

## **DUNDEE SUSTAINABLE TECHNOLOGIES INC MANAGEMENT INFORMATION CIRCULAR**

This Management Information Circular dated April 15, 2015 (the “**Circular**”) is furnished in connection with a solicitation of proxies by the management of Dundee Sustainable Technologies Inc. (the “**Corporation**”) to be used at the annual meeting of the shareholders of the Corporation and at any adjournment or postponement thereof (the “**Meeting**”) to be held at the time and place and for the purposes set forth in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, facsimile, e-mail or in person. The cost of solicitation will be borne by the Corporation.

### **APPOINTMENT OF PROXYHOLDERS**

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **A Shareholder (as defined below) has the right to appoint as his or her proxy a person or company, who need not be a Shareholder, other than those whose names are printed on the accompanying form of proxy. A Shareholder who wishes to appoint some other person or company to represent him or her at the Meeting may do so either by inserting such other person’s or company’s name in the blank space provided in the enclosed form of proxy and signing the form of proxy or by completing and signing another proper form of proxy (the enclosed form of proxy or other proper form of proxy, the “Proxy Form”).**

The Corporation will not be relying on the notice and access delivery procedures outlined in National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators (“**NI 54-101**”) to distribute copies of proxy-related materials in connection with the Meeting.

### **APPOINTMENT AND REVOCATION OF PROXIES**

To be valid, the Proxy Form must be received by Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not later than 5:00 p.m. (local time) on May 12, 2015, or at least 48 hours (excluding Saturdays, Sundays and holidays) before the date of the Meeting in the case of any adjournment or postponement thereof. The proxy cut off time may be waived or extended by the Chairperson of the Meeting without notice.

A Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a company, by a duly authorized officer or attorney of such company, and delivered either to Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 prior to 5:00 p.m. (local time) on the second to last business day immediately preceding the Meeting, with the Secretary of the Corporation before the commencement of the Meeting or at any adjournment or postponement thereof. Only Shareholders have the right to revoke a proxy. Non-registered Holders (as defined below who wish to change their voting instruction form must (or Proxy Form) contact the intermediary through which their shares are held and by following the instructions of the intermediary respecting the revocation of such voting instruction form (or Proxy Form).

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **PERSONS MAKING THE SOLICITATION**

The enclosed proxy is being solicited by management on behalf of the Corporation. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Corporation. The Corporation may reimburse Shareholders’ nominees or agents for the cost incurred in forwarding to OBOs (as defined below) proxy related materials and in obtaining from their principals authorization to execute forms of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Corporation.

## Exercise of Discretion by Proxies

**Shares represented by properly executed proxies in favour of the persons designated in the enclosed form of proxy, in the absence of any direction to the contrary, will be voted: (i) for the election of directors; and (ii) for the appointment of auditors.** Instructions with respect to voting will be respected by the persons designated in the enclosed form of proxy. With respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, such shares will be voted by the persons so designated in their discretion. As of the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters.

Shares represented by the proxies solicited hereby will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and if a Shareholder specifies a choice with respect to any matter to be acted upon, the shares represented by such proxy will be voted or withheld from voting accordingly. Shareholders may indicate the manner in which the proxyholder is to vote with respect to any specific item by checking the appropriate space. If a Shareholder wishes to confer discretionary authority with respect to any item of business, then the space opposite the item should be left blank.

**The enclosed form of proxy confers discretionary authority upon the named proxyholder(s) with respect to any amendments to or variations in matters identified in the accompanying Notice of Meeting, including other matters which may properly come before the Meeting.** As at the date of this Circular, management of the Corporation is not aware of any amendments, variations, or other matters, other than as set out in the accompanying Notice of Meeting. If such should occur, the persons designated by management or such other proxyholder as properly designated by the Shareholder will vote in accordance with their best judgment.

**IF A CHOICE WITH RESPECT TO SUCH MATTERS IS NOT SPECIFIED, THE PERSONS DESIGNATED BY MANAGEMENT OF THE CORPORATION IN THE ENCLOSED PROXY WILL VOTE THE SHARES (AS DEFINED BELOW) REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.**

### Non Registered Shareholders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares, such as securities dealers or brokers, banks, trust companies, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans; or (ii) in the name of a clearing agency of which the Intermediary is a participant. In accordance with NI 54-101, the Corporation has distributed copies of the Notice of Meeting and this Circular (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders, and often use a service company for this purpose. Non-Registered Holders will either:

- (a) typically, be provided with a computerized form (often called a “**voting instruction form**”) which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. In order for the applicable computerized form to validly constitute a voting instruction form, the Non-Registered Holder must properly complete and sign the form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or service company. In certain cases, the Non-Registered Holder may provide such voting instructions to the Intermediary or its service company through the Internet or through a toll-free telephone number; or
- (b) less commonly, be given a Proxy Form which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the Proxy Form and submit it to Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own.

Should a Non-Registered Holder who receives a voting instruction form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should print his or her own name, or that of such other person, on the voting instruction form and return it to the Intermediary or its service company. Should a Non-Registered Holder who receives a proxy form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons set out in the proxy form and insert the name of the Non-Registered Holder or such other person in the blank space provided and submit it to Computershare Investor Services Inc. at the address set out above.

**In all cases, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when, where and by what means the voting instruction form or Proxy Form must be delivered.**

In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the Notice of Meeting, this Circular, the form of proxy and a financial statement request form to Intermediaries for onward distribution to Non-Registered Holders. The Corporation will pay for an Intermediary to deliver these meeting materials to Non-Registered Holders who are “objecting beneficial owners” or “OBOs” (as defined in NI 54-101), including a voting instruction form.

A Non-Registered Holder may revoke voting instructions which have been given to an Intermediary at any time by written notice to the Intermediary.

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

Except as disclosed in this Circular, no person who has been a director or executive officer of the Corporation at any time since the Corporation's last completed financial year, any proposed nominee or any associate or affiliate of any such director or executive officer or proposed nominee has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS**

The directors of the Corporation have fixed April 8, 2015 (the “**Record Date**”), at the close of business, as the record date for the determination of the Shareholders entitled to receive notice of the Meeting and to vote thereat. As of April 8, 2015, there were 231,706,201 subordinate voting shares (“**Subordinate Voting Shares**”) and 50,000,000 multiple voting shares (“**Multi-Voting Shares**”) together with the Subordinate Voting Shares are hereinafter described as the “**Shares**”) issued and outstanding.

Each Subordinate Voting Share has the right to one vote and each Multi-Voting Share has the right to 10 votes on each matter to be voted on at the Meeting.

At the Meeting, the holders of Subordinate Voting Shares and Multi-Voting Shares (collectively “**Shareholders**”) will also be voting, together as a group, on the election of directors and the appointment of the Corporation’s auditor. See “*Election of Directors*” and “*Appointment of Auditor*” respectively, for further information.

The Subordinate Voting Shares represent an aggregate of 31.67% of the outstanding votes and the Multi-Voting Shares represent an aggregate of 68.33% of the outstanding votes, in each case as it relates to the total votes of the Subordinate Voting Shares and Multi-Voting Shares taken together.

