

**CANADIAN METALS INC.**



**Notice of Annual and General Meeting of Shareholders**

**and**

**Information Circular**

**December 14, 2018**

**Place:** 1000 Sherbrooke Street West, Suite 2700  
Montreal, Quebec  
Canada H3A 3G4

**Time:** 11 a.m. (Montreal Time)

**Date of Meeting:** Friday, January 25, 2019



## CANADIAN METALS INC.

866 3<sup>rd</sup> Avenue  
Val d'Or, Québec Canada J9P 1T1  
Tel: 514 375-5172

### INFORMATION CIRCULAR

(Containing information as at December 14, 2018 unless indicated otherwise)

## SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Canadian Metals Inc. (the “**Corporation**”) for use at the Annual General and Special Meeting of shareholders (the “**Shareholders**”) of the Corporation (and any adjournment thereof) to be held at 11 a.m. (Montreal Time) on Friday, January 25, 2019 (the “**Meeting**”) at the place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Corporation at nominal cost. All costs of solicitation by management will be borne by the Corporation.

## GENERAL PROXY INFORMATION

### SOLICITATION OF PROXIES

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

### APPOINTMENT OF PROXYHOLDERS

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Corporation. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than any of the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

### VOTING BY PROXYHOLDER

The persons named in the Proxy will vote or withhold from voting the Common shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and

- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common shares represented by the Proxy for the approval of such matter.**

## **REGISTERED SHAREHOLDERS**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following options to submit their proxy:

- (a) completing, dating and signing the proxy and returning it to the Corporation's transfer agent, Computershare Trust Company of Canada ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the control number; or
- (c) using the internet through the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

## **BENEFICIAL SHAREHOLDERS**

**The following information is of significant importance to Shareholders who do not hold Common shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Corporation as the registered holders of Common shares) or as set out in the following disclosure.

If Common shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States (the "**U.S.**"), under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and in the U.S. Broadridge mails a voting instruction form (a "**VIF**") in lieu of a Proxy provided by the Company. The VIF will name the same persons as the Corporation's Proxy to represent your Common shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), other than any of the persons designated in the VIF to represent your Common shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you), in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common shares to be represented at the Meeting. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with Broadridge's**

**instructions, well in advance of the Meeting in order to have the Common shares voted at the Meeting, or to have an alternate representative duly appointed to attend the Meeting and vote your Common shares.**

## **NOTICE TO UNITED STATES SHAREHOLDERS**

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of Quebec, Canada and securities laws of the provinces of Canada and is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the U.S. Exchange Act. Accordingly, this Information Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the U.S. should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Corporation shares by Shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Corporation has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for U.S. companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Corporation Shareholders who are resident in, or citizens of, the U.S. may not be described fully in this Information Circular.

The enforcement by the Corporation Shareholders of civil liabilities under the U.S. federal securities laws may be affected adversely by the fact that the Company is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein are residents of a foreign country and that the major assets of the Company are located outside the U.S.

## **REVOCAION OF PROXIES**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or the Corporation, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered Shareholder's Common shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year end of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor, and as otherwise set out herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The record date for determination of persons entitled to receive notice of the Meeting is **December 12, 2018** (the “**Record Date**”). Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common shares voted at the Meeting.

As of the Record Date, there were **121,112,837** Common shares issued and outstanding, each carrying the right to **one** vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common shares.

The Corporation is authorized to issue an unlimited number of Common shares without par value.

Other than as set out below, to the knowledge of the directors and executive officers of the Corporation, there were no persons/companies who beneficially owned, directly or indirectly, or exercised control or direction over, Common shares carrying more than 10% of the voting rights attached to all outstanding Common shares of the Corporation as at the Record Date.

## FINANCIAL STATEMENTS

Pursuant to the *Business Corporations Act* (Quebec) (the “**QBCA**”), the audited annual financial statements of the Corporation for its financial year ended July 31, 2018, the report of the auditor and the related management’s discussion and analysis were filed on SEDAR at [www.sedar.com](http://www.sedar.com) on November 19, 2018, and will be placed before the shareholders at the Meeting, as well as the Interim Financial Statement for the three months period ended on October 31, 2018 which was filed on SEDAR on or about December 17, 2018. Shareholders’ approval is **not** required in relation to the financial statements.

## ELECTION OF DIRECTORS

The Board of Director of the Corporation (the “**Board**”) is currently comprised of eight directors, being **Stéphane Leblanc, Victor Cantore, Michel G. Gagnon, Guy Simard, Ghita Ouaziz, Paul Dumas, Roger C. Urquhart** and **Pierre Renaud**. The Corporation asks the Shareholders at the Meeting to fix the number of directors to remain at seven (7).

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director’s office becomes vacant earlier in accordance with the provisions of the QBCA, each director elected will hold office until the conclusion of the next annual general meeting of the Corporation, or if no director is then elected, until a successor is elected. The following disclosure sets out the names of management’s nominees for election as directors, all major offices and positions with the Corporation or any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment (for the five preceding years), the period of time during which each has been a director and the number of Common shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof:

Name, Country of Residence and Present Office Held	Present Principal Occupation, Business or Employment (Within the Past Five Years for proposed Directors) <sup>(1)</sup>	Date Elected or Appointed	Number of Shares Held <sup>(2)</sup>
<b>Stéphane Leblanc</b> Chief Executive Officer and Chairman of the Board Trois-Rivières, Québec	President of 9248-7792 Québec Inc. CEO of the Corporation Former President and CEO of Lamêlée Iron Ore Ltd.	August 28, 2012	6,810,622 <sup>(4)</sup> (5.62%)

Name, Country of Residence and Present Office Held	Present Principal Occupation, Business or Employment (Within the Past Five Years for proposed Directors) <sup>(1)</sup>	Date Elected or Appointed	Number of Shares Held <sup>(2)</sup>
<b>Guy Simard</b> <sup>(3)</sup> Director Baie-Comeau, Québec	Director Industrial Development of ID Manic	March 1, 2017	-
<b>Michel G. Gagnon</b> <sup>(3) (6)</sup> Director Wentworth, Québec	Chairman and CEO Alliance Magnesium In. Director of the Corporation	February 5, 2015	1,256,913 <sup>(5)</sup> (1.04%)
<b>Ghita Ouaziz</b> Director Trois-Rivières, Québec	Chief Operating Officer Shawinigan Aluminium Inc.	June 18, 2018	-
<b>Paul Dumas</b> <sup>(3)</sup> Director Montréal, Québec	Executive VP Finance & CFO Osisko Metals Incorporated	May 4, 2018	-
<b>Roger C. Urquhart</b> Director Montréal, Québec	Retired Vice President (Metallurgy) Hatch	September 17, 2018	-
<b>Pierre Renaud</b> Director Laval, Québec	Counsel Head of Environmental Group McCarthy Tetrault LLP	November 5, 2018	59,186 <sup>(7)</sup> (0.05)

**Notes:**

- (1) The information as to the principal occupation, business or employment is not within the knowledge of the Corporation and has been furnished by the respective director.
- (2) The information as to the number of Common shares of the Corporation beneficially owned or over which a director exercises control or direction, directly or indirectly, and not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (3) Member of Audit Committee.
- (4) Of which 6,656,622 shares are indirectly held by 9248-7792 Québec Inc., a private company beneficially wholly-owned and controlled by Mr. Leblanc; and 154,000 are indirectly held by Patricia Lafontaine.
- (5) Of which 564,054 shares are indirectly held by Vega Capital Inc., a private company beneficially wholly-owned and controlled by Mr. Michel G. Gagnon.
- (6) Chairman of the Audit Committee.
- (7) Mr. Renaud purchased 59,186 shares before being nominated as Director of the Board.

Mr. Victor Cantore's mandate will terminate as at the Meeting.

Amongst the nominees registered on the list hereinabove, Messrs. Stéphane Leblanc, Guy Simard and Michel G. Gagnon were elected as directors of the Corporation at the last annual general meeting of shareholders.

A Shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Corporation. At the Meeting the above persons will be nominated for election as director.**

## **DIRECTORS BIOGRAPHIES**

### ***Stéphane Leblanc – Founder, Chief Executive Officer***

Mr. Leblanc is an entrepreneur with over 16 years of experience. He has been involved in all aspects of business from sales and marketing, public relations, communications, and corporate finance; and has specific experience in strategic advisory services, mergers and acquisitions, raising private capital, savings (Initial Public Offerings and RTO), listing on the Toronto Stock Exchange, Canadian Stock Exchange, OTC and other international exchanges.

Mr. Leblanc has participated in the success of many small-cap companies as VP of business under his personal holding company. Mr. Leblanc is an entrepreneur at heart, and is involved in many other projects, including the “Québec Mineral Properties”, a mining claims management company that owns more than 6000 claims within the province of Quebec, Nova Scotia, South America and Africa. Mr. Leblanc also collaborated with several companies: Pershimco Resources, Focus Graphite, Adventure Gold, Glen Eagle Resources, Knick Exploration, Active Growth Capital and several other companies for the sale of properties.

#### ***Guy Simard – Director***

Mr. Simard has more than twenty years as CEO and business development officer for organizations in the areas of economic and regional development in Quebec. He has assisted many entrepreneurs and many enterprises in the realization of investment projects and technical feasibility studies in various business sectors, mainly in the natural resources (mining, forestry, energy) and metallurgy.

Mr. Simard is an officer on numerous boards of directors of public and private companies. He has been chairman of the Manicouagan regional health and social services, an organization of 1,350 employees and has an operating budget of 100M\$ for the waiver health service for a population of over 50,000 people. His extensive knowledge of business management, governance of public and private companies and its network of established contacts in government circles is a valued contribution to any management team.

Mr. Simard holds a Bachelor of Business Administration and a Certificate in Applied Studies in Urban Planning from the University of Quebec at Montreal and completed his master’s degree in management of small and medium enterprises (SME) and their environment at the University of Quebec at Trois-Rivières.

#### ***Michel G. Gagnon – Director***

Michel G. Gagnon is a recognized financial executive with more than 30 years of experience. After a few years in a business development role with an industrial holding company held by the Quebec Government, Michel was with Aluminerie Alouette for 20 years, the last nine of which he was the Vice President, Finances and Business Development. From June 2014 until November 2017, he has been President of GNL, Quebec Inc. a company developing a large natural liquefaction plant in Saguenay to be in operation by 2024. He is now Chairman and CEO of a company in the light metal industry since November 2017 and is also a Board member of companies involved in the mining and light metals production.

#### ***Ghita Ouaziz – Director***

Ghita Ouaziz is an engineer and currently holds the position of Chief Operating Officer (COO) at Shawinigan Aluminum Inc. and oversees Production, Technical services and Environment. In 2009, Ms. Ouaziz obtained a bachelor’s degree in Mechanical Engineering, specialised in Aerospace from “École Polytechnique de Montréal”. She pursued her education there until 2012, when she got a master’s degree in Applied Science from the Department of Metallurgical Engineering. She also graduated in 2013 from HEC Montreal, with a specialised graduate diploma in Management.

#### ***Paul Dumas – Director***

Executive Vice President, Finance & CFO at Osisko Metals Incorporated, Mr. Dumas has over 35 years of Corporate Finance and Investment Banking experience. Since 2008 and until its recent name change and successful reorganization to Osisko Metals Incorporated, Mr. Dumas was President and Chief Executive Officer of Bowmore Exploration Ltd. Prior to that, he was owner and President of Dumas Asset Management, a private corporation providing financial advisory and consulting services since 1996. Formerly, he was an Investment Advisor at RBC Dominion Securities Inc., as well as an accountant for Price Waterhouse Coopers LLP. Mr. Dumas has served as Director and held Executive positions for numerous public companies in the mining industry as well as the technology sector. Mr. Dumas holds a Bachelor’s degree in Commerce with an Accounting major.

#### ***Roger C. Urquhart – Director***

Roger Urquhart is a graduate of McGill University in Montreal, he received his B.Eng./M.Eng. Metallurgy in 1968 and 1970. He also received his Ph.D. Metallurgy from the University of Witwatersrand, Johannesburg in 1973. He worked as Research Engineer from 1970-74 at Mintek in Johannesburg and from 1974-76 at QIT-Fer et Titane in

Tracy. He then joined Chromasco in Beauharnois as Plant Metallurgist and Director of Metallurgy from 1976-80. From 1980 to 2012, at Fenco Lavalin, SNC-Lavalin and Hatch, in various functions as Director of Metallurgy and Vice-President he participated and was responsible for numerous feasibility studies, project executions and due diligence. Much of his career is dedicated to ferroalloys including many silicon projects. He is the author of numerous technical papers and presentations at all the major metallurgy conferences.

***Pierre Renaud – Director***

Mr. Pierre Renaud, counsel and head of the Environmental Law Group for the Quebec region at McCarthy Tetrault LLP, has 31 years of experience in environmental law. He acts as a strategic advisor to clients and provides guidance from the earliest project stages on matters such as sustainable development, social acceptability, the environmental authorization process, consultation and public participation processes. As former president of the Bureau d'audiences publiques sur l'environnement (BAPE) from 2007–2012, he was in charge of appointing and monitoring over 40 commissions of inquiry (public hearings/mediation), in addition to managing and tabling reports with Quebec's environment minister on a variety of specific initiatives. Early in his career, he was a legal counsel for the Québec Ministry of the Environment and Hydro-Québec. Admitted to the Québec Bar in 1987, Mr. Renaud has a master's degree in public administration.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.**

**CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS**

No proposed director is, as at the date of this Information Circular, or has been, within the last 10 years before the date of this Information Circular, a director, or executive officer of any company (including the Corporation) that was:

- (a) subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

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:

- (a) while that person was acting in that capacity, or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) became 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 proposed director.

No proposed director has been subject to:

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



## APPOINTMENT OF AUDITORS

The Board of the Corporation has consented to the termination of RCGT's mandate as auditor of the Corporation effective December 14, 2018 and appointed **PricewaterhouseCoopers** (the "**PwC**") the successor auditor to replace RCGT and fill the vacancy ("**Change of Auditor**") till the conclusion of the annual meeting of shareholders. **Raymond Chabot Grant Thornton, LLP** (the "**RCGT**"), Chartered Professional Accountants, was appointed the auditor of the Corporation since April 30, 2013. There have been no reportable disagreements between the Corporation and RCGT, and no qualified opinions or denials of opinions by RCGT for the purpose of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"). A copy of the reporting package with respect to the Change of Auditor dated December 14, 2018 is attached to this Information Circular as Schedule "C".

The shareholders of the Corporation will be asked at the Meeting to appoint **PwC**, Chartered Professional Accountants, as Auditors of the Corporation at a remuneration to be fixed by the directors of the Corporation.

**The proxyholders will vote IN FAVOUR of the appointment of PwC as auditors of the Corporation and IN FAVOUR of the authorization given to the Board to fix their remuneration, unless the shareholder specifies in the form of proxy to withhold from voting in this regard.**

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information, which will be provided to the Shareholders and the public, the systems of corporate controls, which management and the Board have established, and overseeing the audit process. It has general responsibility to oversee internal controls, accounting and auditing activities and legal compliance of the Corporation. The Audit Committee also is mandated to review and approve all material related party transactions.

### *Composition of the Audit Committee*

At the present time, the company's Audit Committee is composed of the following members:

Member	Independent/Not Independent <sup>(1)</sup>	Financially Literate/ Not Financially Literate <sup>(2)</sup>	Relevant Education and Experience
Michel G. Gagnon <sup>(3)</sup>	Not Independent	Financially Literate	Has audit committee experience.
Guy Simard	Independent	Financially Literate	Has audit committee experience.
Paul Dumas	Independent	Financially Literate	Has audit committee experience.

