty

The Committee is responsible for reviewing, as part of its approval of the financial statements and their uncertainty notes and disclosures. The Committee, in consultation with management, will identify the principal business risks and decide on the Company's tolerance for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring. The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) Controls and Control Deviations

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) Compliance with Laws and Regulations

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

VIII. Non-Audit Services

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

IX. Submission Systems and Treatment of Complaints

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

X. Hiring Policies

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

Effective date of this Audit Committee Charter: May 13, 2011