On April 1, 2014, upon closing of a three cornered amalgamation (the “**Amalgamation**”) involving a subsidiary of the Corporation, the Corporation, Creso Exploration Inc, and Computershare Trust Company of Canada (the “**Trustee**”), as trustee for the benefit of holders of Subordinate Voting Shares, and Dundee Corporation (“**Dundee**”), the holder of the Multi-Voting Shares, entered into a coattail agreement (the “**Coattail Agreement**”).

The Coattail Agreement contains the following provisions having the effect of preventing transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if the Multi-Voting Shares had been Subordinate Voting Shares.

**Restriction on Sale** - Dundee shall not transfer, directly or indirectly, any Multi-Voting Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which securities legislation would have required the same offer to be made to holders of Subordinate Voting Shares if the sale by Dundee had been a sale of Subordinate Voting Shares rather than Multi-Voting Shares (but otherwise on the same terms). It shall be assumed that the offer that would have resulted in the sale of Subordinate Voting Shares by Dundee would have constituted a take-over bid under applicable securities legislation, regardless of whether this actually would have been the case, and the varying of any material term of an offer shall be deemed to constitute the making of a new offer. For the avoidance of doubt, the determination of whether an offer constitutes a take-over bid (as defined in applicable securities legislation) shall not be made by reference solely to the number of issued and outstanding Subordinate Voting Shares.

**Permitted Sale** - The provisions of the Coattail Agreement do not have the effect of preventing a sale by any holder of Multi-Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares that:

- (a) offers a price per Subordinate Voting Share at least as high as the highest price per share paid pursuant to the take-over bid for the Multi-Voting Shares;
- (b) provides that the percentage of outstanding Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Multi-Voting Shares to be sold (exclusive of Multi-Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- (c) has no condition attached other than the right not to take up and pay for Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Multi-Voting Shares; and
- (d) is in all other material respects identical to the offer for Multi-Voting Shares.

**Improper Sale** - If any person or company, other than Dundee, carries out a sale (including an indirect sale) of Multi-Voting Shares that Dundee is restricted from carrying out pursuant to the provisions of the Coattail Agreement, Dundee shall not at or after the time such sale becomes effective do any of the following with respect to any of the Multi-Voting Shares so sold:

- (a) dispose of them without the prior written consent of the Trustee;
- (b) convert them into Subordinate Voting Shares without the prior written consent of the Trustee; or
- (c) exercise any voting rights attaching to them except in accordance with the written instructions of the Trustee, with which Dundee shall comply.

The Trustee shall exercise the above rights in a manner that the Trustee upon seeking advice from counsel considers to be: (i) in the best interests of the holders of Subordinate Voting Shares, other than Dundee, and holders of Subordinate Voting Shares who, in the opinion of the Trustee, participated directly or indirectly in the transaction that triggered the operation described above under Improper Sale; and (ii) consistent with the intentions of Dundee and the Corporation in entering into the Coattail Agreement.

**Assumptions** - Any sale that would result in a direct or indirect acquisition of Multi-Voting Shares or Subordinate Voting Shares, or in the direct or indirect acquisition of control or direction over those shares, shall be construed to be a sale of those Multi-Voting Shares or Subordinate Voting Shares, as the case may be; and if there is an offer to acquire that would have been a take-over bid for the purposes of applicable securities legislation if not for the provisions of the articles of the Corporation that cause the Multi-Voting Shares to automatically convert into Subordinate Voting Shares in certain circumstances, that offer to acquire shall nonetheless be construed to be a take-over bid for the purposes of the Coattail Agreement.

**Prevention of Improper Sales** – Dundee shall use its best efforts to prevent any person or company from carrying out a sale (including an indirect sale) in respect of any Multi-Voting Shares that the Shareholder would be restricted from carrying out pursuant to the provisions of the Coattail Agreement, regardless of whether that person or company is a party to the Coattail Agreement.

**Supplemental Agreements** - Dundee shall not dispose of any Multi-Voting Shares unless the disposition is conditional upon the person or company acquiring those Shares entering into an agreement substantially in the form of the Coattail Agreement and under which that person or company has the same rights and obligations as Dundee have under the Coattail Agreement.

**Principal Shareholders** - As of April 8, 2015, to the knowledge of the directors and executive officers of the Corporation, there is no person or company beneficially owning or exercising control or direction, directly or indirectly, over shares carrying more than 10% of the voting rights attached to any class of shares of the Corporation entitled to vote at the Meeting except as follows:

Shareholder	Number and class of shares held directly and indirectly	% the outstanding voting rights
Dundee Corporation	128,068,497 Subordinate Voting Shares and	55.27
	50,000,000 Multi-Voting Shares	100
	Total voting rights	85.84

### **ELECTION OF DIRECTORS**

The board of directors of the Corporation (the “**Board**”) proposes to nominate the eight persons named below for election as directors of the Corporation, all of whom are current directors of the Corporation. Unless otherwise directed, it is the intention of management nominees to vote proxies in the accompanying form of proxy for these eight nominees. Each director will hold office until the next annual meeting of Shareholders or until the election of his successor, unless he resigns or his office becomes vacant by death or other cause or is replaced in accordance with the by-laws of the Corporation.

The following table sets out, for each of the nominees the person’s name, province or state, and country of residence, position(s) with the Corporation, principal occupation for the past five years, ownership of the Subordinated Voting Shares and Multi-Voting Shares and the date of initial appointment as a director of the Corporation.

<b>Name and Municipality of Residence<sup>(1)</sup></b>	<b>Position</b>	<b>Director or Officer since</b>	<b>Principal Occupation for Past Five Years</b>	<b>Number of Shares held Directly or Indirectly<sup>(2)</sup></b>
PIERRE GAUTHIER Québec, Canada	Vice-Chairman <sup>(3)</sup>	December 5, 1999	President, Seed Capital Inc., a private investment company	1,949,031 Subordinated Voting Shares (0.26 %)
BRAHM GELFAND <sup>(4)(5)(6)</sup> Québec, Canada	Chairman <sup>(7)</sup> and Director	May 15, 2006	Counsel at Lapointe Rosenstein, Marchand Melancon, L.L.P.	144,000
NED GOODMAN Ontario, Canada	Director	June 8, 2012	Chief Executive Officer, Dundee Corporation, a holding company focused on real estate, resources and asset management	132,335,164 Subordinated Voting and 50,000,000 Multi-Voting Shares <sup>(8)</sup> (86.42%)
HUBERT MARLEAU <sup>(4)(5)</sup> Ontario, Canada	Director	June 7, 2011	Corporate director Economist and Chairman of Palos Capital Corporation until 2012	Nil
JOHN W. MERCER Ontario, Canada	President and CEO and Director	December 8, 2014	Consultant since 1991. John W. Mercer & Associates Inc.	Nil
MARK E. GOODMAN <sup>(6)</sup> Ontario, Canada	Chairman and Director	May 23, 2013	Executive Vice-President and Chief Operation Officer, Dundee Corporation, a holding company focused on real estate, resources and asset management	Nil
RONALD SINGER <sup>(4)(5)(6)</sup> Québec, Canada	Director	March 18, 2014	Corporate director	24,000
DAVID WHYTE Ontario, Canada	Director	December 8, 2014	Vice Chairman of Dundee Global Investment Management since 2014, Consultant from 2011 to 2014 Vice Chairman and Chief Operating Officer at HollisWealth Inc. (previously known as DundeeWealth Inc.) from March 2009 to 2011	Nil

**Notes:**

- (1) The information as to country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) was provided by the respective nominees.
- (2) Percentages represent the percentage of vote attached to total number of Shares.
- (3) Mr. Gauthier was Chairman until April 25, 2014 and President and CEO until December 8, 2014.
- (4) Member of the Audit Committee
- (5) Member of the Compensation Committee
- (6) Member of the Governance Committee
- (7) Mr. Gelfand was Chairman from April 25 to December 8, 2014
- (8) Please refer to *Voting Securities and Principal Holders*.