#### Notes:

- <sup>(1)</sup> A member of an audit committee is independent if the member has no direct or indirect material relationship with the company that could, in the view of the board of directors, reasonably interfere with the exercise of a member's independent judgment.
- <sup>(2)</sup> An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth 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 corporation's financial statements.
- <sup>(3)</sup> Chairman of the Audit Committee.

### *Audit Committee Charter*

A copy of the Charter of the Audit Committee is attached to this Information Circular as Schedule "A".

### *Audit Committee Oversight*

The audit committee has made recommendation to the board to nominate PwC as auditor of the Corporation. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Corporation's directors and, where applicable, the Audit Committee, on a case-by-case basis.

### *Pre-Approval Policies and Procedures*

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, other than as set out in the Audit Committee Charter.

### **External Auditor Service Fees (By Category)**

Management has reviewed the nature and amount of the audit services provided by the Auditor to the corporation to ensure auditor independence. The aggregate fees billed by the Corporation's external auditor during the financial year ended July 31, 2018 and 2017 were as follows:

<b>Time Period</b>	<b>Audit Fees (\$) <sup>(1)</sup></b>	<b>Audit Related Fees (\$) <sup>(2)</sup></b>	<b>Tax Fees (\$) <sup>(3)</sup></b>	<b>All Other Fees (\$)</b>
Fiscal year ended July 31, 2018	\$26,240	Nil	Nil	Nil
Fiscal year ended July 31, 2017	\$30,000	\$2,130	Nil	Nil

**Notes:**

- <sup>(1)</sup> "Audit Fees" includes fees for the performance of the annual audit and for accounting consultations on matters reflected in the financial statements.
- <sup>(2)</sup> "Audit-Related Fees" includes fees for assurance and related services that are related to the performance of the review of the financial statements and "earn-in" audit work and are not reported under (1).
- <sup>(3)</sup> "Tax Fees" includes fees for tax compliance, tax planning and tax advice.

## **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices, which are in the interest of its shareholders and contribute to effective and efficient decision-making.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices under Form 58-101 F2 *Corporate Governance Disclosure*, which disclosure is set forth below in Schedule "B".

## **COMPENSATION OF EXECUTIVE OFFICERS**

The Board has assessed the Corporation's compensation plans for its executive officers to ensure alignment with the Corporation's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Corporation has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Corporation, none of the executive officers or directors has purchased such financial instruments.

## **COMPENSATION DISCUSSION AND ANALYSIS**

This section provides the Corporation's approach to executive compensation by outlining the processes and decisions supporting the determination of the amounts which the Corporation paid to its Chief Executive Officer, Chief Financial Officer and its other most highly compensated executives (the "NEOs", each a "NEO") during the financial year ended July 31, 2018. While this discussion relates to the NEOs, the other executives of the Corporation participate in the same plans and are subject to a similar process.

The Board's responsibilities relating to the compensation and retention of NEOs include, but are not limited to:

- Setting policies for Executive Officers' remuneration;
- Reviewing and approving salary, bonus, and other benefits, direct or indirect, and any change-of-control packages of the Chief Executive Officer;

- Considering the recommendations of the Chief Executive Officer and setting the terms and conditions of employment including, approving the salary, bonus, and other benefits, direct or indirect, and any change-of-control packages, of the Executive Officers of the Corporation; and
- Overseeing the administration of the Corporation's compensation plans, including its share option plan and such other compensation plans or structures as are adopted by the Corporation from time to time.

The following executive compensation principles guide the Board in fulfilling its roles and responsibilities in the design and ongoing administration of the Corporation's executive compensation program:

- Compensation levels and opportunities must be market competitive to attract and retain qualified and experienced executives, while being fair and reasonable to Shareholders;
- Compensation must incorporate an appropriate balance of short and long-term rewards; and
- Compensation programs must align executives' long-term financial interests with those of Shareholders by providing equity-based incentives.

During the financial year ended July 31, 2018, the Corporation's executive compensation program was administered by the Board. The Corporation's executive compensation program has the objective of attracting and retaining a qualified and cohesive group of executives, motivating team performance and the aligning of the interests of executives with the interests of the Corporation's shareholders through a package of compensation that is simple and easy to understand and implement. Compensation under the program was designed to achieve both current and longer-term goals of the Corporation and to optimize returns to shareholders. In addition, in order to further align the interests of executives with the interests of the Corporation's shareholders, the Corporation has implemented share ownership incentives through incentive stock options. The Corporation's overall compensation objectives are in line with its peer group of mining companies with opportunities to participate in equity.

The Corporation's executive compensation consists of a combination of base salary and stock option incentives and has been designed to reward executives for reinforcing the Corporation's business objectives and values, for achieving the Corporation's performance objectives and for their individual performances.

In determining the total compensation of any member of senior management, the directors of the Corporation consider all elements of compensation in total rather than one element in isolation. The directors of the Corporation also examine the competitive positioning of total compensation and the mix of fixed, incentive and share-based compensation.

Each element of executive compensation is carefully considered by the Board to ensure that there is the right mix of short-term and long-term incentives for the purposes of achieving the Corporation's goals and objectives.

### **Base Salary**

While there is no official set of benchmarks that the Corporation relies on and there is not a defined list of issuers that the Corporation uses as a benchmark, the Corporation makes itself aware of, and is cognizant of, how comparable issuers in its business compensate their executives. The Corporation's peer group in connection with salary compensation consists of sampling of other similar sized mining companies both private and ones that are reporting issuers (or the equivalent) in Canada. The base salary for each executive officer is reviewed and established near the end of the fiscal year. Base salaries are established taking into consideration the executive officer's personal performance and seniority, comparability within industry norms, and contribution to the corporation's growth and profitability. The Corporation believes that a competitive base salary is an imperative element of any compensation program that is designed to attract talented and experienced executives.

Base salaries are reviewed annually to ensure that they properly reflect a balance of market conditions, the levels of responsibilities and accountability of each individual, their unique experience, skills and capability and level of sustained performance.

### **Bonus Framework**

At the discretion of the Board, executives are provided with annual cash incentive bonuses based on annual financial performance. Also at its discretion, the Board may tie annual cash bonuses to the achievement of other financial and non-financial goals. If the targets set are not met, the bonuses are not paid.

### **Option Based Awards**

An important integral part of the Corporation's compensation program is to offer the opportunity and incentive for executives and staff to own shares of the Corporation. The directors of the Corporation believe that ownership of the Corporation's shares will align the interests of executives and future staff with the interests of the Corporation's shareholders.

The Corporation's directors are compensated for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expertise by the issuance of incentive stock options. On January 22, 2013 (as amended), the Corporation implemented a 10% "rolling" share option plan (the "SOP") in order to provide the Corporation with the flexibility necessary to attract and maintain the services of senior executives and other employees in competition with other businesses in the industry and in accordance with Canadian Securities Exchange ("CSE") policies.

The Shareholders of the Corporation authorized the Board to replace the SOP with a new 10% "rolling" Stock Option Plans ("Current SOP"), which conform to the rules and requirements of the CSE at the last annual meeting of the shareholders dated February 26, 2018.