Except for Messrs. Mercer and Whyte, all of the nominees whose names are above mentioned have previously been elected directors of the Corporation at a shareholders' meeting for which a proxy circular was issued.

Mr. Mercer holds a Bachelor of Engineering (1978) from the Royal Military College of Canada and a Master of Business Administration (1986) from the Richard Ivey School of Business, University of Western Ontario. In 1991, Mr. Mercer founded John W. Mercer & Associates Inc., a management consulting firm with offices in Toronto and Chicago specializing in corporate strategy development and high-performance manufacturing consultant. Mr. Mercer is also, since 2012, a Principal of Source One Financial Corp., a vertically integrated automotive finance company. Mr. Mercer is also, since 2010, Managing Director of Pathfinder Leadership Associates that provides Leadership Training to business school students and corporate managers based on the curriculum for the Canadian Forces Basic Officer Training Course (BOTC).

Mr. David A. Whyte served as the President and Chief Operating Officer at DundeeWealth S.A. Mr. Whyte served as the Chief Operating Officer and Vice Chairman at HollisWealth Inc. (previously known as DundeeWealth Inc.) from March 2009 to 2011. He served as the Vice Chairman of Distribution & Investments and had joined it in 2005. Mr. Whyte served as the President at 1832 Asset Management L.P. He served as an Executive Vice President at Goodman & Company, Investment Counsel Ltd. Mr. Whyte held executive positions at other mutual fund investment companies including AIM Trimark. He also managed all aspects of Metropolitan Life's pension operations in Canada. Mr. Whyte serves as the Vice Chair of Dundee Global Asset Management Ltd.

### **Orders, Penalties and Bankruptcies**

Except as set out below, to the knowledge of the Corporation, none of the foregoing nominees for election as a director:

- (a) is, as at the date of this Management Information Circular, or has been, within the last ten years, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity:
  - (i) was the subject of an order that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued, after the nominee 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; or
- (b) is, as at the date of this Management Information Circular or has been within the last ten years, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

For the purposes of section (a) above, the term order means a cease trade order, an order similar to a cease trade order or an order that denied the relevant Corporation access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

In May 2013, Mr. Hubert Marleau was a director of GobiMin Inc. ("GobiMin") when the Alberta Securities Commission and the British Columbia Securities Commission (collectively the "Commissions"), in accordance with their guidelines, issued cease trade orders (collectively the "CTO") that prohibited all trading of the securities of GobiMin. The CTO was issued against GobiMin for failure to file its annual financial statements and associated management disclosure and analysis for the period ended December 31, 2012 together with the required CEO and CFO certificate (the "Outstanding Filings"). The Outstanding Filings were completed on May 16, 2013 and, as at July 19, 2013, the CTO issued by the Commissions had been revoked.

Mr. Marleau was a director of Mitec Telecom Inc., (“Mitec”) a reporting issuer, which announced on September 15, 2010 that it was not in a position to file its first quarter, fiscal 2011 interim consolidated financial statements for the period ending July 31, 2010. As a result, Mitec applied for an order from the relevant Canadian securities regulatory authorities for a management cease trade order (“MCTO”) as provided for in National Policy 12-203 - Cease Trade Orders for Continuous Disclosure Defaults which prohibits trading in securities of the Corporation by certain insiders of the Corporation. On September 20, 2010, a temporary MCTO effective until October 1, 2010 was granted by the Autorité des marchés financiers, being the principal regulator, prohibiting certain directors and/or officers to trade in securities of Mitec, including Mr. Marleau.

Mr. Marleau was a director of Malette International Inc. (“Malette”) a reporting issuer listed on the Toronto Stock Exchange Venture Exchange when, on February 26, 2007, Malette Industries Inc., a wholly-owned subsidiary of Malette, filed a notice of intention to make a proposal to its creditors under the Bankruptcy and Insolvency Act. On February 27, 2007, a creditor of Malette Hardwood Flooring Inc., another subsidiary of Malette, obtained a receivership order from the Superior Court of Québec. On February 2, 2007, the Autorité des marchés financiers issued a cease trade order against Malette for its failure to file financial statements for the year ended September 30, 2006. Effective March 1, 2007, Mr. Marleau resigned from the board of directors of Malette.

Mr. Marleau was a director of Magistral Biotech Inc. in early 2006 when it was subject to a cease trade order imposed by Autorité des marchés financiers and the British Columbia Securities Commissions because it did not file a comparative financial statement for the financial year ended December 31, 2005. Magistral Biotech Inc. subsequently filed the necessary disclosures and in late 2006, Autorité des marchés financiers and the British Columbia Securities Commissions each issued Partial Revocation Orders allowing Magistral Biotech Inc. to effect certain transactions to complete a reverse take-over with Immunotec Research Ltd.

Mr. John Mercer was the sole director and officer of Bangor Metals Inc; Bangor Metals Corp., a private company that was put into receivership in August 2009; Knoch Manufacturing Company, a private company that was put into receivership in August 2009; and Brute Manufacturing Limited that filed a motion under the Company’s Creditors Arrangement Act (CCAA) in October 2007. These companies have been liquidated.

Except as set out below, to the knowledge of the Corporation, none of the foregoing nominees for election as 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 security holder in deciding whether to vote for a proposed director.

Mr. Marleau was required by the TSX Venture Exchange, in May 2007, to submit an undertaking to the TSX Venture Exchange concerning the submission in a true and correct manner of all future Personal Information Forms in relation to acting as director of Artevo Corporation. Mr. Marleau was reprimanded by the TSX Venture Exchange, on May 12, 2011, for the breach of his 2007 undertaking to the TSX Venture Exchange; required to attend a workshop, required to pay a fee of \$3,000, required to provide a written acknowledgement that he had read the TSX Venture Exchange correspondence and that the 2007 undertaking remains in effect.

On May 31, 2011, the AMF instituted proceedings before the Bureau de décision et de révision (the “BDRVM”) wherein the AMF sought payment by Palos Management Inc. (“Palos”), a company for which Mr. Marleau was then acting as president and chairman, of a monetary penalty of \$36,500 and an order requiring Palos to submit certain components of certain financial statements which the AMF alleged were not duly filed for the periods ending June 30, 2009, December 31, 2009 and June 30, 2010. The proceedings related to investment funds managed by Palos and offered under statutory prospectus exemptions. In the interim, Mr. Marleau resigned as president and chairman of Palos. On November 23, 2011, Palos and the AMF entered into a joint submission and acknowledgement of facts in which Palos acknowledged the facts alleged by the AMF and agreed to pay an administrative penalty of \$26,500.

**Unless instructions are given to abstain from voting with regard to the above nominees, it is the intention of the persons named in the enclosed form of proxy to vote FOR the election of the above nominees, as directors of the Corporation.**

## **EXECUTIVE COMPENSATION**

The Compensation Committee appointed by the Board is comprised of Brahm Gelfand, Hubert Marleau and Ronald Singer all of whom are independent. The Board believes that the committee collectively has the knowledge, experience and background required to fulfill its mandate. The Compensation Committee held one meeting in 2014.

Mr. Brahm Gelfand is counsel to law firm Lapointe Rosenstein Marchand Melançon LLP. He has many years of experience in the business sector which provide him with the skills and experience to contribute to the discussions and determinations of the Compensation Committee. He is a member of the compensation committee of another publicly-traded company.

Mr. Hubert Marleau holds a Bachelor of Science in Economics. He is co-founder of Palos Management and has over 30 years of experience in the business and financial community. Mr. Marleau has worked at the senior executive level of several large investment banks. He is a board member of various publicly traded companies and a member of another compensation committee of a publicly traded company.

Mr. Ronald Singer is a Chartered Professional Accountant. He was a senior partner with Hyde Houghton, Chartered Accountants, until his retirement. His practice focused on corporate clients, both private and public.

The Compensation Committee assists the Board in fulfilling its responsibility in terms of general compensation policies, and officers' and directors' compensation. The Corporation's compensation policy is designed to attract and retain the best personnel to allow the Corporation to achieve its goals and maintain its competitive posture. The Corporation seeks to foster an environment that rewards superior performance and aligns the interests of the Corporation's employees to the long-term interests of the Corporation through equity incentives.

### **Compensation Discussion and Analysis**

#### *Compensation Objectives*

The objective of executive compensation is to retain, motivate and reward the executive officers for their performance and contribution to the Corporation's long term success, and align their interests with those of the Shareholders.

#### *Elements of Compensation Program*

The following sections describe the different compensation components, which together define the executive compensation program.

The compensation consists primarily of three main elements: base salary or fee, bonuses and equity incentive plans to attract and retain key talent. The equity incentive plans are designed to align the interest of management with the interest of shareholders since increases in the price of the Corporation's share will benefit both the shareholders and the Named Executive Officers ("NEOs").

#### *Base Salary/Fees*

A primary element of the compensation program is base salary or fees which represent the minimum compensation for services rendered during the fiscal year and depend on the scope of the NEOs' experience, responsibilities, leadership skills, and performance.

Base salaries or fees are not reviewed annually but adjusted to reflect promotions or other changes in the scope or breadth of an executive's role or responsibilities, as well as for market competitiveness.

#### *Bonuses*

Short-term incentives, represented by cash bonus awards, are intended to motivate and reward NEOs for business achievements and for making decisions and taking actions consistent with the Corporation's long-term focus and are not intended to be the most significant component of their compensation.

#### *Equity Incentive*

Equity-based awards are a variable element of compensation that allows the Corporation to reward the executive officers for their sustained contributions. Equity awards reward performance and continued services by an executive officer. The Board believes that stock options (the "Options") provide management with a strong link to long-term corporate performance and the creation of shareholder value.

The Options are granted in consideration of the level of responsibility of the executive, historic and recent performance as well as his or her impact and/or contribution to the longer-term operating performance of the Corporation. In determining the number of Options to be granted to the executive officers, consideration is given to the value of the Options, if any, previously granted to each executive officer and the exercise price of any outstanding the Options to ensure that such grants closely align the interests of the executive officers with the interests of the Shareholders.

#### *Benefits and Perquisites*

The Corporation does not provide any benefit program.

#### **Summary Compensation Table**

In accordance with the provisions of applicable securities legislation, the Corporation had three “Named Executive Officers” as at December 31, 2014, namely Pierre Gauthier who was President & CEO until December 8, 2014; Jean-Marc Lalancette, Vice-President, Research and Development; David Lemieux, Executive Vice-President; Vatché Tchakmakian, Chief Financial Officer and John Mercer who was appointed President and CEO on December 8, 2014.

The following table sets out information concerning the compensation paid by the Corporation to the NEOs effective as of December 31, 2014:

Name and Principal Position	Period/Year	Fees/Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) <sup>(7)</sup>	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plan	Long-Term Incentive Plan			
Pierre Gauthier <sup>(1)</sup> President and CEO,	2014	165,000	-	-	-	-	-	-	165,000
	2013	180,000	-	186,992	-	-	-	-	366,992
	2012	180,000	-	90,000	50,000 <sup>(4)</sup>	-	-	-	320,000
Jean-Marc Lalancette <sup>(2)</sup> Vice-President, Research & Development	2014	181,440	-	-	-	-	-	-	-
	2013	172,200	-	186,992	-	-	-	-	359,192
	2012	149,940	-	72,000	-	-	-	-	221,940
David Lemieux <sup>(3)</sup> Executive Vice-President	2014	140,000	-	-	-	-	-	-	140,000
	2013	140,000	-	216,910	-	-	-	-	356,910
Vatché Tchakmakian <sup>(5)</sup> Chief Financial Officer	2014	131,513	-	32,500	-	-	-	-	164,013
John W. Mercer <sup>(6)</sup> President and CEO	2014	-	-	-	-	-	-	-	-

#### **Notes:**

- (1) Fees paid to Seed Capital Inc., a private investment company owned by Mr. Gauthier and his family. On December 8, 2014, Mr. Gauthier ceased to be President and CEO.
- (2) Fees paid to Inotel Inc., a company wholly-owned by Jean-Marc Lalancette.
- (3) Mr. Lemieux was appointed Executive Vice-President in April 2013.
- (4) Bonus granted for the special services provided by Mr. Gauthier in Guatemala, Mexico, Honduras and El Salvador, namely the search of local projects of interest for the Corporation and parties interested in its technology.
- (5) Mr. Tchakmakian became Chief Financial Officer of the Corporation in March 2014. Before that date, he was Chief Financial Officer of Creso Exploration Inc. The compensation is paid to Gestion Vatche Tchakmakian Inc., a company controlled by Mr. Tchakmakian, and includes amounts for accounting and tax services provided to the Corporation by this company. This amount does not include the fees paid to Gestion Vatche Tchakmakian Inc. for its support staff (\$142,884 for 2014).
- (6) Mr. Mercer was appointed President and CEO on December 8, 2014.
- (7) The fair value of options at the date of grant is calculated based on the Black-Scholes option pricing model, using the following weighted average assumptions:

	2014	2013	2012
Expected life	5 years	5 years	10 years
Risk-free interest rate	1.59%	1.80%	1.52%
Expected volatility	83.10%	64%	100%
Expected dividend yield	0%	0%	0%
Fair value per share	\$0.13	\$0.11	\$0.20

## Incentive Plan Awards

### *Outstanding Share-Based Awards and Option-Based Awards Table*

The following table sets out information concerning all the Options outstanding as of December 31, 2014 held by the NEOs.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)	Number of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)	Market or Payout Value of Share-Based Awards not Paid Out or Distributed
Pierre Gauthier <sup>(2)</sup> Vice-Chairman	2,500,000 2,000,000 500,000 375,000 100,000 500,000	0.10 0.10 0.20 0.80 1.74 0.20	12-12-2018 08-06-2016 27-11-2022 09-07-2015 29-09-2015 20-02-2017	-	-	-	-
Jean-Marc Lalancette Vice-President, Research & Development	2,500,000 400,000 400,000	0.10 0.10 0.20	12-12-2018 27-11-2022 28-11-2017	-	-	-	-
David Lemieux Executive Vice- President	2,900,000 150,000 100,000 300,000 150,000	0.10 0.10 0.10 0.20 0.20	12-12-2018 08-06-2016 18-10-2015 06-02-2018 27-02-2022	-	-	-	-
Vatché Tchakmakian Chief Financial Officer	300,000 62,500 100,000 50,000 250,000	0.10 0.10 0.80 0.20 0.20	08-06-2016 12-12-2018 09-07-2015 20-02-2017 02-10-2019	-	-	-	-
John W. Mercer <sup>(3)</sup> President and CEO	-	-	-	-	-	-	-

**Notes:**

- (1) Based on the closing price on CSE on December 31, 2014 - \$0.09.
- (2) Mr. Gauthier ceased to be President and CEO on December 8, 2014.
- (3) Mr. Mercer was appointed President and CEO on December 8, 2014.

*Incentive Plan Awards – value vested or earned during the year 2014*

According to the Stock Option Plan, all options vest on grant.

<b>Name</b>	<b>Option-based awards – Value Vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value Vested during the year (\$)</b>	<b>Non-equity Incentive Plan Compensation – Value earned during the year (\$)</b>
Pierre Gauthier President and CEO	-	N/A	N/A
Jean-Marc Lalancette Vice-President, Research & Development	-	N/A	N/A
David Lemieux Executive Vice-President	-	N/A	N/A
Vatché Tchakmakian Chief Financial Officer	-	N/A	N/A

(1) The dollar amount is the aggregate value that would have been realized if the options granted during the year ended December 31, 2014 had been exercised on the vesting date of these options.

*Pension Plan Benefits*

The Corporation has no defined benefit plan, defined contribution plan or formal compensation plans.

*Fees*

Mr. Gauthier's monthly fees were paid to Seed Capital Inc. at his request.

Mr. Lalancette's daily fees were paid to Inotel Inc. at his request.

Mr. Tchakmakian's hourly fees were paid to Gestions Vatche Tchakmakian Inc. at his request.

**Termination and Change of Control Benefits***NEO Contracts*

On February 19, 2014, the Corporation entered into an employment agreement with Mr. David Lemieux (the "Lemieux Agreement"). The term of the Lemieux Agreement is for three years ending February 19, 2017. Pursuant to the Lemieux Agreement, Mr. Lemieux is paid an annual salary of \$140,000. The Corporation may terminate the Lemieux Agreement at any time without cause provided that the Corporation pays at the time of termination an amount equal to half of the then-current annual salary. If the Lemieux Agreement is terminated following a change of control, the Corporation shall pay an amount equal to half of the then-current annual salary

The Corporation has not entered into employment agreements with the other NEOs.

*Other Change of Control Commitments*

The following tables provide estimates of the incremental amounts that would have been payable to NEOs assuming termination and/or change of control events occurred on December 31, 2014.

Pursuant to the Stock Option Plan approved by the shareholders in July 2014, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, each Participant (as such term is further defined) shall be entitled to exercise, in whole or in part, the Options granted to such Participant under the Stock Option Plan, either during the term of the Option or within 120 days after the date of the sale or change of control, whichever first occurs.

*Estimated Incremental Payments as of December 31, 2014 - Termination without Cause*

<b>Name</b>	<b>Salary</b>
David Lemieux	\$70,000

*Estimated Incremental Payments as of December 31, 2014 - Termination without Cause Following a Change of Control*

<b>Name</b>	<b>Salary</b>
David Lemieux	\$70,000

**Directors' Compensation**

The Compensation Committee is responsible for developing the directors' compensation plan which is approved by the Board. The objectives of the directors' compensation plan are to compensate the directors in a manner that is cost effective for the Corporation and competitive with other comparable companies and to align the interests of the directors with the Shareholders'.

*Fees*

No fees were paid to the directors for their directorship. Their compensation consisted only of Options.

**Director's Summary Compensation Table**

The following table summarizes the compensation paid or payable to the directors of the Corporation for the financial year 2014 except for the directors who are NEOs.

<b>Name</b>	<b>Fees earned</b>	<b>Option-based awards (\$)</b>	<b>All other compensation</b>	<b>Total</b>
Salvador Brouwer <sup>(1)</sup>	-	-	99,912 <sup>(2)</sup>	99,912
Brahm Gelfand	-	13,000	-	13,000
Ronald Singer	-	91,000	-	91,000
Ned Goodman	-	-	-	-
Mark Goodman	-	-	-	-
David Whyte	-	-	-	-

**Notes:**

- (1) Mr. Brouwer resigned as director in April 2014.
- (2) Fees paid for services as President of Nichromet Dominicana S.A. and Nichromet Guatemala S.A. in 2014.

**Director's outstanding option-based awards**

The following table sets forth all awards outstanding as at the date of this Information Circular.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities <sup>(1)</sup> Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)	Number of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)	Market or Payout Value of Share-Based Awards not Paid Out or Distributed
B. Gelfand	250,000 200,000 250,000 100,000	0.10 0.20 0.10 0.20	08-06-2016 11-27-2022 12-12-2018 02-10-2019	-	-	-	-
M. Goodman	700,000	0.10	12-12-2018	-	-	-	-
N. Goodman	-	-	-	-	-	-	-
H. Marleau	300,000 150,000 250,000	0.10 0.20 0.10	08-06-2016 27-11-2022 12-12-2018	-	-	-	-
J. Mercer	-	-	-	-	-	-	-
R. Singer	700,000	0.20	02-10-2019	-	-	-	-
D. Whyte	-	-	-	-	-	-	-

**Note:**

(1) The closing market price on December 31, 2014 was \$0.09

*Incentive Plan Awards – value vested or earned during the year 2014*

Name	Option-based awards – Value Vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value Vested during the year (\$)	Non-equity Incentive Plan Compensation – Value earned during the year (\$)
Brahm Gelfand	-	N/A	N/A
Mark Goodman	-	N/A	N/A
Ned Goodman	-	N/A	N/A
Hubert Marleau	-	N/A	N/A
Ronald Singer	-	N/A	N/A
David Whyte	-	N/A	N/A

(1) All options vest on grant.