The material terms of the Current SOP are as follows:

1. The aggregate maximum number of options which may be granted under the Current SOP at any one time is 10% of the number of common shares the Corporation has outstanding at the time of grant.
2. The term of any options granted under the Current SOP will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
3. The exercise price of any options granted under the Current SOP will be determined by the board of directors, in its sole discretion, but shall not be less than the closing price of the Corporation's common shares on the day preceding the day on which the directors grant such options, less any discount permitted by the CSE to a minimum of \$0.05 per share.
4. No vesting requirements will apply to options granted thereunder, save for options granted to an employee performing investor relations activities for the Corporation.
5. All options will be non-assignable and non-transferable.
6. No more than (i) 5% of the issued shares may be granted to any one individual in any 12-months period; and (ii) no more than 2% of the issued shares may be granted to a consultant, or an employee performing investor relations activities, in any 12-months period.
7. If the option holder ceases to be a director of the Corporation (other than by reason of death), then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director of the Corporation, subject to the terms and conditions set out in the Current SOP. If the option holder is engaged in investor relations activities or ceases to be an employee, consultant or management company employee of the Corporation (other than by reason of death), then the option granted shall expire on no later than the 30<sup>th</sup> day following the date that the option holder ceases to be employed or contracted by the Corporation, subject to the terms and conditions set out in the Current SOP.
8. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12 month period, exceeding 10% of the Corporation's issued shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Corporation's issued shares.
9. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Corporation's common shares.

Incentive stock options are not granted on a regular schedule but rather as the compensation are reviewed by the directors of the Corporation from time to time. When reviewing incentive stock option grants, consideration is given to the total compensation package of the executives and staff and a weighting of appropriate incentives groupings at the senior, mid and junior levels of the staff including past grants. At the time of any incentive stock option grant, consideration is also given to the available incentive stock option pool remaining for new positions being contemplated by the Corporation.

## STATEMENT OF EXECUTIVE COMPENSATION

### GENERAL PROVISIONS

In this section “Named Executive Officer” means

- (a) the Chief Executive Officer (or an individual who acted in a similar capacity) (the “CEO”);
- (b) the Chief Financial Officer (or an individual who acted in a similar capacity) (the “CFO”);
- (c) each of the Corporation’s three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed \$150,000) at the end of that financial year; and
- (d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

During the fiscal year ended July 31, 2018, the Named Executive Officers (the “NEOs”) of the Corporation were Robert Boisjoli, Former Chief Financial Officer; Hubert Vallée, former President and CEO; Stéphane Leblanc, former Chief Investment Officer and Chairman, current Chief Executive Officer; Pierre Monet, former Chief Financial Officer; René Boisvert, President and Patsie Ducharme, Senior Vice President Finance and Chief Financial Officer.

### SUMMARY COMPENSATION TABLES

The following table sets forth information concerning the total compensation paid to the Named Executive Officers of the Corporation for the financial years ended July 31, 2018, and 2017 (expressed in Canadian dollars):

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 plan	Long-term incentive plans			
					(\$)	(\$)			
<b>Hubert Vallée</b> <sup>(2)</sup> Former President, CEO and Director	2018	Nil	Nil	25,625 <sup>(3)</sup>	Nil	Nil	Nil	162,500	188,125
	2017	Nil	Nil	34,120 <sup>(3)</sup>	Nil	Nil	Nil	95,000	129,120
<b>Stéphane Leblanc</b> Former Chief Investment Officer and Chairman Current Chief Executive Officer	2018	Nil	Nil	25,625 <sup>(4)</sup>	Nil	Nil	Nil	247,502 <sup>(4)</sup>	273,127
	2017	Nil	Nil	Nil	Nil	Nil	Nil	165,000 <sup>(4)</sup>	165,000
<b>Robert Boisjoli</b> <sup>(5)</sup> Former Chief Financial Officer	2018	Nil	Nil	Nil	Nil	Nil	Nil	20,250 <sup>(6)</sup>	20,250
	2017	Nil	Nil	Nil	Nil	Nil	Nil	27,000 <sup>(6)</sup>	27,000

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 plan	Long-term incentive plans			
					(\$)	(\$)			
<b>Pierre Monet</b> <sup>(7)</sup> Former Vice President Finance and Chief Financial Officer	2018	Nil	Nil	30,750 <sup>(8)</sup>	Nil	Nil	Nil	41,850 <sup>(8)</sup>	72,600
	2017	-	-	-	-	-	-	-	-
<b>René Boisvert</b> <sup>(9)</sup> President	2018	Nil	Nil	102,133 <sup>(9)</sup>	Nil	Nil	Nil	33,333 <sup>(9)</sup>	135,466
	2017	-	-	-	-	-	-	-	-
<b>Patsie Ducharme</b> <sup>(11)</sup> Senior Vice President Finance and Chief Financial Officer	2018	Nil	Nil	51,067 <sup>(12)</sup>	Nil	Nil	Nil	10,000 <sup>(12)</sup>	61,067
	2017	-	-	-	-	-	-	-	-

Notes:

- (1) Fair value at the time of grant calculated using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 116.37%, risk-free interest rate of 1.17%, and an expected life of 5 years. The volatility was determined in comparison with the volatility of comparable publicly traded companies
- (2) Mr. Vallée ceased being the President and CEO of the Corporation dated May 3, 2018.
- (3) These compensations were paid to 9288-1846 Québec Inc., a corporation controlled by Mr. Vallée, for the services of Mr. Vallée as President and CEO pursuant to a consulting agreement.
- (4) These compensations were paid to 9248-7792 Québec Inc., a corporation controlled by Mr. Leblanc, for the services of Mr. Leblanc as CEO and formerly as Chief Investment Officer, pursuant to a consulting agreement.
- (5) Mr. Boisjoli ceased being the CFO of the Corporation dated February 5, 2018.
- (6) These compensations were paid to Robert Boisjoli & Associés S.E.C., a corporation controlled by Mr. Boisjoli, for the services of Mr. Boisjoli as CFO pursuant to a consulting agreement.
- (7) Mr. Monet was appointed on February 6, 2018 and ceased being the CFO dated June 28, 2018.
- (8) These compensations were paid to Monet Consultants Inc. (a corporation controlled by Mr. Monet) for the services of Mr. Monet as CFO).
- (9) Mr. Boisvert was appointed the President of the Corporation effective June 18, 2018.
- (10) These compensations were paid to 9379-7769 Québec Inc., a corporation controlled by Mr. Boisvert, for the services as President pursuant to a consulting agreement.
- (11) Ms. Patsie Ducharme was appointed the Senior Vice President Finance and Chief Financial Officer effective July 1<sup>st</sup>, 2018.
- (12) These compensations were paid to Ms. Ducharme for her services as CFO of the Corporation.

## INCENTIVE PLAN AWARDS

The Corporation has granted options to its NEOs during the fiscal year ended July 31, 2018, the whole as set forth below.

### INCENTIVE PLAN AWARDS OPTION-BASED AWARDS FOR THE FISCAL YEAR ENDED JULY 31, 2018

The following table sets out all option-based and share-based awards outstanding at July 31, 2018, for each NEO.

Name	Option-based Awards				Share-Based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date m - d - y	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>Stéphane Leblanc</b> Former Chief	300,000	0.10	February 26, 2021	Nil	Nil	Nil	Nil

Name	Option-based Awards				Share-Based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date m – d – y	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 (\$)
Investment Officer and Chairman Current Chief Executive Officer	250,000	0.14	February 5, 2023	Nil	Nil	Nil	Nil
	700,000	0.10	June 27, 2023	Nil	Nil	Nil	Nil
<b>Hubert Vallée</b> Former President, CEO and Director	100,000	0.17	August 31, 2019	Nil	Nil	Nil	Nil
	250,000	0.14	August 31, 2019	Nil	Nil	Nil	Nil
	400,000	0.105	August 31, 2019	Nil	Nil	Nil	Nil
<b>Robert Boisjoli</b> Former Chief Financial Officer	100,000	0.10	February 26, 2021	Nil	Nil	Nil	Nil
<b>Pierre Monet</b> Former Vice President Finance and Chief Financial Officer	300,000	0.14	January 3, 2019	Nil	Nil	Nil	Nil
<b>René Boisvert</b> President	1,000,000	0.15	June 27, 2023	Nil	Nil	Nil	Nil
<b>Patsie Ducharme</b> Senior Vice President Finance and Chief Financial Officer	500,000	0.15	June 27, 2023	Nil	Nil	Nil	Nil

Note:

<sup>(1)</sup> Calculated using the closing price of the Corporation's Common shares on the CSE on July 31, 2018 of \$0.09 and subtracting the exercise price of stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Corporation's Common shares on the date of exercise.