**Other**

The Corporation does not have a policy that would prohibit executive officers or directors from purchasing financial instruments that are designed or would have the effect of hedging the value of equity securities granted to, or held by these individuals.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at December 31, 2014, with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance, the Stock Option Plan being the sole such compensation plan of the Corporation.

Plan category	Number of Common Shares to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	22,652,500	\$0.16	518,120 <sup>(1)</sup>
Equity compensation plans not approved by security holders			N/A
Total	22,652,500	\$0.16	518,120 <sup>(1)</sup>

(1) Based on the number of 10% of the number of shares issued and outstanding at December 31, 2014.

On July 14, 2014, the Shareholders approved a Stock Option Plan (the “Plan”) pursuant to which the Board has granted Options to directors, executive officers, senior management and key consultants (the “Participants”). The Stock Option Plan provides that the number of Subordinate Voting Shares issuable under the Stock Option Plan, together with all of the Corporation’s other previously established or proposed share compensation arrangements, may not exceed 10% of the issued and outstanding Shares at the time of the grant.

The exercise price of the Options is determined by the Board provided that such exercise price shall not be less than that from time to time permitted under the rules of any stock exchange or exchanges on which the Shares are then listed. In addition, the exercise price of an Option must be paid in cash. Disinterested shareholder approval shall be obtained by the Corporation prior to any reduction to the exercise price if the affected Participant is an insider (as defined in the Securities Act (Québec)) of the Corporation at the time of the proposed amendment.

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that the aggregate number of Shares reserved for issuance to any one Participant under this Plan or any other plan of the Corporation, shall not exceed 5% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) in any 12 month period unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are listed to exceed such threshold and provided further that the number of Options granted to any one consultant in a 12 month period shall not exceed 2% of the total number of issued and outstanding Shares and the aggregate number of Options granted to persons employed to provide investor relations activities shall not exceed 2% of the total number of issued and outstanding Shares in any 12 month period. Options issued to consultants performing investor relations activities must also vest in stages over 12 months, with no more than ¼ of the Options vesting in any three month period. The Corporation shall obtain shareholder approval for grants of Options to insiders (as defined in the Securities Act (Québec)), of a number of Options exceeding 10% of the issued Shares, within any 12 month period.

No Option granted under the Plan shall be exercisable for a period exceeding five (5) years from the date that the Option is granted. The vesting conditions are determined by the Board.

If any Participant shall cease to hold the position or positions of director, officer or employee of the Corporation (as the case may be) for any reason other than death, his Option will terminate at 5:00 p.m. (Montréal time) on the earlier of the date of the expiration of the Option Period and 12 months after the date such Participant ceases to hold to be director, officer or employee of the Corporation as the case may be. If a consultant ceases to actively perform services for the Corporation, his Option will terminate at 5:00 p.m. (Montréal time) on the earlier of the date of the expiration of the Option Period and 90 days after the end of the mandate. An Option granted to a Participant who performs investor relations services on behalf of the Corporation shall terminate on the earlier of the date of the expiration of

the Option Period and 30 days after the end of the mandate. In the event of the death of a Participant, any Option previously granted to him shall be exercisable until the end of the Option Period or until the expiration of 12 months after the date of death of such Participant, whichever is earlier.

Notwithstanding any vesting restrictions otherwise applicable to the relevant Options, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, each Participant shall be entitled to exercise, in whole or in part, the Options granted to such Participant hereunder, either during the term of the Option or within 120 days after the date of the sale or change of control, whichever first occurs.

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

No person who is, or who was within the 30 days prior to the date of this Management Information Circular, a director, executive officer, employee or any former director, executive officer or employee of the Corporation or a subsidiary thereof, and furthermore, no person who is a nominee for election as a director of the Corporation, and no associate of any such persons as of the date of this Management Information Circular indebted to the Corporation or a subsidiary of the Corporation or indebted to any other entity where such indebtedness is subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation.

Since January 1, 2014, none of the directors or executive officers of the Corporation, proposed nominees for election as a director, or any associate of the foregoing is or has been indebted to the Corporation or any subsidiary of the Corporation or indebtedness is subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation.

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

Except as disclosed herein and in the audited financial statements of the Corporation for fiscal year ended December 31, 2014, which are accessible on SEDAR at [www.sedar.com](http://www.sedar.com), the Corporation is not aware that any director, executive officer, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, or any person who is a nominee for election as a director of the Corporation, or any associate of such persons, has had a material interest in any transaction carried out since the commencement of the last financial year of the Corporation or in any proposed transaction, and which has materially affected, or would materially affect, the Corporation or any of its subsidiaries.

#### **MANAGEMENT CONTRACTS**

During the most recently completed financial year, no management functions of the Corporation were to any degree performed by a person or company other than the directors or executive officers (or the companies controlled by them, either directly or indirectly) of the Corporation.

#### **APPOINTMENT OF AUDITORS**

Management proposes the re-appointment of PricewaterhouseCoopers, LLP, Chartered Accountants, as auditors of the Corporation. Their mandate will continue until the close of the next annual meeting or until their successors are appointed. The directors will be authorized to fix the remuneration of the auditors. PricewaterhouseCoopers LLP were first appointed auditors of the Corporation in 2005.

**Unless instructions are given to abstain from voting with regard to the appointment of the Auditors, it is the intention of the persons named in the enclosed form of proxy to vote FOR the appointment of PricewaterhouseCoopers, LLP as auditors of the Corporation.**

## **OTHER MATTERS**

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.

## **INFORMATION ON THE AUDIT COMMITTEE**

### **Charter of the Audit Committee**

The Charter of the Audit Committee is annexed to this circular as Schedule “A”.

### **Composition of the Audit Committee**

The current Audit Committee is composed of Brahm Gelfand, Hubert Marleau and Ronald Singer. Under Multilateral Instrument 52-110 *Audit Committees*, a director of an Audit Committee is “independent” if he or she has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board, reasonably be expected to interfere with the exercise of the member’s independent judgment. All members of the Audit Committee are independent.

The Board has determined that each of the three members of the Audit Committee is “financially literate” within the meaning of section 1.6 of Multilateral Instrument 52-110 *Audit Committees*, that is, each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

### **Education and Relevant Experience**

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is set out below.

Mr. Brahm Gelfand is counsel to law firm Lapointe Rosenstein Marchand Melançon LLP. He has many years of experience in mergers and acquisitions, finance and securities. Mr. Gelfand has participated in other audit committees of public companies and presently sits on the audit committee of another public company.

Mr. Hubert Marleau holds a Bachelor of Science in Economics. He is co-founder of Palos Management and has over 30 years of experience in the business and financial community. Mr. Marleau has raised funds privately and publicly for emerging and mature companies, structured mergers and acquisitions as well as designed and created numerous financial deals in Canada. Mr. Marleau has worked at the senior executive level of several large investment banks notably, Nesbitt Thomson Inc., Levesque Beaubien Inc. and Marleau, Lemire Inc. During his career, Mr. Marleau was a governor of the Toronto Stock Exchange, the Montreal Stock Exchange, and the Vancouver Stock Exchange, a director of the Investment Dealer Association of Canada and board member of publicly traded companies.

Mr. Ronald Singer is a Chartered Professional Accountant. He was a senior partner with Hyde Houghton, Chartered Accountants, until his retirement. His practice focused on corporate clients, both private and public, and specialized in the purchase and sale of businesses and corporate reorganizations. Mr. Singer was named a Fellow of the Quebec Order of Chartered Accountants in 1988.

### **Reliance on Exemption**

The Corporation is a venture issuer and is relying on the exemption for venture issuers set out in section 6.1 of Multilateral Instrument 52-110 - *Audit Committees* with respect to certain reporting obligations.

### **Pre-approval Policies and Procedures for Audit Services**

Under its charter, the Audit Committee has the mandate to review and pre-approve management requests for any consulting engagement to be performed by the auditors of the Corporation that is beyond the scope of their audit services.

**External Auditor Fees***(a) Audit Fees*

Audit fees amounted to \$108,500 for the fiscal year ended December 31, 2014 and \$165,000 for the fiscal year ended December 31, 2013.

*(b) Audit-Related Fees*

Assurance and related fees related to the performance of the audit or review of financial statements not included in (a) paid during the fiscal year ended December 31, 2014 amounted to \$22,000 and \$60,590 for the fiscal year ended December 31, 2013.

*(c) Tax Fees*

Tax fees amounted to \$40,211 for the fiscal year ended December 31, 2014 and \$23,827 for the fiscal year ended December 31, 2013.

*(d) Other Fees*

Fees amounting to \$65,000 for the fiscal year ended December 31, 2014 and \$40,000 for the fiscal year ended December 31, 2013 were charged in relation to the Amalgamation.

**CORPORATE GOVERNANCE PRACTICES****Information on Corporate Governance**

The following information of the Corporation's Corporate Governance Policy is given in accordance with National Instrument 58-101 "Disclosure of Corporate Governance Practices".

**Board of Directors**

Messrs. Pierre Gauthier, Brahm Gelfand, Hubert Marleau, and Ronald Singer are independent. Mr. John Mercer, President and Chief Executive Officer of the Corporation is not independent. Messrs. Ned Goodman, Mark Goodman and David Whyte are not considered independent due to their relations with Dundee Corporation the principal Shareholder of the Corporation.

**Directorships**

<b>Director</b>	<b>Issuer</b>
Brahm Gelfand	Tefron Ltd Optimal Payments plc
Mark Goodman	CR Capital Corp. (Formerly Cogitore Resources Ltd) Corona Gold Corporation Dundee Energy Limited Dundee Corporation Focused Capital Corp. Focused Capital Corp. II, Energy Fuels Inc. Night Hawk Gold Corp. Odyssey Resources Ltd Ryan Gold Corp. Woulfe Mining Corp. Skyline International Inc.
Ned Goodman	Barrick Gold Corporation DREAM Unlimited Corp.

<b>Director</b>	<b>Issuer</b>
Hubert Marleau	Woulfe Mining Corp. A.I.S. Resources Limited Niocan Inc. GobiMin Inc.
Ronald Singer	Dundee Precious Metals Inc.
David A. Whyte	Woulfe Mining Corp.

### **Orientation and Continuing Education**

New directors are provided with the Corporation's Corporate Governance Policies. Directors are encouraged to be a member of a professional director organization and/or have a subscription with an organization that provides educational materials on corporate governance and/or directors' responsibilities, current trends and other relevant director information.

### **Ethical Business Conduct**

**Each director of the Corporation, in exercising his powers and discharging his duties, must act honestly and in good faith with a view to the best interests of the Corporation and further must act in accordance with the law and applicable regulations, policies and standards.**

In situation of conflict of interest, a director is required to disclose the nature and extent of any material interest he/she has in any material contract or proposed contract of the Corporation, as soon as the director becomes aware of the agreement or the intention of the Corporation to consider or enter into the proposed agreement and the director must refrain from voting.

### **Nomination of Directors**

The Board selects nominees for election to the Board, after having considered the advice and input of the Corporate Governance and Nominating Committee and having carefully reviewed and assessed the professional competencies and skills, personality and other qualities of each proposed candidate, including the time and energy that the candidate can devote to the task, and the contribution that the candidate can bring to the Board dynamic.

### **Compensation Governance**

Board approves the compensation of the Chief Executive Officer and the directors. The Compensation Committee assist the Board in fulfilling its responsibility in terms of general compensation policies, and officers' and directors' compensation. There is no specific procedure for the determination of the compensation.

### **Corporate Governance and Nominating Committee**

The Corporate Governance and Nominating Committee is composed of Mark Goodman, Brahm Gelfand and Ronald Singer.

The Governance Committee has the authority and responsibility for:

- (i) reviewing the mandates of the Board and its committees and recommending to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
- (ii) establishing procedures to identify nominees with qualifications to become directors of the Corporation;
- (iii) reviewing annually the disclosure of corporate governance practices to be included in the Corporation's information circular;
- (iv) reviewing at least annually the size and composition of the Board, analyzing the needs of the Board and considering the skills, areas of experience, backgrounds, independence and qualifications of the Board members to ensure that the Board, as a whole, has a diversity of competencies and experience that support it in carrying out its responsibilities;

- (v) assessing on a regular basis the effectiveness of the Board as a whole, the committees of the Board and the contribution of each director regarding his, her or its effectiveness and contribution;
- (vi) advising the Board periodically with respect to significant developments in the law and practice of corporate governance and make recommendations to the Board on all matters of corporate governance and on any corrective action to be taken, as the Committee may deem appropriate; and
- (vii) for monitoring compliance with the Corporation's Code of Business Conduct and Ethics.

#### **Assessments**

Refer to the responsibilities of the Corporate Governance and Nominating Committee described herein.

#### **SHAREHOLDER PROPOSALS FOR THE 2016 ANNUAL MEETING**

The final date for submitting Shareholder proposals to the Corporation for the next Annual Meeting of the Shareholders is December 31, 2015.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [WWW.SEDAR.COM](http://WWW.SEDAR.COM).