### INCENTIVE PLAN AWARDS VALUE VESTED OR EARNED FOR THE FISCAL YEAR ENDED JULY 31, 2018

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

Named Executive Officer	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 (\$)
Stéphane Leblanc	Nil	Nil	Nil
Hubert Vallée	Nil	Nil	Nil
Robert Boisjoli	Nil	Nil	Nil
Pierre Monet	Nil	Nil	Nil
René Boisvert	Nil	Nil	Nil
Patsie Ducharme	Nil	Nil	Nil

Notes: Fair value at the time of grant calculated using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 116.37%, risk-free interest rate of 1.17%, and an expected life of 5 years. The volatility was determined in comparison with the volatility of comparable publicly traded companies.

## PENSION PLAN BENEFITS

The Corporation has no pension plans that provide for payments or benefits at, following, or in connection with the retirement of the Named Executive Officers.

## DIRECTOR COMPENSATION

### DIRECTOR COMPENSATION TABLE

The following table sets forth the details of compensation provided to the directors, other than the NEOs during financial year ended July 31, 2018:

Name of Director	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
Luigi Nardella <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Roland Courtemanche <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Patrick Moryoussef <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Carl Gagnon <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michel G. Gagnon <sup>(6)</sup>	Nil	Nil	Nil	Nil	Nil	\$37,500	\$37,500
Victor Cantore <sup>(5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Guy Simard	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ghita Ouaziz	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Dumas	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Roger C. Urquhart	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Pierre Renaud	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Nardella was appointed a director of the Corporation on September 19, 2017 and resigned on June 18, 2018.
- (2) Mr. Courtemanche was appointed a director of the Corporation on February 26, 2016 and resigned on September 12, 2017.
- (3) Mr. Moryoussef was appointed a director of the Corporation on February 3, 2017 and ceased being a director on February 26, 2018.
- (4) Mr. Carl Gagnon was elected a director of the Corporation on February 26, 2017 and resigned on June 6, 2018.
- (5) Mr. Cantore ceases being a director of the Corporation as of the date of the Meeting.
- (6) As per the Vega Capital Inc. agreement, the Corporation has paid \$37,500 to Vega Capital Inc. for consulting services rendered by Michel G. Gagnon.

## INCENTIVE PLAN AWARDS

### OPTION-BASED AWARDS FOR THE FISCAL YEAR ENDED July 31, 2018

The following table sets out all option-based awards outstanding at fiscal year ended July 31, 2018, for each non-employee director.

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
	(#)	(\$)	(m - d - y)	(\$)	(#)	(\$)	(\$)
Luigi Nardella	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Roland Courtemanche	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Patrick Moryoussef	75,000	0.10	February 26, 2019	Nil	Nil	Nil	Nil
	125,000	0.26	February 26, 2019	Nil	Nil	Nil	Nil
Carl Gagnon	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michel G. Gagnon	200,000	0.10	February 26, 2021	Nil	Nil	Nil	Nil
	350,000	0.10	February 25, 2020	Nil	Nil	Nil	Nil
	300,000	0.15	June 27, 2023	Nil	Nil	Nil	Nil
Victor Cantore	200,000	0.10	February 26, 2021	Nil	Nil	Nil	Nil
	50,000	0.14	February 5, 2023	Nil	Nil	Nil	Nil
	300,000	0.15	June 27, 2023	Nil	Nil	Nil	Nil
Guy Simard	200,000	0.075	October 3, 2022	15,000			
	50,000	0.14	February 5, 2023	Nil	Nil	Nil	Nil
	300,000	0.15	June 27, 2023	Nil	Nil	Nil	Nil
Ghita Ouaziz	300,000	0.15	June 27, 2023	Nil	Nil	Nil	Nil
Paul Dumas	300,000	0.15	June 27, 2023	Nil	Nil	Nil	Nil
Roger C. Urquhart	300,000	0.15	June 27, 2023	Nil	Nil	Nil	Nil
Pierre Renaud	200,000	0.37	May 7, 2021	Nil	Nil	Nil	Nil
	300,000	0.15	June 27, 2023	Nil	Nil	Nil	Nil

Note:

<sup>(1)</sup> Calculated using the closing price of the Corporation's Common shares on the CSE on July 31, 2018 of \$0.09 and subtracting the exercise price of stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Corporation's Common shares on the date of exercise.

### **INCENTIVE PLAN AWARDS VALUE VESTED OR EARNED FOR THE FISCAL YEAR ENDED JULY 31, 2018**

There were no option based awards vested or earned during financial year ended July 31, 2018 to any director who was not an NEO during financial year ended July 31, 2018.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

#### **Equity Compensation Plan Information**

The following table sets out equity compensation plan information at fiscal year ended July 31, 2018:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding Options, under equity compensation plans (a)</b>	<b>Weighted-average exercise price of outstanding Options (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(1)</sup> (c)<sup>(1)</sup></b>
Equity Compensation Plans Approved by Shareholders	8,875,000	0.153	2,586,284
Equity Compensation Plans not approved by securityholders – 2018 Option Plan	Nil	Nil	Nil
<b>Total:</b>	8,875,000	0.153	2,586,284

Notes:

<sup>(1)</sup> Stock Option Plan limitation of 10% of the issued and outstanding Common shares as at July 31, 2018, less issued options as listed in column (a) herein.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Other than as set out in this Information Circular, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the end of the Corporation's last completed financial year ended July 31, 2018 or as at the date hereof.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of management of the Corporation, other than set out below, no informed person (a director, officer or holder of 10% or more of the Common shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the financial year ended July 31, 2018.

<b>Name</b>	<b>Nature of Holding</b>	<b>Number of Shares<sup>(1)</sup></b>	<b>Percentage of Issued Shares</b>
Ressources Québec Inc.	Direct	14,300,000	11.81%

Note:

<sup>(1)</sup> This information is derived from insider reports filed on the System for Electronic Disclosure by Insiders (SEDI).

## **MANAGEMENT CONTRACTS**

Management functions of the Corporation are generally performed by directors and executive officers of the Corporation and not, to any substantial degree, by any other person to whom the Corporation has contracted.

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

### **Change of Judicial District**

Effective August 1<sup>st</sup>, 2018, the Corporation relocated its registered office from 1801 McGill College Avenue, Suite 950, Montreal, Québec H3A 2N4 to 866 3<sup>rd</sup> Avenue, Val d'Or, Quebec J9P 1T1, consequently, the judicial district of the Corporation's registered office has changed from Montreal to Abitibi in the Province of Quebec. Pursuant to the provisions of the *Business Corporations Act* (Quebec), such change of the judicial district of the Corporation's registered office shall be approved by the shareholders of the Corporation via a special resolution.

At the Meeting, the Shareholders of the Corporation are being asked to consider and, if thought appropriate, vote on a special resolution to ratify and confirm, with or without variation, the change of the judicial district of the Corporation's registered office address from Montreal to Abitibi (the "**Resolution**"), as follows:

*"RESOLVED that: as a special resolution of the shareholders of the Corporation, that:*

- 1. The change of the registered office of the Corporation from the judicial district of Montreal to the judicial district of Abitibi be hereby ratified, confirmed and approved;*
- 2. any director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all things and sign all other instruments and documents necessary or desirable for the purpose of giving full effect to the foregoing."*

**The Board of Directors unanimously recommends that the Shareholders approve FOR the approval of the Change of Judicial District. Any abstentions or other failure to approve in favour of the Resolution for any reason will have the same effect as against the approval of the Change of Judicial District.**

### **Other Particulars**

Other than the foregoing, management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

### **ADDITIONAL INFORMATION**

Financial information is provided in the audited financial statements of the Company for the year ended July 31, 2018, the report of the auditor and the related management's discussion and analysis will be mailed out to shareholders for this Meeting. These financial statements were filed on SEDAR at [www.sedar.com](http://www.sedar.com) on November 19, 2018 for the financial year ended July 31, 2018, and on or about December 17, 2018 for the three months period interim financial statement, and both will be placed before the Meeting.

Additional information relating to the Corporation is filed on SEDAR at [www.sedar.com](http://www.sedar.com) and upon request from the Corporation at 866 3<sup>rd</sup> Avenue, Val d'Or, Quebec J9P 1T1, Tel: 514 375-5172. Copies of documents will be provided free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge from any person or company who is not a securityholder of the Corporation, who requests a copy of any such document.

### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

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

**DATED** at Montreal, Quebec on December 14, 2018.

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

(signed) "*René Boisvert*"

René Boisvert  
President

## SCHEDULE A

### CANADIAN METALS INC.

#### CHARTER OF THE AUDIT COMMITTEE

##### 1. Mandate

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Canadian Metals Inc. (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing (1) the financial statements, reports and other financially-based information provided to shareholders, regulators and others; (2) the internal controls that management and the Board have established; and (3) the audit, accounting and financial reporting processes generally.

In meeting these responsibilities, the Committee will:

- (a) monitor the financial reporting process and internal control system;
- (b) review and appraise the work of the external auditors; and
- (c) provide an open avenue of communication between the external auditors, senior management and the Board.

The external auditors are accountable to the shareholders through the Committee. The Committee is responsible for ensuring that the external auditors comply with the requirements stipulated in this Charter and satisfying itself of the external auditors’ independence.

##### 2. Composition

The Committee shall be composed of a minimum of three directors of the Company, a majority of whom are independent. An independent director, as defined in National Instrument 52-110 – Audit Committees (“NI 52- 110”) is a director who has no direct or indirect material relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a members independent judgment or as otherwise determined to be independent in accordance with NI 52-110.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Committee’s Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board. Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience. The chairperson of the Committee (the “**Chairperson**”) shall be appointed by the Board for a one-year term, and may serve any number of consecutive terms.

##### 3. Meetings

The Committee shall try to meet at least four times per year and may call special meetings as required. A quorum at meetings of the Committee shall be its Chairperson and one of its other members or the Chairman of the Board. The Committee may hold its meetings, and members of the Committee may attend meetings, by telephone conference if this is deemed appropriate.

The Chairperson shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Committee. The Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

#### 4. Responsibilities and Duties

##### Audit Committee

To fulfill its responsibilities and duties, the Committee shall:

- (a) Review this Charter annually, and update if necessary.
- (b) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- (c) Where the Committee deems it necessary, obtain a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company.
- (d) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (e) Take, or recommend that the full Board, take appropriate action to oversee the independence of the external auditors.
- (f) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (g) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent (5%) of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

##### Chairperson

The fundamental responsibility of the Chairperson is to be responsible for the management and effective performance of the Committee and provide leadership to the Committee in fulfilling its mandate and any other matters delegated to it by the Board. To that end, the Chairperson's responsibilities shall include:

- (a) working with the Chairman of the Board, the Chief Executive Officer and the Secretary to establish the frequency of Committee meetings and the agendas for meetings;
- (b) providing leadership to the Committee and presiding over Committee meetings;
- (c) facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions and express their viewpoints;
- (d) reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee;
- (e) leading the Committee in annually reviewing and assessing the adequacy of its mandate and evaluating its effectiveness in fulfilling its mandate; and taking such other steps as are reasonably required to ensure that the Committee carries out its mandate.

## 5. Financial Reporting Processes

- (a) Review, discuss and recommend to the Board for approval, the annual audited financial statements and related “management’s discussion and analysis” prior to delivery to shareholders, and where applicable, filing with securities regulatory authorities.
- (b) Review and discuss with the external auditors the results of their reviews and audit, any issues arising and management’s response, including any restrictions on the scope of the external auditors’ activities or requested information and any significant disagreements with management, and resolving any disputes.
- (c) Review, discuss, approve, or recommend to the Board for approval, the quarterly financial statements and quarterly “management’s discussion and analysis” prior to delivery to shareholders, and where applicable, filing with securities regulatory authorities.
- (d) Review and discuss with management and the external auditors the Company’s critical accounting policies and practices, material alternative accounting treatments, significant accounting and reporting judgments, material written communications between the external auditor and management (including management representation letters and any schedule of unadjusted differences) and significant adjustments resulting from the audit or review.
- (e) Where applicable, review and discuss with management the Company’s earnings press releases, and such other relevant public disclosures containing financial information as the Committee may consider necessary or appropriate.
- (f) Where applicable, review and discuss with management the disclosure controls relating to the Company’s public disclosure of financial information, including information extracted or derived from the financial statements, and periodically assess the adequacy of such procedures.
- (g) In consultation with the external auditors, review with management the integrity of the Company’s financial reporting process, both internal and external.
- (h) Consider the external auditors’ judgments about the quality and appropriateness of the Company’s accounting principles as applied in its financial reporting.
- (i) Consider and approve, if appropriate, changes to the Company’s auditing and accounting principles and practices as suggested by the external auditors and management.
- (j) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (k) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (l) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (m) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (n) Review the certification process.
- (o) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

## 6. Other

Review any related-party transactions.

## SCHEDULE B

### CANADIAN METALS INC.

<b>CORPORATE GOVERNANCE</b>
-----------------------------

The Corporation is committed to maintaining high standards of corporate governance. The following disclosure has been approved by the board of the directors. The following is a report under Form 58-101F1 in accordance with National Instrument 58-101 *Disclosure of corporate Governance Practices* (“NI 58-101”):

NI 58-101	Corporate Governance Practices																											
<p><b>1. Board of Directors</b></p> <p>(a) Disclose the identity of directors who are independent.</p>	<p>NI 58-101 states that a director is independent if a reasonable person with knowledge of all the relevant circumstances would conclude that the director is independent of management of the Corporation and of any significant security holder of the Corporation. During 2018, the Corporation has eight directors listed below, six of whom meet the independence standards as set out by NI 58-101.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Name of Director</th> <th style="text-align: center; padding: 2px;">Independent</th> <th style="text-align: center; padding: 2px;">Not Independent</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Stéphane Leblanc</td> <td></td> <td style="text-align: center; padding: 2px;">X</td> </tr> <tr> <td style="padding: 2px;">Victor Cantore</td> <td style="text-align: center; padding: 2px;">X</td> <td></td> </tr> <tr> <td style="padding: 2px;">Guy Simard</td> <td style="text-align: center; padding: 2px;">X</td> <td></td> </tr> <tr> <td style="padding: 2px;">Michel G. Gagnon</td> <td></td> <td style="text-align: center; padding: 2px;">X</td> </tr> <tr> <td style="padding: 2px;">Ghita Ouaziz</td> <td style="text-align: center; padding: 2px;">X</td> <td></td> </tr> <tr> <td style="padding: 2px;">Paul Dumas</td> <td style="text-align: center; padding: 2px;">X</td> <td></td> </tr> <tr> <td style="padding: 2px;">Roger C. Urquhart</td> <td style="text-align: center; padding: 2px;">X</td> <td></td> </tr> <tr> <td style="padding: 2px;">Pierre Renaud</td> <td style="text-align: center; padding: 2px;">X</td> <td></td> </tr> </tbody> </table>	Name of Director	Independent	Not Independent	Stéphane Leblanc		X	Victor Cantore	X		Guy Simard	X		Michel G. Gagnon		X	Ghita Ouaziz	X		Paul Dumas	X		Roger C. Urquhart	X		Pierre Renaud	X	
Name of Director	Independent	Not Independent																										
Stéphane Leblanc		X																										
Victor Cantore	X																											
Guy Simard	X																											
Michel G. Gagnon		X																										
Ghita Ouaziz	X																											
Paul Dumas	X																											
Roger C. Urquhart	X																											
Pierre Renaud	X																											
<p>(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.</p>	<p>Explanations for the determination of these directors’ non-independence is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 5px 0;"> <tbody> <tr> <td style="width: 30%; padding: 2px;">Stéphane Leblanc</td> <td style="padding: 2px;">Mr. Leblanc is currently the Chief Executive Officer of the Corporation.</td> </tr> <tr> <td style="padding: 2px;">Michel G. Gagnon</td> <td style="padding: 2px;">Michel G. Gagnon provides consulting services to the Corporation through an agreement with Vega Capital Inc.</td> </tr> </tbody> </table>	Stéphane Leblanc	Mr. Leblanc is currently the Chief Executive Officer of the Corporation.	Michel G. Gagnon	Michel G. Gagnon provides consulting services to the Corporation through an agreement with Vega Capital Inc.																							
Stéphane Leblanc	Mr. Leblanc is currently the Chief Executive Officer of the Corporation.																											
Michel G. Gagnon	Michel G. Gagnon provides consulting services to the Corporation through an agreement with Vega Capital Inc.																											
<p>(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.</p>	<p>The Board has determined that more than 50% of directors are independent within the meaning of NI 58-101.</p> <p>The Corporation currently has a board comprised of eight directors, seven of whom are independent. The independent directors are able to, and at <i>ad hoc</i>, as necessary intervals, meet without the presence of management to ensure that the board may function independent of management.</p>																											

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

Name of Director	Name of Other Reporting Issuer
Victor Cantore	Inspiration Mining Corporation Nitinat Minerals Corporation Generic Gold Corp. Vision Lithium Inc. Express Capital Corp. Amex Exploration Inc.
Guy Simard	-
Michel G. Gagnon	Cartier Iron Corporation Alliance Magnesium Inc.
Ghita Ouaziz	-
Paul Dumas	Osisko Metals Incorporated
Roger C. Urquhart	-
Stéphane Leblanc	-
Pierre Renaud	Nouveau Monde Graphite Inc.

- (e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.

Directors are invited to hold *in camera* sessions at any time, including after Board and committee meetings. During these *in camera* sessions, members of management are not present. The Corporation believes that these *in camera* sessions contribute to the Board's independent oversight.

During the 12 months period ended July 31, 2018, the following meetings were held:

Board Meetings	4
Committees Meeting	3

<sup>(1)</sup> Meetings of the independent members of the board of directors are held, as required, within the context of scheduled regular board meetings, or as cases may arise pertaining to related party transactions.

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

Mr. Stéphane Leblanc was appointed the Chairman of the Board effective February 3, 2017 to present time. Mr. Leblanc is not considered an independent director for he holds an office of the Corporation, being the Chief Executive Officer.



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

The following chart sets out meeting attendance record of our directors during the financial year ended July 31, 2018.

**Board Meeting and Committee Meeting**

Director	Board Meetings	Committees Meeting
Stéphane Leblanc	4	1
Victor Cantore	-	-
Guy Simard	4	3
Michel G. Gagnon	3	3
Patrick Moryoussef <sup>(2)</sup>	1	2
Hubert Vallée	2	-
Luigi Nardella	1	-
Claude Rousseau <sup>(1)</sup>	1	-
Roland Courtemanche <sup>(1)</sup>	1	-
Pierre Renaud	1	-
Carl Gagnon	1	-
Ghita Ouaziz	1	1
Paul Dumas	1	1
Roger C. Urquhart	1	-

**2. Board Mandate**

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The Board of Directors oversees the management of the business and affairs of the Corporation. The Board is responsible for, amongst other things, overseeing the

- Strategic planning process
- Identification of principal business opportunities
- Identification of management of risks, and
- Internal controls and management information systems

The Board discharges its responsibilities directly and through its audit committee as of the date hereof.

**3. Position Descriptions**

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

The Board has not yet developed written position descriptions for the following:

- Chairman of the Board
- Committee Chairs

The Corporation's Audit Committee Charter further specifies the role of the Audit Committee.

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

The Corporation has one CEO. The Corporation has one CEO. Mr. Hubert Vallée resigned as CEO of the Corporation on May 3, 2018. Effective on May 4, 2018, the Corporation entered into an agreement to retain René Boisvert as the CEO.

NI 58-101	Corporate Governance Practices
<p><b>4. Orientation and Continuing Education</b></p> <p>(a) Briefly describe what measures the board takes to orient new directors regarding</p> <ul style="list-style-type: none"> <li>(i) the role of the board, its committees and its directors, and</li> <li>(ii) the nature and operation of the issuer's business.</li> </ul> <p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p> <p><b>5. Ethical Business Conduct</b></p> <p>(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:</p> <ul style="list-style-type: none"> <li>(i) disclose how a person or company may obtain a copy of the code;</li> <li>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and</li> <li>(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</li> </ul> <p>(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p> <p>(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.</p>	<p>While the Corporation does not currently have a formal orientation and education program for new members of the board of directors, the Corporation provides such orientation and education on an ad hoc and informal basis.</p> <p>The directors' maintain that the Corporation must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards. The Corporation's reputation for honesty and integrity amongst its shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.</p> <p>Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Corporation must abstain from discussion and voting by the board of directors or any committee of the board of directors on any motion to recommend or approve the relevant agreement or transaction. The board of directors must comply with conflict of interest provisions of the QBCA.</p> <p>N/A.</p> <p>The Board monitors compliance in various ways. The Corporate Governance Committee meets with management and with its auditors as needed to, <i>inter alia</i>, review compliance issues, including compliance with the Corporation's policies and procedures. The Corporate Governance Committee's mandate includes ensuring compliance by the Corporation's directors, officers, employees, agents and representatives with internal policies and procedures.</p> <p>N/A.</p> <p>In the ordinary course of business, the Corporation enters into transactions with persons with which the director may have a relationship. If any such transactions are brought before the Board for discussion or approval, the director declares a conflict of interest and withdraws from any discussion or vote on the transaction.</p> <p>The Corporation prepares training modules for employees, officers and directors in respect of compliance with the Corporation's policies and procedures. The Corporation also supports maintaining the highest possible ethical standards in our business practices, and promotes a climate of openness and accountability and will encourage employees to come forward in good faith to disclose genuine concerns and to detect, forestall the continuation of, and prevent any violations of the Corporation's internal policies and procedures.</p>

NI 58-101	Corporate Governance Practices
<p><b>6. Nomination of Directors</b></p> <p>(a) Describe the process by which the board identifies new candidates for board nomination.</p> <p>(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.</p> <p>(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>Both the directors and management are responsible for selecting nominees for election to the Board. At present, there is no formal process established to identify new candidates for nomination. The Board and management determine the requirements for skills and experience needed on the Board from time to time. The present Board and management expect that new nominees have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, support for the Corporation's business objectives and a willingness to serve.</p> <p>The Corporation does not have a nominating committee as of the date hereof. The Board encourages an objective nominating process for new directors by open discussion at Board meetings, and review of candidates by the independent members of the board.</p> <p>N/A.</p>
<p><b>7. Compensation</b></p> <p>(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.</p> <p>(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.</p> <p>(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>The directors carry out the evaluation of the Chief Executive Officer and develop the appropriate compensation policies for both the employees of the Corporation and the directors of the Corporation.</p> <p>The Corporation has a human resource and compensation committee which is composed of Ms. Ghita Ouaziz, the Chairman, Mr. Victor Cantore and Mr. Stéphane Leblanc. With the exception of Mr. Stéphane Leblanc, the committee is composed by independent directors.</p> <p>There are not any formal policies or procedures for determining the remuneration of the NEOs and the Board. Instead, the Human Resources and Compensation Committee generally considers the appropriate level of remuneration without any formal objectives, criteria or analysis. Levels of remuneration are usually first informally discussed among the members of the Committee before being formally considered and approved. No specific formulas have been developed to assign a specific weighting to each of these components. Instead, the Committee considers the Corporation's performance and recommends compensation based on this assessment. Accordingly, each case is determined on its own merits and circumstances after being considered in light of prevailing economic conditions – both on a corporate level and on a national and international level – and industry norms for such remuneration.</p>

NI 58-101	Corporate Governance Practices
<p><b>8. Other Board Committees</b></p> <p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>Other than the audit committee, the Corporation has a corporate governance committee, composed of Michel Gagnon, Guy Simard and Paul Dumas, and a human resources and compensation committee, composed of Stephane Leblanc, Victor Cantore and Ghita Ouaziz.</p>
<p><b>9. Assessments</b></p> <p>Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.</p>	<p>The directors' believe that nomination to the Corporation's board of directors is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of the Corporation. To this extent, the directors constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the board of directors.</p>
<p><b>10. Director Term Limits and Other Mechanisms of Board Renewal</b></p> <p>Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.</p>	<p>The Board does not limit the time a director can serve. Imposing a term limit means it may lose the contributions of longer serving directors who have developed a deep knowledge and understanding of the Corporation over time. The Corporation considers the benefits of regular renewal in the context of the needs of the Board at the time.</p>
<p><b>11. Policies regarding the Representation of Women on the Board</b></p> <p>(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.</p> <p>(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:</p> <ul style="list-style-type: none"> <li>(i) a short summary of its objectives and key provisions,</li> <li>(ii) the measures taken to ensure that the policy has been effectively implemented,</li> <li>(iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and</li> <li>(iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy</li> </ul>	<p>The Board has not adopted any policies but has made efforts to address the identification and nomination of directors in regard to Board diversity. The Corporation is committed to nominating highly qualified individuals to fulfill director roles. The Board believes that a diverse and inclusive environment that values a variety of backgrounds, skills and experience will best ensure that Board members provide the necessary range of perspectives, experience and expertise required to provide leadership needed to achieve the Corporation's business objectives, without reference to their age or gender of the Corporation.</p>
<p><b>12. Consideration of the Representation of Women in the Director Identification and Selection Process</b></p> <p>Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election on the board, disclose the issuer's reasons for not doing so.</p>	<p>The Corporation does not specifically focus on the level of representation of women on the Board in identifying nominees, but does consider gender as one of many diversity factors. The Corporation assesses the knowledge and skills personal qualities or professional experiences of a director nominee in light of the current skills on the Board. The Corporation takes measures to identify and recruit a well-qualified group of candidates who will complement the other board members and improve the effectiveness of the Board, as a whole.</p>

NI 58-101	Corporate Governance Practices
<p><b>13. Consideration Given to the Representation of Women in Executive Officer Appointments</b></p> <p>Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p> <p><b>14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</b></p> <p>(a) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(b) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(c) If the issuer has adopted a target, disclose:</p> <p>(i) the target, and</p> <p>(ii) the annual and cumulative progress of the issuer in achieving the target.</p> <p><b>15. Number of Women on the Board and in Executive Officer Positions</b></p> <p>(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women .</p> <p>(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.</p>	<p>The Corporation does not specifically focus on the level of representation of women in executive officer positions in identifying candidates for those positions, but considers the same diversity factors applied to the selection of nominees for the Board. The Corporation's commitment to the level of representation of women in executive officer positions is not considered when making executive officer appointments. The Board takes into account a candidate's knowledge, qualifications and expertise, with diversity factors such as gender, age, cultural background and other personal characteristics.</p> <p>The Board and the Corporation have not established or imposed quotas or targets regarding for the appointment of women to the Board or to executive officer positions. Instead of establishing firm targets, the Board and the Corporation prefers to consider gender as one of a number of factors in selecting candidates.</p> <p>Amongst the current eight members of the Board, Ms. Ghita Ouaziz is a female and that represents 12.5% of the Board of the Corporation. One position out of the executive officers of the Corporation, Ms. Patsie Ducharme is a female, representing a 33% of the executive leadership team. For both the Board and the executive officer positions, there is a 100% increase of the female position comparing to the precedent year.</p>

**SCHEDULE C**

**CANADIAN METALS INC.**

**REPORTING PACKAGE  
CHANGE OF AUDITOR**

See attached.



**CANADIAN METALS INC.**  
866 3<sup>th</sup> Avenue  
Val d'Or, Quebec, J9P 1T1

**NOTICE OF CHANGE OF AUDITOR**

**To:** **Autorité des marchés financiers**  
**British Columbia Securities Commission**  
**Alberta Securities Commission**  
**Ontario Securities Commission**

**And To:** **Raymond Chabot Grant Thornton LLP, Chartered Accountants**  
**PricewaterhouseCoopers, Chartered Accountants**

**Re:** **Notice of Change of Auditor pursuant to Section 4.11 of National Instrument 51-102 – Continuous Disclosure Obligations (“NI 51-102”)**

Notice is hereby given pursuant to section 4.11 of NI 51-102 of a change of auditor of Canadian Metals Inc. (the “**Corporation**”).

1. The Corporation wishes not to re-appoint Raymond Chabot Grant Thornton LLP, Chartered Accountants (the “**Former Auditor**”), as auditor of the Corporation. The Former Auditor is asked to resign as auditor of the Corporation effective on December 14, 2018.
2. The Audit Committee of the Corporation has considered the Former Auditor’s resignation and has recommended that PricewaterhouseCoopers, Chartered Accountants (the “**Successor Auditor**”), be appointed to fill in the vacancy in the office of auditor created by the resignation of the Former Auditor until the next annual meeting of shareholders of the Corporation.
3. The Board of Directors of the Corporation has considered the Former Auditor’s resignation and the recommendation of the Audit Committee and has appointed the Successor Auditor as auditor of the Corporation to hold office until the next annual meeting of shareholders of the Corporation.
4. There were no reservations in the Former Auditor’s reports on the financial statements of the Corporation for: (a) the two most recently completed financial years; or (b) for any period subsequent hereto for which an audit report was issued and preceding the effective date of the resignation of the Former Auditor.
5. In the opinion of the Audit Committee and the Board of Directors of the Corporation, there are no reportable events, as such term is defined in subparagraph 4.11(1) of NI 51-102.

Dated this 14<sup>th</sup> day of December, 2018.

**CANADIAN METALS INC.**

(s) Patsie Ducharme  
PATISIE DUCHARME, CFO

December 18, 2018

---

**Raymond Chabot  
Grant Thornton LLP**  
Suite 2000  
National Bank Tower  
600 De La Gauchetière Street West  
Montréal, Québec  
H3B 4L8

T 514-878-2691

Autorité des marchés financiers  
British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission

**Subject: Canadian Metals Inc.  
Notice of Change of Auditor**

Dear Sirs/Mesdames:

We have read the statements made by the above-mentioned corporation in the attach copy of the Notice of Change of Auditor dated December 14, 2018, which we understand will be filed pursuant to section 4.11 of National Instrument 51-102.

We agree with the statements in the Notice of Change of Auditor dated December 14, 2018.

Yours truly,

*Raymond Chabot Grant Thornton LLP*

Louis Berardi, CPA auditor, CA  
Partner





December 18, 2018

To: Alberta Securities Commission  
British Columbia Securities Commission  
Autorité des marchés financiers  
Ontario Securities Commission

We have read the statements made by Canadian Metals Inc. in the attached copy of change of auditor notice dated December 18, 2018, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102 ("NI 51-102").

We agree with the statements concerning PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. in the change of auditor notice dated December 18, 2018, except that we have no basis to agree or disagree with the following statements: "there are no reportable events, as such term is defined in subparagraph 4.11(1) of NI 51-102".

Yours very truly,

*PricewaterhouseCoopers LLP*

**Partnership of Chartered Professional Accountants**

---

*PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.  
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1  
T: +1 514 205 5000, F: +1 514 876 1502, [www.pwc.com/ca](http://www.pwc.com/ca)*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.