Copies of the Notice of Meeting and this Circular may be obtained without charge by contacting the Corporation as set forth below. Financial information relating to the Corporation is provided in the Corporation's audited consolidated financial statements for the years ended December 31, 2014 and 2013 and the related management's discussion and analysis (the "MD&A"). Shareholders who wish to obtain a copy of the financial statements and MD&A of the Corporation may contact the Corporation as follows:

By phone:	514-866-6001
By fax:	514-866-6193
By e-mail:	<a href="mailto:info@dundeetechnologies.com">info@dundeetechnologies.com</a>
By mail:	<b>DUNDEE SUSTAINABLE TECHNOLOGIES INC.</b> 600 de Maisonneuve West. Suite 2750 Montréal, Québec H3A 3J2

#### **APPROVAL OF MANAGEMENT OF THE PROXY CIRCULAR**

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

By Order of the Board of Directors

(s) *Luce L. Saint-Pierre*  
Corporate Secretary

Montréal, Québec

April 15, 2015

## SCHEDULE "A"

### CHARTER OF THE AUDIT COMMITTEE

#### **I PURPOSE**

The Audit Committee (the "Committee") assists the Board of Directors (the "Board") in fulfilling its financial reporting and controls responsibilities to the shareholders of the Corporation and the investment community. The external auditors will report directly to the Committee. The Committee's primary duties and responsibilities are:

- overseeing the integrity of the Corporation's financial statements and reviewing the financial reports and other financial information provided by the Corporation to any governmental body or the public and other relevant documents;
- recommending the appointment and reviewing and appraising the audit efforts of the Corporation's external auditors, overseeing the external auditors' qualifications and independence and providing an open avenue of communication among the external auditors, financial and senior management and the Board;
- monitoring the Corporation's financial reporting process and internal controls, its management of business and financial risk, and its compliance with legal, ethical and regulatory requirements.

#### **II COMPOSITION**

1. The Committee shall consist of a minimum of three directors of the Corporation, including the Chair of the Committee, the majority of whom shall not be employees, officers or "control persons", as such term is defined hereunder, of the Corporation. All members shall, to the satisfaction of the Board, be "financially literate" as such term is defined hereunder.

2. The members of the Audit Committee shall be elected by the Board at the annual organizational meeting of the Board for the following year or until their successors are duly elected. The Board may remove a member of the Audit Committee at any time in its sole discretion by resolution of the Board. The members of the Committee may fill vacancies on the Committee by appointment from among the directors. If and when a vacancy shall exist on the Committee, the remaining members may exercise all of its powers so long as quorum remains.

Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair.

#### **III DUTIES AND RESPONSIBILITIES**

1. The Committee shall:

- (a) review and recommend to the Board for approval the annual audited consolidated financial statements;
- (b) as required by the board, review and approve or recommend that the Board approve the quarterly non audited consolidated financial statements and MD&A;
- (c) review with financial management and the external auditor the Corporation's financial statements, MD&As and earnings releases prior to filing with regulatory bodies such as securities commissions and/or prior to their release;
- (d) review document referencing, containing or incorporating by reference the annual audited consolidated financial statements or non audited interim financial statements results (e.g., prospectuses, press releases with financial results) prior to their release;
- (e) make changes or additions to security policies at the Corporation and report, from time to time, to the Board on the appropriateness of the policy guidelines in place to administer the Corporation's security programs.

2. The Committee, in fulfilling its mandate, will:

- (a) ensure to its satisfaction that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required under securities laws;
- (b) ensure to its satisfaction that adequate procedures are in place for the review of the issuer's public disclosure of financial information extracted or derived from the issuer's financial statements, other than MD&A and annual and interim earnings press releases, and periodically assess the adequacy of those procedures;
- (c) recommend to the Board the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor;
- (d) monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor, and discussing and resolving any material differences of opinion or disagreements between management and the external auditor;
- (e) review the performance of the external auditor and approve any proposed discharge and replacement of the external auditor when circumstances warrant. Consider with management the rationale for employing accounting/auditing firms other than the principal external auditor;
- (f) consult periodically with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper;
- (g) arrange for the external auditor to be available to the Audit Committee and the full Board as needed;
- (h) ensure that the auditors report directly to the Audit Committee and are made accountable to the Board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible;
- (i) review and approve hiring policies for employees or former employees of the past and present external auditors;
- (j) review the scope of the external audit, including the fees involved;
- (k) review the report of the external auditor on the annual audited consolidated financial statements;
- (l) review problems found in performing the audit, such as limitations or restrictions imposed by management or situations where management seeks a second opinion on a significant accounting issue;
- (m) review major positive and negative observations of the auditor during the course of the audit;
- (n) review with management and the external auditor of the Corporation's major accounting policies, including the impact of alternative accounting policies and key management estimates and judgments that can materially affect the financial results;
- (o) review emerging accounting issues and their potential impact on the Corporation's financial reporting;
- (p) review and approve requests for any management consulting engagement to be performed by the external auditor and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter and related fees;
- (q) review with management, the external auditors and legal counsel, any litigation, claims or other contingency, including tax assessments, which could have a material affect upon the financial position or operating results of the Corporation, and whether these matters have been appropriately disclosed in the financial statements;
- (r) review the conclusions reached in the evaluation of management's internal control systems by the external auditors, and management's responses to any identified weaknesses;
- (s) review with management their approach to controlling and securing corporate assets (including claims management) and information systems, the adequacy of staffing of key functions and their plans for improvements;
- (t) review with management their approach with respect to business ethics and corporate conduct;
- (u) review annually the legal and regulatory requirements that, if breached, could have a significant impact on the Corporation's published financial reports or reputation;

- (v) receive periodic reports on the nature and extent of compliance with security policies. The nature and extent of non-compliance together with the reasons therefore, with the plan and timetable to correct such non-compliance will be reported to the Board, if material;
  - (w) review with management the accuracy and timeliness of filing with regulatory authorities;
  - (x) review periodically the business continuity plans for the Corporation;
  - (y) review annually general insurance coverage of the Corporation to ensure adequate protection of major corporate assets including but not limited to Directors & Officers coverage;
  - (z) perform such other duties as required by the Corporation's incorporating statute and applicable securities legislation and policies; and
  - (aa) establish procedures for:
    - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls, or auditing matters; and
    - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or audit matters.
3. The Committee may engage and communicate directly and independently with outside legal and other advisors for the Committee as required and set and pay the compensation of such advisors.
4. On a yearly basis, the Committee will review the Audit Committee Charter and where appropriate recommend changes to the Board.

#### **IV SECRETARY**

The Secretary of the Committee will be appointed by the Chair.

#### **V MEETINGS AND MINUTES**

1. The Committee shall meet at such times and places as the Committee may determine, but no less than four times per year. At least annually, the Committee shall meet separately with management and with the external auditors.
2. Meetings may be conducted with members present, in person, by telephone or by video conference facilities.
3. A resolution in writing signed by all the members of the Committee is valid as if it had been passed at a meeting of the Committee.
4. Notice must be given to each committee member not less than 48 hours before the time when the meeting is to be held. The notice period may be waived by a quorum of the Committee.
5. The external auditors or any member of the Committee may also call a meeting of the Committee. The external auditors of the Corporation will receive notice of every meeting of the Committee.
6. The Board shall be kept informed of the Committee's activities by a report, including copies of minutes, at the next Board meeting following each Committee meeting.

#### **VI QUORUM**

Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee.

## **VII DEFINITIONS**

In accordance with *Multilateral Instrument 52-110-Audit Committee*,

*"Financially literate"* means that the director has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

*"Control Person"* means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation.