



**Notice of Annual and Special Meeting of Shareholders**

**Management Information Circular**

**Meeting Date: June 8, 2017**

**ADVENTUS ZINC CORPORATION**  
**707 – 438 King Street West**  
**Toronto, ON M5V 3T9**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN THAT:

The annual and special meeting ("**Meeting**") of the shareholders ("**Shareholders**") of Adventus Zinc Corporation ("**Corporation**") will be held at the offices of McInnes Cooper, 10 Fort William Pl., 5<sup>th</sup> Floor, Bain Johnston Centre, St. John's, Newfoundland and Labrador, on **Thursday, June 8, 2017 at 10:00 a.m. (Newfoundland Time)** for the following purposes:

- (a) to receive the consolidated financial statements of the Corporation for the period from October 24, 2016, the date of incorporation, to December 31, 2016, together with the report of the auditor thereon. No vote by Shareholders with respect thereto is required or proposed to be taken;
- (b) to elect directors of the Corporation for the forthcoming year;
- (c) to appoint the auditor of the Corporation for the forthcoming year and to authorize the directors to fix the auditor's remuneration;
- (d) to ratify, confirm and approve the Corporation's incentive stock option plan; and
- (e) to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the management information circular ("**Circular**") accompanying and forming part of this notice of meeting.

Only Shareholders of record as of the close of business on Thursday, May 4, 2017 are entitled to receive notice of the Meeting and to vote at the Meeting.

To assure your representation at the Meeting as a **Registered Shareholder**, please complete, sign, date and return the enclosed proxy, whether or not you plan to personally attend the Meeting. Sending your proxy will not prevent you from voting in person at the Meeting. All proxies completed by Registered Shareholders must be received by the Corporation's transfer agent, **TSX Trust Company**, not later than **Tuesday, June 6, 2017 at 10:00 a.m. (Newfoundland Time)**. A Registered Shareholder must return the completed proxy to TSX Trust Company, as follows:

- (a) by **mail** in the enclosed envelope;
- (b) by the **Internet** or **fax** as described on the enclosed proxy; or
- (c) by **registered mail**, by **hand** or by **courier** to the attention of Proxy Department, TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1.

**Non-Registered Shareholders** whose shares are registered in the name of an intermediary should carefully follow voting instructions provided by the intermediary. A more detailed description on returning proxies by Non-Registered Shareholders can be found on page 2 of the attached Circular.

If you receive more than one proxy or voting instruction form, as the case may be, for the Meeting, it is because your shares are registered in more than one name. To ensure that all of your shares are voted you should sign and return all proxies and voting instruction forms that you receive.

Dated at Toronto, Ontario, as of the 5<sup>th</sup> day of May, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

*(Signed) "Christian Kargl-Simard"*

President and Chief Executive Officer

**ADVENTUS ZINC CORPORATION**  
**MANAGEMENT INFORMATION CIRCULAR**

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**ADVENTUS ZINC CORPORATION**  
**MANAGEMENT INFORMATION CIRCULAR**  
(as at May 5, 2017 except as indicated)

**INFORMATION REGARDING ORGANIZATION AND CONDUCT OF MEETING**

**THIS MANAGEMENT INFORMATION CIRCULAR ("CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF ADVENTUS ZINC CORPORATION ("Corporation")** for use at the annual and special meeting of the shareholders of the Corporation ("**Shareholders**") to be held at McInnes Cooper, 10 Fort William Pl., 5<sup>th</sup> Floor, Bain Johnston Centre, St. John's, Newfoundland and Labrador, on **Thursday, June 8, 2017 at 10:00 a.m. (Newfoundland Time) ("Meeting")**, or at any adjournment thereof, for the purposes set forth in the accompanying notice of meeting ("**Notice of Meeting**").

**Solicitation of Proxies**

Solicitation of proxies will be primarily by mail, but may also be by telephone or other means of communication by the directors, officers, employees or agents of the Corporation at nominal cost. All costs of solicitation will be paid by the Corporation. The Corporation will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**").

**Appointment and Revocation of Proxies**

Shareholders of the Corporation may be "Registered Shareholders" or "Non-Registered Shareholders". If common shares of the Corporation ("**Common Shares**") are registered in the Shareholder's name, they are said to be owned by a "**Registered Shareholder**". If Common Shares are registered in the name of an intermediary and not registered in the Shareholder's name, they are said to be owned by a "**Non-Registered Shareholder**". An intermediary is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates. The instructions provided below set forth the different procedures for voting Common Shares at the Meeting to be followed by Registered Shareholders and Non-Registered Shareholders.

The persons named in the enclosed instrument appointing proxy are officers and directors of the Corporation. **Each Shareholder has the right to appoint a person or company (who need not be a Shareholder) to attend and act for him or her at the Meeting other than the persons designated in the enclosed form of proxy.** Shareholders who have given a proxy also have the right to revoke it insofar as it has not been exercised. The right to appoint an alternate proxyholder and the right to revoke a proxy may be exercised by following the procedures set out below under "*Registered Shareholders*" or "*Non-Registered Shareholders*", as applicable.

If any Shareholder receives more than one (1) proxy or voting instruction form, it is because that Shareholder's shares are registered in more than one form. In such cases, Shareholders should sign and submit all proxies or voting instruction forms received by them in accordance with the instructions provided.

**Registered Shareholders**

Registered Shareholders have two (2) methods by which they can vote their Common Shares at the Meeting, namely in person or by proxy. To assure representation at the Meeting, Registered Shareholders are encouraged to return the proxy included with the Circular. Sending in a proxy will not prevent a Registered Shareholder from voting in person at the Meeting. The vote will be taken and counted at the Meeting. Registered Shareholders who do not plan to attend the Meeting or who do not wish to vote in person can vote by proxy.

Proxies must be received by the Corporation's transfer agent, **TSX Trust Company ("TSX Trust")**, not later than **Tuesday, June 6, 2017 at 10:00 a.m. (Newfoundland Time)**. A Registered Shareholder must return the completed proxy to TSX Trust, as follows:

- (a) by **mail** in the enclosed envelope; or

- (b) by the **Internet** or **fax** as described on the enclosed proxy; or
- (c) by **registered mail**, by **hand** or by **courier** to the attention of Proxy Department, TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1.

To exercise the right to appoint a person or company to attend and act for a Registered Shareholder at the Meeting, such Shareholder must strike out the names of the persons designated on the enclosed instrument appointing a proxy and insert the name of the alternate appointee in the blank space provided for that purpose.

To exercise the right to revoke a proxy, in addition to any other manner permitted by law, a Shareholder who has given a proxy may revoke it by instrument in writing, executed by the Shareholder or his or her attorney authorized in writing, or if the Shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited: (i) at the registered office of the Corporation, 66 Kenmount Road, Suite 202, Kenmount Building Centre, St. John's, NL A1B 3V7 Attn: Chad Wells, at any time up to and including the last business day preceding the Meeting at which the proxy is to be used, or at any adjournment thereof, or (ii) with the chairman of the Meeting on the date of the Meeting, or at any adjournment thereof, and upon either of such deposits the proxy is revoked.

### **Non-Registered Shareholders**

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "**NOBOs**". Non-Registered Shareholders who have objected to their intermediary disclosing the ownership information about themselves to the Corporation are referred to as "**OBOs**".

In accordance with the requirements of NI 54-101, the Corporation is sending the Notice of Meeting, this Circular, and either the voting instructions form ("**VIF**") or the form of proxy, as applicable, (collectively, the "**Meeting Materials**") directly to the NOBOs and indirectly, through intermediaries, to the OBOs. The Corporation will also pay the fees and costs of intermediaries for their services in delivering Meeting Materials to OBOs in accordance with NI 54-101.

#### Meeting Materials Received by OBOs from Intermediaries:

The Corporation has distributed copies of the Meeting Materials to intermediaries for distribution to OBOs. Intermediaries are required to deliver these materials to all OBOs of the Corporation who have not waived their rights to receive these materials, and to seek instructions as to how to vote the Common Shares. Often, intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to OBOs.

OBOs who receive Meeting Materials will typically be given the ability to provide voting instructions in one of two ways:

- (a) Usually, an OBO will be given a VIF which must be completed and signed by the OBO in accordance with the instructions provided by the intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the intermediary must be followed.
- (b) Occasionally, an OBO may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Common Shares owned by the OBO but is otherwise not completed. This form of proxy does not need to be signed by the OBO but must be completed by the OBO and returned to TSX Trust in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the Common Shares that they own but that are not registered in their name. Should an OBO who receives either a form of proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the OBO should strike out the persons named in the form of proxy as the proxy holder and insert the OBO's (or such other

person's) name in the blank space provided or, in the case of a VIF, follow the instructions provided by the intermediary. **In either case, OBOs who received Meeting Materials from their intermediary should carefully follow the instructions provided by the intermediary.**

To exercise the right to revoke a proxy, an OBO who has completed a proxy (or a VIF, as applicable) should carefully follow the instructions provided by the intermediary.

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

#### Meeting Materials Received by NOBOs from the Corporation:

As permitted under NI 54-101, the Corporation has used a NOBO list to send the Meeting Materials directly to the NOBOs whose names appear on that list. If you are a NOBO and the Corporation's transfer agent, TSX Trust, has sent these materials directly to you, your name and address and information about your holdings of Common Shares of the Corporation have been obtained from the intermediary holding such shares on your behalf in accordance with applicable securities regulatory requirements.

As a result, any NOBO of the Corporation can expect to receive a scannable VIF from TSX Trust. Please complete and return the VIF to TSX Trust in the envelope provided. TSX Trust will tabulate the results of the VIFs received from the Corporation's NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIF's received by TSX Trust.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. The intermediary holding Common Shares on your behalf has appointed you as the proxyholder of such Common Shares, and therefore you can provide your voting instructions by completing the proxy included with this Circular in the same way as a Registered Shareholder. Please refer to the information under the heading "*Registered Shareholders*" for a description of the procedure to return a proxy, your right to appoint another person or company as your proxy to attend the Meeting, and your right to revoke the proxy.

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. Non-Registered Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

#### **Notice-and-Access**

The Corporation is not sending the Meeting Materials to Registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102, *Continuous Disclosure Obligations*.

#### **Exercise of Proxies**

Where a choice is specified, the Common Shares represented by proxy will be voted for, withheld from voting or voted against, as directed, on any poll or ballot that may be called. **Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all matters referred to on the form of proxy. The proxy also confers discretionary authority to vote for, withhold from voting, or vote against amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting.**

Management has no present knowledge of any amendments or variations to matters identified in the Notice of Meeting or any business that will be presented at the Meeting other than that referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed instrument appointing a proxy to vote in accordance with the recommendations of management of the Corporation.

### **Voting Shares**

The authorized capital of the Corporation consists of an unlimited number of Common Shares, of which 45,570,015 are issued and outstanding as of the date hereof.

The board of directors of the Corporation (the "**Board**" or "**Board of Directors**") has fixed the record date for the Meeting as the close of business on Thursday, May 4, 2017 (the "**Record Date**"). Only Shareholders of record as of the close of business on the Record Date will be entitled to vote at the Meeting, provided that if a Shareholder has transferred any Common Shares after the Record Date and the transferee, except that a Shareholder who is not a Shareholder on the Record Date may demand that such Shareholder's name be included on the list of Shareholders entitled to vote at the Meeting if satisfactory evidence is produced not later than ten (10) days before the Meeting that such person owns Common Shares.

Shareholders entitled to vote shall have one (1) vote each on a show of hands and one (1) vote per Common Share on a poll.

### **Quorum**

Two (2) persons present and each entitled to vote at the Meeting and authorized to cast at the Meeting in aggregate not less than ten percent (10%) of the total number of votes attaching to all shares of the Corporation carrying the right to vote will constitute a quorum at the Meeting.

### **Principal Shareholders**

As of the date hereof, to the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, or exercises control or direction over, directly or indirectly, ten percent (10%) or more of the voting rights attached to the outstanding Common Shares except as follows:

<b>Name</b>	<b>Number of Common Shares Owned, Controlled or Directed<sup>(3)</sup></b>	<b>Percentage of Common Shares</b>
Altius Minerals Corporation <sup>(1)</sup>	12,114,001	26.58%
Greenstone Capital II L.P. <sup>(2)</sup>	8,000,000	17.56%
Resource Capital Fund VI L.P.	8,000,000	17.56%
<b>Total</b>	<b>28,114,001</b>	<b>61.70%</b>

Notes:

- (1) These shares are held by Altius Resources Inc. ("**Altius**"), a wholly owned subsidiary of Altius Minerals Corporation ("**AMC**").
- (2) A fund controlled by Greenstone Capital LLP, of which Michael Haworth, a director of the Corporation, is a Senior Partner.
- (3) Based on public filings with securities regulatory authorities in Canada.

## **BUSINESS TO BE TRANSACTED AT THE MEETING**

### **Presentation of Financial Statements**

The consolidated financial statements of the Corporation and the auditor's report thereon for the period from October 24, 2016, the date of incorporation, to December 31, 2016, are filed on SEDAR under the Corporation's profile and will be presented to the Shareholders at the Meeting.

## Election of Directors

The Articles of Incorporation of the Corporation provide that the size of the Board must consist of not less than one (1) director and not more than ten (10) directors to be elected annually.

The persons named in the list that follows are current directors of the Corporation and are, in the opinion of management, well qualified to direct the Corporation's activities for the ensuing year. They have all confirmed their willingness to continue to serve as directors, if re-elected. The term of office of each director elected will be until the next annual meeting of the Shareholders or until the position is otherwise vacated.

**Unless the proxy specifically instructs the proxyholder to withhold such vote, Common Shares represented by the proxies hereby solicited shall be voted for the election of the nominees whose names are set forth below.** Management does not contemplate that any of these proposed nominees will be unable to serve as a director of the Corporation, but if that should occur for any reason prior to the Meeting, the persons designated in the enclosed instrument appointing proxy will have the right to use their discretion in voting for a properly qualified substitute.

Name, City and Province of Residence	Principal Occupation	Director Since	Current Position(s) with the Corporation	Common Shares of the Corporation Owned, Controlled or Directed <sup>(3)</sup>
Christian Kargl-Simard Ontario, Canada	President and Chief Executive Officer of the Corporation	December 6, 2016	President, Chief Executive Officer and Director	1,400,000
Brian Dalton Newfoundland and Labrador, Canada	Chief Executive Officer of AMC, a mining royalty company	October 24, 2016	Chairman and Director	60,000 <sup>(4)</sup>
Chad Wells <sup>(1)</sup> Newfoundland and Labrador, Canada	V.P. Corporate Development and Corporate Secretary of AMC, a mining royalty company	November 25, 2016	Corporate Secretary and Director	60,000 <sup>(4)</sup>
Michael Haworth <sup>(1)(2)</sup> Surrey, United Kingdom	Senior Partner of Greenstone Capital LLP, a private equity firm	December 6, 2016	Director	8,000,000 <sup>(5)</sup>
Sally Eyre <sup>(1)(2)</sup> British Columbia, Canada	Corporate director of mineral resource companies	December 6, 2016	Director	200,000
Mark Wellings <sup>(2)</sup> Ontario, Canada	Chief Executive Officer and President of Eurotin Inc., a junior mineral exploration company	December 6, 2016	Director	400,000 <sup>(6)</sup>

Notes:

- (1) Member of the Corporate Governance Committee.
- (2) Member of the Audit Committee.
- (3) The information as to shareholdings was provided by the directors as of April 30, 2017.
- (4) 12,114,001 Common Shares are held by Altius, a wholly owned subsidiary of AMC.
- (5) Held by Greenstone Resources II L.P., a fund controlled by Greenstone Capital LLP, of which Mr. Haworth is Senior Partner.
- (6) Held by ZCR Corp., a company controlled by Mr. Wellings.

### **Christian Kargl-Simard** – *President, Chief Executive Officer and Director*

Christian Kargl-Simard is a professional engineer with over 13 years' experience in the mining industry, having worked both in technical and finance roles. Prior to joining the Corporation, Christian worked for 6 years with Raymond James Ltd., an investment dealer, in roles as Associate, Vice President and leaving as Senior Vice President, Investment Banking, and worked prior to that with Haywood Securities Inc. During his time with Raymond James Ltd. and Haywood Securities Inc., Christian was involved in financings raising more than \$7 billion, and he assisted in completing over 35 M&A transactions with companies such as Fortuna Silver Mines Inc., AMC, Trevali Mining Corporation, Victoria Gold Corp., Coeur Mining, Inc., Atlantic Gold Corporation and Tahoe Resources Inc. Christian also worked for Dynatec Corporation in Fort Saskatchewan, Alberta up to its sale to Sherritt International Corp. in 2007, both in metallurgical engineering and corporate development roles. Christian is



an author or co-author of 3 published technical papers in the field of hydrometallurgy. His B.A.Sc. in Metallurgical Engineering comes from the University of British Columbia.

**Brian Dalton** – *Chairman and Director*

Brian Dalton co-founded AMC, the parent of Altius, as a junior mining company in 1997 and has served as its CEO and as a director since then. AMC is now a leading global diversified mining royalty company with revenue from 14 producing mines and is a member of the TSX/S&P Global Mining Index. He has also previously served as a director of Rambler Metals and Mining plc, Aurora Energy Resources Inc. and Alderon Iron Ore Corp., all of which were spun out around AMC-generated projects. Brian has overseen completion of numerous project-level agreements with a wide array of senior to junior mining and exploration companies and has had key involvement with the raising of several hundred millions of dollars in capital for resource projects.

**Chad Wells, B.Sc (Hons)** – *Director and Corporate Secretary*

Chad Wells has been the V.P. Corporate Development and Corporate Secretary at AMC, a diversified mining royalty company, since January 2005. He has played key and diverse roles related to its major royalty acquisitions, project generation deal structuring and management of its equities portfolio. Chad has cultivated strong relationships with a variety of retail, high net worth and institutional investors throughout North America. Prior to joining AMC, Chad worked with Vale Canada Limited at its Voisey's Bay mine following his graduation from Memorial University's Earth Science Program.

**Michael Haworth** – *Director*

Michael Haworth co-founded private equity fund Greenstone Resources LP in 2013 after a 16-year career in the mining sector including Managing Director and Head of Mining and Metals Corporate Finance in London of JPMorgan Chase & Co., a financial services firm. Since leaving in 2006, Michael founded and subsequently listed Zanaga Iron Ore Company Limited (AIM) and Ncondezi Coal Company Limited (now Ncondezi Energy Limited) (AIM). Together with Greenstone Resources LP's co-founder, Michael oversees all aspects of the management of the fund. Michael also serves as a director of Greenstone Management Ltd., the fund's general partner, and is senior partner of Greenstone Capital LLP, an investment advisor to the fund.

**Sally Eyre, PhD (Economic Geology)** – *Director*

Sally Eyre is a mining finance professional with extensive experience in global resource capital markets and mining operations. During 2011 to 2014 she served as President & CEO of Copper North Mining Corp., a mining exploration and development company, and prior to that she served as Senior Vice President, Operations at Endeavour Mining Corporation, responsible for a portfolio of exploration, development and production projects throughout West Africa. Dr. Eyre also served as President & CEO of Etruscan Resources Inc. (now Endeavour Mining Corp.), a gold company with producing assets in West Africa. She has served as Director of Business Development for Endeavour Financial Ltd. and has held executive positions with a number of Canadian resource companies. She currently serves on the board of Japan Gold Corp. Dr. Eyre has a PhD in Economic Geology from the Royal School of Mines, Imperial College, London where her doctoral dissertation focused on Irish-Type zinc deposits. Dr. Eyre is a member of the Society of Economic Geologists (SEG) and a former Director of the SEG Canada Foundation.

**Mark Wellings, P.Eng., MBA, B.A.Sc. (Geological Engineering)** – *Director*

Mark Wellings is a mining professional with over 25 years international experience in both the mining industry and mining finance sector. He currently serves as Principal on INFOR Financial Group's investment banking team. He served for 18 years at GMP Securities L.P., including as Managing Director of Investment Banking. Mark has worked on some of the Canadian mining industry's largest transactions, both in equity financing and M&A. He has also worked in the mining industry directly with a variety of companies including Derry, Michener, Booth & Wahl Ltd., Arimco N.L., Inco Ltd. and Watts Griffis McOuat Limited, acquiring valuable hands-on experience in exploration, development and production. Mark has been the Chief Executive Officer and President of Eurotin Inc.,

a mineral exploration and development company, since December 2015 and an Independent Director of Gran Colombia Gold Corp. since January 22, 2016.

#### Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set out below, to the knowledge of the Corporation, no proposed director of the Corporation:

- (i) is, or within ten years prior to the date of this Circular has been, 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;
- (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (iii) has been subject to 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 any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Brian Dalton is a director of Newfoundland and Labrador Refining Corporation ("NLRC") which, on June 18, 2008, filed a Notice of Intention to Make a Proposal with the Office of the Superintendent of Bankruptcy. On October 17, 2008, NLRC submitted a proposal to its creditors and on November 20, 2009, the Supreme Court of Newfoundland and Labrador accepted the proposal. On July 30, 2014, the Supreme Court of Newfoundland and Labrador ordered the discharge of Ernst & Young Inc. as the trustee under the proposal. No further proceedings have been taken by creditors to place NLRC into bankruptcy, and NLRC is currently dormant.

#### **Appointment of Auditor**

Deloitte LLP has been the auditor of the Corporation since its incorporation. Management recommends the re-appointment of Deloitte LLP. The Shareholders will be asked at the Meeting to vote for the appointment of Deloitte LLP as auditor of the Corporation until the next annual meeting of Shareholders of the Corporation, at a remuneration to be fixed by the Board.

**It is intended that all proxies received will be voted in favour of the appointment of Deloitte LLP as auditor of the Corporation, unless a proxy contains instructions to withhold the same from voting. Greater than 50% of the votes of Shareholders present in person or by proxy are required to approve the appointment of Deloitte LLP as auditor of the Corporation.**

#### **Annual Approval of Incentive Stock Option Plan**

The Corporation adopted a 10% "rolling" incentive stock option plan (the "**Plan**"), which was originally approved by the Board and the shareholders of the Corporation on December 6, 2016. The rules of the TSX Venture Exchange ("**TSX-V**") provide that a rolling stock option plan must be re-approved by shareholders every year.

The purpose of the Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation and its subsidiaries and affiliates to acquire Common Shares, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

The following information is intended as a brief description of the Plan, and is qualified in its entirety by reference to the Plan itself, which is attached as Appendix A. In addition, upon request, the Corporation will promptly provide a copy of the Plan free of charge to any Shareholder. To request a copy of the Plan, Shareholders should contact Chad Wells, 66 Kenmount Road, Suite 202, Kenmount Building Centre, St. John's NL A1B 3V7.

### The Plan

The Plan is administered by the Board, but may be administered by a committee of the Board to which the Board has delegated its duties and powers under the Plan. Directors, officers, consultants and employees of the Corporation or its subsidiaries or affiliates, and employees of any person or company which provides management services to the Corporation or its subsidiaries or affiliates, are eligible to participate in the Plan.

The aggregate number of Common Shares reserved for issuance under the Plan shall be up to 10% of the issued and outstanding Common Shares of the Corporation at the time when options are granted. The number of options granted to a participant shall be determined by the Board, provided that:

- (a) No person (and companies wholly owned by that person) may be granted options in any twelve-month period to purchase Common Shares exceeding 5% of the issued and outstanding Common Shares, calculated at the time of granting an option to such person, unless the Corporation has obtained disinterested shareholder approval in respect of such grant.
- (b) The aggregate number of options granted to any one consultant in a twelve-month period must not exceed 2% of the issued and outstanding Common Shares, calculated at the time an option is granted to the consultant.
- (c) The aggregate number of options granted all persons retained to provide investor relations activities must not exceed 2% of the issued and outstanding Common Shares in any twelve-month period, calculated at the time an option is granted to any such person.

The exercise price of options granted under the Plan will be determined by the Board, provided that the exercise price shall not be less than the discounted market price permitted by the TSXV.

The Board has the discretion to determine the time during which options will vest and the method of vesting. Unless the Board otherwise determines, options granted under the Plan will fully vest on the date of grant, except that options granted to persons retained to provide investor relations activities are required to vest in stages over a minimum of twelve months with no more than one-quarter ( $\frac{1}{4}$ ) of the options vesting in any three-month period.

The maximum term of an option is 10 years. A participant's options will expire 90 days (or at the expiry of the term of the options, if earlier) after ceasing to act for the Corporation for any reason other than termination by the Corporation for cause and, in the case of termination for cause, the options will expire immediately. Upon the death of a participant, the participant's legal representatives will have one year in which to exercise the outstanding options, but not later than the expiry of the term of the options. Options are not transferable or assignable.

Subject to the requirements of the policies of the TSXV, obtaining any necessary regulatory approvals and the terms of the Plan, the Board has the discretion to amend or terminate the Plan or amend outstanding options. Shareholder approval will be required for any amendments to the Plan with respect to: (a) persons eligible to be granted options under the Plan; (b) the maximum percentage of Common Shares that are reserved for issuance under the Plan; (c) the limitations under the Plan on the number of options that may be granted to any one person or any category of persons; (d) the method for determining the exercise price of options; (e) the maximum term of options; and (f) the expiry and termination provisions applicable to options.

### Existing Stock Options

As of May 5, 2017, the Corporation had stock options outstanding under the Plan that were exercisable to acquire, in the aggregate, 3,550,000 Common Shares. See "*Securities Authorized for Issuance Under Equity Compensation Plans*" for additional information with regard to the options outstanding as at December 31, 2016.

### Annual Approval of the Plan

Policy 4.4 of the TSX-V requires that rolling stock option plans must receive shareholder approval yearly, at the issuer's annual general meeting. In accordance with Policy 4.4, Shareholders will be asked to consider and if thought fit, approve the following ordinary resolution approving, adopting and ratifying the Plan:

**BE IT RESOLVED** as an ordinary resolution of the Shareholders of the Corporation that:

1. the Plan, as included in its entirety in Appendix A to the Corporation's management information circular dated May 5, 2017, is hereby ratified, confirmed and approved;
2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders; and
3. any one of the directors or officers of the Corporation is hereby authorized to take all such actions and execute and deliver all such documents as are necessary or desirable for the implementation of this resolution.

The directors of the Corporation believe the Plan is in the Corporation's best interests and recommend that the Shareholders approve the Plan. **It is intended that all proxies received will be voted in favour of approving the Plan, unless a proxy contains instructions to vote against. Greater than 50% of the votes of Shareholders present in person or by proxy are required to approve the Plan.**

### EXECUTIVE COMPENSATION

Prior to obtaining a receipt on January 23, 2017 for the long form prospectus of the Corporation dated January 23, 2017 from the securities regulatory authority in each of Ontario, British Columbia, Alberta and Newfoundland and Labrador, the Corporation was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V, *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

#### **Director and Named Executive Officer Compensation**

The following individuals are defined as "**Named Executive Officers**" or "**NEOs**" pursuant to Form 51-102F6V:

- (a) the Corporation's chief executive officer ("**CEO**");
- (b) the Corporation's chief financial officer ("**CFO**");
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) any additional individuals who would have been an NEO under (c) except that the individual was not an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

For the purposes of this disclosure, Christian Kargl-Simard, the CEO, and Ben Lewis, the CFO, are the Corporation's NEOs.

#### **Stock Option Plans and Other Incentive Plans**

The Plan is the sole equity compensation plan adopted by the Corporation. For a description of the Plan, see "*Business to be Transacted at the Meeting – Annual Approval of Incentive Stock Option Plan*".

## **Employment, Consulting and Management Agreements**

Mr. Kargl-Simard is paid for services to the Corporation as President and CEO through an employment agreement. Pursuant to his employment agreement, Mr. Kargl-Simard is entitled to an annual base salary of \$250,000 and incentive compensation in the form of an annual short-term incentive bonus with a target of \$250,000 to be agreed by the Board annually based on achieving certain corporate objectives, subject to a minimum target bonus of \$250,000 in any fiscal year subsequent to 2017. The Corporation may terminate Mr. Kargl-Simard's employment at any time for just cause and Mr. Kargl-Simard may terminate his employment on 30 days' written notice. In the event Mr. Kargl-Simard's employment is terminated by the Corporation without cause, or if he resigns for good reason (as defined in the agreement) within one year after a change of control event, he will be entitled to a lump sum payment equal to twice his annual base salary then in effect plus twice the maximum bonus payable to him during that fiscal year, and all unvested options granted to him will immediately vest. In addition, Mr. Kargl-Simard may terminate his employment agreement at his option if the Corporation is in breach of certain covenants or representations in the agreement, in which case he will be entitled to a payment equal to one-half (½) of the amount he would have been entitled to in the event of his termination without cause.

Pursuant to a services agreement between the Corporation and AMC (the "**Altius Services Agreement**") which came into effect January 1, 2017, AMC provides corporate management, administration, information technology, financial and regulatory filing and reporting services to the Corporation as and when requested by the Corporation for a monthly fee of \$10,000 plus applicable taxes. Ben Lewis, CFO, provide services to the Corporation pursuant to the Altius Services Agreement. Ben Lewis is the CFO of AMC.

## **Oversight and Description of Director and Named Executive Officer Compensation**

The Corporation's Board of Directors is responsible for the oversight of the Corporation's strategy, policies and programs for the compensation and development of senior officers and directors.

### Named Executive Officer Compensation

The Corporation does not currently have a formal executive compensation program in place. Named Executive Officers are eligible to receive options pursuant to the Plan at the discretion of the Board. In determining the salary and other compensation of the CEO and option grants for Named Executive Officers, the Board conducts an informal survey of comparable data from similar public companies taking into account the size and level of activity of the Corporation.

The compensation of the CEO is comprised of a base salary, bonuses and options granted under the Plan. The CFO provides services to the Corporation under the Altius Services Agreement.

### Director Compensation

The Corporation pays its independent board members an annual retainer fee of \$35,000. In addition, directors are eligible to receive options pursuant to the Plan at the discretion of the Board. Directors are entitled to be reimbursed for travel and other out-of-pocket expenses incurred for attendance at directors' meetings but are not compensated for travel time in connection with attendance at the board meetings.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Plan is the sole equity compensation plan adopted by the Corporation. The following table sets out the as of December 31, 2016 with regard to outstanding options and Common Shares authorized for issuance under the Plan.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (Cdn) (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (a)) (c)</b>
Equity compensation plans approved by securityholders (the Plan)	2,250,000	\$0.25	1,707,002 <sup>(1)</sup>
Total:	2,250,000	\$0.25	1,707,002

Notes:

- (1) This number equals 10% of the total issued and outstanding Common Shares on December 31, 2016 (which was 39,570,015) less the number of Common Shares reported under Column (a) above.

For a description of the Plan, see "*Business to be Transacted at the Meeting – Annual Approval of Incentive Stock Option Plan*".

## INDEBTEDNESS OF DIRECTORS AND OFFICERS

No current or former directors, executive officers or employees of the Corporation or any of its subsidiaries or proposed directors, or associates or affiliates of any of these persons, have been indebted to the Corporation or its subsidiaries, or indebted to another entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries, at any time since October 24, 2016, being the date of incorporation of the Corporation, other than "Routine Indebtedness" as that term is defined in applicable securities legislation.

## MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were, to any substantial degree, performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation. Pursuant to the Altius Services Agreement which came into effect January 1, 2017, AMC provides corporate management, administration, information technology, financial and regulatory filing and reporting services to the Corporation as and when requested by the Corporation for a monthly fee of \$10,000 plus applicable taxes. Ben Lewis, CFO, and Chad Wells, Corporate Secretary, provide services to the Corporation pursuant to the Altius Services Agreement. AMC is also entitled to be reimbursed for costs it incurs directly for the Corporation. AMC's head office is located at the same address as the Corporation's registered office, namely 66 Kenmount Road, Suite 202, Kenmount Business Centre, St. John's NL A1B 3V7.

## CORPORATE GOVERNANCE

The Canadian securities regulatory authorities have issued corporate governance guidelines pursuant to National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**" or the "**Corporate Governance Guidelines**"), together with certain related disclosure requirements pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). The Corporate Governance Guidelines are recommended as "best practices" for issuers to follow. The Corporation recognizes that good corporate governance plays an important role in its overall success and in enhancing shareholder value and, accordingly, has adopted certain corporate governance practices which are reflective of the recommended Corporate Governance Guidelines. Set out below is a description of the Corporation's approach to corporate governance.

## Board of Directors

The Board is comprised of six directors, two of whom are "independent" within the meaning of National Instrument 52-110, *Audit Committees* ("**NI 52-110**"). Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. In addition, certain individuals, by definition, are deemed to have a "material relationship" with the Corporation and therefore are deemed not to be independent. Sally Eyre and Mark Wellings are considered independent of the Corporation. Brian Dalton, Chad Wells, Michael Haworth and Christian Kargl-Simard are not considered independent for the following reasons:

- Brian Dalton and Chad Wells are executive officers or directors of AMC, a significant indirect shareholder of the Corporation;
- Michael Haworth is Senior Partner of Greenstone Capital LLP, which controls Greenstone Resources II L.P., a significant shareholder of the Corporation; and
- Christian Kargl-Simard is the President and Chief Executive Officer of the Corporation.

Pursuant to the Board's mandate, the Board will meet on at least a quarterly basis and will hold additional meetings as may be required or appropriate in the circumstances. The frequency of the meetings and the nature of the meeting agendas will be dependent on the nature of the business and affairs which the Corporation faces from time to time. The independent directors will also hold meetings at least quarterly at which non-independent directors and members of management are not in attendance in accordance with the Board's mandate. Having considered the current size of the Board, the number of independent directors on the Board and the experience of the independent directors with other reporting issuers, the Board believes that separate meetings of the independent directors provide sufficient leadership for the independent directors.

## Outside Directorships

The following directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction:

<u>Director</u>	<u>Company</u>
Brian Dalton	Altius Minerals Corporation (TSX)
Sally Eyre	Japan Gold Corp. (TSXV)
Michael Haworth	Excelsior Mining Corp. (TSXV) Zanaga Iron Ore Company Limited (AIM) Ncondezi Energy Limited (AIM) Coro Mining Corp. (TSX)
Mark Wellings	Eurotin Inc. (TSXV) Gran Colombia Gold Corp. (TSX)

## Orientation and Continuing Education

Given the current size of the Board, there is no formal program for the orientation and education of new directors. The Corporation intends to ensure that all new directors meet with executive management and incumbent directors and receive a complete package with background as to the Corporation's business and outlining the securities law obligations and restrictions on members of the Board and the Corporation to aid in their familiarization with the Corporation. Continuing education helps directors keep up to date on changing governance issues and requirements and legislation or regulations in their field of experience. The Board recognizes the importance of ongoing education for the Board and the need for each director to take personal responsibility for this process. To facilitate ongoing education, directors will be made aware of their responsibility to keep themselves up to date with best director and corporate governance practices and will be encouraged and funded to attend seminars that will increase their own and the Board's effectiveness.

## **Ethical Business Conduct**

### ***Code of Business Conduct and Ethics***

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") and expects each of its directors, officers, employees, consultants and contractors to adhere to the standards set forth in the Code, which was designed to promote, among other things, (a) honest and ethical conduct, (b) confidentiality of corporate information, (c) avoidance of conflicts of interest, (d) protection and proper use of corporate assets, (e) compliance with applicable governmental laws, rules and regulations, (f) prompt internal reporting to appropriate persons of violations of the Code, and (g) accountability for adherence to the Code. A copy of the Code is available on SEDAR at [www.sedar.com](http://www.sedar.com).

A copy of the Code is to be provided to each director, officer, employee, consultant and contractor, and each such person is required to sign an acknowledgement to acknowledge their obligations under the Code. The Code specifically addresses, among other things, conflicts of interest, confidentiality, compliance with laws, fair dealing, protection and use of corporate assets, health and safety and the environment, discriminatory employment practices and harassment, reporting of violations of the Code and consequences for violations. The Code also provides that the Corporation will not retaliate against a person who reports suspected unethical conduct, a breach of the Code or any Corporation policy, or any violations of laws or regulations.

### ***Insider Trading Policy***

The Board has established an insider trading policy, which provides a general framework to assist directors, officers, employees, consultants, contractors and others with non-public material information about the Corporation in ensuring that any purchase or sale of securities occurs without actual or perceived violation of applicable securities laws.

### **Nomination of Directors**

The Board does not have a formal process for identifying new candidates for nomination to the Board. It is the intent of the Board and the Corporate Governance Committee to collaborate with management from time to time to assess the appropriate size of the Board, to identify the necessary qualifications and skills of the Board as a whole and of each director individually, to identify potential candidates and to consider their appropriateness for membership on the Board.

### **Director and Executive Officer Compensation**

Remuneration of the executive officers and the directors of the Corporation is determined by the Board. The Board also administers the Stock Option Plan, including any option grants to the directors and officers. In determining compensation and option grants, the Board will conduct an informal survey of comparable data in the mining industry, taking into account the size as well as the level of activity of the Corporation.

### **Other Board Committees**

The Board recently established the Corporate Governance Committee, which is comprised of three directors: Sally Eyre (Chair), Michael Haworth and Chad Wells. The Corporate Governance Committee's primary function is to assist the Board in carrying out its responsibilities with respect to the development and implementation of the highest standards of governance and ethics. This includes the development and implementation of principles and systems of corporate governance, monitoring compliance with the Corporation's overall governance system and principles, identifying qualified individuals for Board and committee membership, evaluating Board, committee and director performance, and assessing the integrity of the executive officers to ensure that the Corporation, through its policies and practices, maintains a culture of highest integrity.

### **Audit Committee**

The Audit Committee is comprised of three directors: Michael Haworth (Chair), Sally Eyre and Mark Wellings. Each of the Audit Committee members is "financially literate" and Sally Eyre and Mark Wellings are "independent" within the meaning of NI 52-110. For the education and experience of each member of the Audit Committee relevant to the performance of his or her duties as a member of the Audit Committee, see "*Business to be Transacted at the Meeting – Election of Directors*". A copy of the Audit Committee's charter is attached as Appendix B.



Pursuant to NI 52-110, the Audit Committee must approve in advance all non-audit services to be provided to the Corporation by the external auditor. The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services except as contained in its charter. At no time since the Corporation's incorporation has the Corporation retained its external auditor to provide any non-audit services to the Corporation.

The Corporation is relying upon the following exemptions contained in Section 6.1 of NI 52-110:

- An exemption from the requirement to disclose information relating to the Audit Committee in an annual information form ("AIF") as the Corporation, like other venture issuers, will be exempt from the requirement to file an AIF.
- An exemption from the requirements in Part 3 of NI 52-110 with regard to the composition of the Audit Committee, including the requirement that all members of the Audit Committee must be independent.

The aggregate fees incurred for audit and non-audit services provided by Deloitte LLP for the financial year ended December 31, 2016 are as follows:

<b>Nature of Services</b>	<b>October 24, 2016 to December 31, 2016</b>
Audit Fees <sup>(1)</sup>	\$26,750
Audit-Related Fees <sup>(2)</sup>	nil
Tax Fees <sup>(3)</sup>	nil
All Other Fees <sup>(4)</sup>	nil
<b>Total</b>	<b>\$26,750</b>

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's financial statements. Audit Fees also include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements, including audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditors, including employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This includes fees for tax compliance, tax planning and tax advice.
- (4) "All Other Fees" include all other non-audit services provided by Deloitte LLP.

### **Assessments**

The responsibility for assessing the Board, its committees and individual directors is the responsibility of the Board, to be conducted on an annual basis under the direction and guidance of the Chairman. The type of assessment to be conducted will be determined by the Chairman, and may include the completion of questionnaires and/or one-on-one sessions between the directors and the Chairman.

### **PROPOSALS BY SHAREHOLDERS**

Pursuant to the *Canada Business Corporations Act* ("CBCA"), resolutions intended to be presented by Shareholders for action at the next annual meeting must comply with the provisions of the CBCA and be deposited at the Corporation's head office not later than February 8, 2018, in order to be included in the management information circular relating to the next annual meeting.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be obtained from the Corporation's public disclosure found on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's comparative annual financial statements and management discussion & analysis ("MD&A") for its most recently completed financial year. The financial statements and MD&A are available on SEDAR at [www.sedar.com](http://www.sedar.com).

To request copies of the Corporation's financial statements or MD&A, Shareholders may contact Chad Wells at 66 Kenmount Road, Suite 202, Kenmount Building Centre, St. John's NL A1B 3V7.

**APPROVAL OF CIRCULAR**

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

BY ORDER OF THE BOARD OF DIRECTORS, as of the 5<sup>th</sup> day of May, 2017.

*(Signed) "Christian Kargl-Simard"*  
President and Chief Executive Officer

**APPENDIX A**  
**INCENTIVE STOCK OPTION PLAN**

ADVENTUS ZINC CORPORATION  
(the "Corporation")

**INCENTIVE STOCK OPTION PLAN**

Dated December 6, 2016

**Article 1**  
**Purpose and Interpretation**

**Purpose**

- 1.1 The purpose of this Plan is to advance the interests of the Corporation by encouraging Service Providers to acquire Shares of the Corporation thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation, rewarding significant performance achievements and furnishing them with additional incentive in their efforts on behalf of the Corporation and its Affiliates in the conduct of their affairs.

**Definitions**

- 1.2 In this Plan, the following terms shall have the following meanings:
- (a) "**Affiliate**" means an affiliate within the meaning set out in the Securities Act;
  - (b) "**Associate**" has the meaning set out in the Securities Act;
  - (c) "**Black-Out Period**" means a period of time during which the Corporation has determined that one or more Optionees may not trade any securities of the Corporation as a result of the existence of undisclosed material information pertaining to the Corporation pursuant to the Corporation's internal trading policies (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation or in respect of an Insider, that Insider, is subject), which period end upon the general disclosure of such undisclosed material information;
  - (d) "**Board**" means the board of directors of the Corporation or a committee thereof to which the board of directors has delegated its duties and powers hereunder, as the context requires;
  - (e) "**Business Day**" means any day, other than a Saturday or a Sunday, on which the TSX-V is open for trading;
  - (f) "**Cashless Exercise**" has the meaning attributed thereto in Section 5.4.
  - (g) "**Consultant**" means a person, other than a Director, Officer, Employee or Management Company Employee, that:
    - (i) provides on an ongoing bona fide basis, consulting, technical, management or other like services to the Corporation;
    - (ii) provides the services under a written contract with the Corporation;
    - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation; and

- (iv) has a relationship with the Corporation that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Corporation;
- (h) "**Consultant Company**" means a Consultant that is not an individual;
- (i) "**Corporation**" means Adventus Zinc Corporation, a company incorporated under the laws of Canada, and includes, unless the context otherwise requires, any of its Affiliates and any successor corporation;
- (j) "**Director**" means a director of the Corporation or any of its Affiliates;
- (k) "**Discounted Market Price**" has the meaning attributed thereto in Policy 1.1 of the TSX-V Policies and subject to Policy 4.4 of the TSX-V Policies;
- (l) "**Disinterested Shareholder Approval**" means approval by a majority of the votes cast by all the Corporation's shareholders at a duly constituted shareholders' meeting, excluding votes as are required to be excluded in the circumstances pursuant to the TSX-V Policies;
- (m) "**Employee**" means:
  - (i) an individual who is considered an employee of the Corporation under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) an individual who works full-time for the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Corporation on a continuing and regular basis for the minimum amount of time per week specified by the Board, providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- (n) "**Exchange Hold Period**" has the meaning attributed thereto by Policy 1.1 of the TSX-V Policies;
- (o) "**Expiry Date**" means the day on which an Option lapses as specified by the Board or in accordance with the terms of this Plan;
- (p) "**Insider**" means an insider as defined in the TSX-V Policies, the Securities Act or other securities legislation applicable to the Corporation;
- (q) "**Investor Relations Activities**" has the meaning attributed thereto by Policy 1.1 of the TSX-V Policies;
- (r) "**Management Company Employee**" means an individual employed by a person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, excluding a person engaged in Investor Relations Activities;
- (s) "**Market Price**" has the meaning attributed thereto by Policy 1.1 of the TSX-V Policies;
- (t) "**Officer**" means a senior officer of the Corporation as defined in Policy 1.1 of the TSX-V Policies;

- (u) "**Option**" means the right to purchase Shares granted hereunder to a Service Provider;
- (v) "**Optionee**" means a recipient of an Option hereunder;
- (w) "**person**" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, limited liability company, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;
- (x) "**Plan**" means this incentive stock option plan;
- (y) "**Regulatory Approval**" means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder;
- (z) "**Regulatory Authorities**" means the TSX-V or any other stock exchange on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation, this Plan or the Options granted from time to time hereunder;
- (aa) "**Securities Act**" means the *Securities Act* (Newfoundland and Labrador), as amended from time to time, or any successor legislation;
- (bb) "**Service Provider**" means a person who is a bona fide Director, Officer, Employee, Management Company Employee or Consultant, and also includes a company which is wholly-owned by one or more Service Providers;
- (cc) "**Shares**" means the common shares of the Corporation as currently constituted or, in the event of an adjustment as contemplated by Sections 0 and 0, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment;
- (dd) "**Shareholder Approval**" means approval by a majority of the votes cast by eligible shareholders of the Corporation at a duly constituted shareholders' meeting;
- (ee) "**TSX-V**" means the TSX Venture Exchange and any successor thereto;
- (ff) "**TSX-V Policies**" means the rules and policies of the TSX-V as amended from time to time; and

#### **Other Words and Phrases**

- 1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX-V Policies, will have the meaning assigned to them in the TSX-V Policies.

#### **Gender**

- 1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

## **Article 2** **Administration of the Plan**

#### **Administration**

- 2.1 The Plan will be administered by the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations will form part of the Plan. The Board

may delegate such administrative duties and powers to a committee, director, senior officer or employee of the Corporation as it may see fit.

### **Interpretation**

- 2.2 The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto will be final and conclusive and will not be subject to any dispute by any Optionee. No member of the Board or any person acting pursuant to authority delegated by it hereunder will be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person will be entitled to indemnification with respect to any such action or determination in the manner provided for by the Corporation.

## **Article 3** **Option Plan**

### **Maximum Plan Shares**

- 3.1 Subject to adjustment as provided for herein, the maximum number of Shares reserved under the Plan shall be up to 10% of the issued and outstanding Shares of the Corporation at the time when Options are granted. The aggregate number of Shares to be delivered upon exercise of all Options granted under this Plan shall not exceed the maximum number of shares permitted under the rules of any Regulatory Authority.
- 3.2 The aggregate number of Options granted to any one person (and companies wholly owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Shares calculated at the time of granting an Option to the person (unless the Corporation has obtained Disinterested Shareholder Approval to do so), provided that, unless the TSX-V permits otherwise:
- (a) the aggregate number of Options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Shares, calculated at the time an Option is granted to the Consultant; and
  - (b) the aggregate number of Options granted all persons retained to provide Investor Relations Activities must not exceed 2% of the issued and outstanding Shares in any 12-month period, calculated at the time an Option is granted to any such person.

### **Eligibility**

- 3.3 Options to purchase Shares may be granted hereunder to Service Providers of the Corporation, or its Affiliates, from time to time by the Board.
- 3.4 Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX-V and the Corporation is obtained.
- 3.5 By granting Options hereunder to an Employee, Consultant or Management Company Employee, the Corporation represents that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

### **Disinterested Shareholder Approval**

- 3.6 The Corporation will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:
- (a) if at any time the Plan, together with all of the Corporation's previously established outstanding stock option plans or grants, could result in:

- (i) the number of Shares reserved for issuance pursuant to Options granted to Insiders (as a group) exceeding 10% of the outstanding Shares;
  - (ii) the grant to Insiders (as a group), within a 12-month period, of a number of Options exceeding 10% of the outstanding Shares, calculated on the date an Option is granted to any Insider; or
  - (iii) the number of Options granted to any one person (and companies wholly owned by that person), within a 12-month period, exceeding 5% of the outstanding Shares, calculated on the date an Option is granted to the person;
- (b) the grant of any Option that would result in any of the limitations in (a)(i), (ii) or (iii) above being exceeded unless the Plan permits, at the time of grant of the Option, such limitations to be exceeded; and
  - (c) any amendment to an Option held by an Insider that would have the effect of decreasing the exercise price of the Option.

### **Options Not Exercised**

- 3.7 In the event an Option granted under the Plan expires unexercised, or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Shares that were issuable thereunder will be returned to the Plan and again be available for the purposes of the Plan.

### **Powers of the Board**

- 3.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to:
- (a) allot Shares for issuance in connection with the exercise of Options;
  - (b) grant Options hereunder;
  - (c) subject to any necessary Regulatory Approval and the terms of the Plan, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX-V Policies or the Corporation's tier classification; and
  - (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

### **Amendment of the Plan by the Board of Directors**

- 3.9 Subject to the requirements of the TSX-V Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:
- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
  - (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX-V, if applicable;

- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Corporation;
- (e) if the Corporation becomes listed or quoted on a stock exchange or stock market other than the TSX-V, it may make such amendments as may be required by the policies of such stock exchange or stock market;
- (f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers; and
- (g) any other amendments permitted by the TSX-V Policies and not otherwise requiring Shareholder Approval or Disinterested Shareholder Approval under the TSX-V Policies or this Plan.

#### **Amendments Requiring Shareholder Approval**

- 3.10 The Corporation will be required to obtain Shareholder Approval for amendments to the following provisions of the Plan:
- (a) persons eligible to be granted Options under the Plan;
  - (b) the maximum percentage of Shares that are reserved under the Plan for issuance pursuant to the exercise of Options;
  - (c) the limitations under the Plan on the number of Options that may be granted to any one person or any category of persons;
  - (d) the method for determining the exercise price of Options;
  - (e) the maximum term of Options; and
  - (f) the expiry and termination provisions applicable to Options.

### **Article 4** **Terms and Conditions of Options**

#### **Exercise Price**

- 4.1 The exercise price of an Option will be set by the Board at the time such Option is granted and shall not be less than the Discounted Market Price. If the exercise price of an Option is at a discount to the Market Price, any certificate representing the Options and any Shares issued upon exercise of the Options prior to the end of the Exchange Hold Period will be legended with the Exchange Hold Period commencing on the grant date of the Options. In the case of uncertificated Shares, the Exchange Hold Period will be legended on any written notice or acknowledgement issued in respect of the Shares.

#### **Term of Option**

- 4.2 Options shall be for a fixed term and exercisable from time to time as determined in the discretion of the Board at the time of grant, provided that no Option shall have a term exceeding 10 years.

#### **Vesting of Options**

- 4.3 Subject to the discretion of the Board, the Options granted to an Optionee under this Plan shall fully vest on the date of grant of such Options. In accordance with the TSX-V Policies, and subject to the TSX-V



approval to the contrary, Options granted to Optionees retained to provide Investor Relations Activities must vest (and not otherwise be exercisable) in stages over a minimum of 12 months with no more than ¼ of the Options vesting in any 3-month period.

#### **Extension of Options Expiring During Blackout Period**

- 4.4 Should the Expiry Date for an Option fall within a Blackout Period, such Expiry Date shall, subject to approval of the TSX-V, be automatically extended without any further act or formality to that day which is the tenth (10<sup>th</sup>) Business Day after the end of the Blackout Period, such tenth (10<sup>th</sup>) Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. The ten (10) Business Day period referred to in this section may not be extended by the Board.

#### **Optionee Ceasing to be Director, Employee or Service Provider**

- 4.5 Subject to Sections 0, 0, and 0, if an Optionee ceases to be a Service Provider, his Option shall terminate immediately, or at such later date specified by the Board at the time of granting the Option (not later than one year following the date of termination), and all rights to purchase Shares under such Option shall cease and expire and be of no further force or effect upon termination.
- 4.6 If, before the expiry of an Option in accordance with the terms thereof, the Optionee ceases to be a Service Provider for any reason whatsoever other than termination by the Corporation for cause, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised by the Optionee at any time within ninety (90) days following the date of the Optionee ceased to be a Service Provider, but, in any case, the exercise of the Option must be:
- (a) prior to the Expiry Date of the Option that would otherwise apply if not for the Optionee ceasing to be a Service Provider in accordance with the terms of the Option; and
  - (b) only to the extent that the Optionee was entitled to exercise such Option at the date he ceased to be a Service Provider.
- 4.7 Options shall not be affected in the event the Optionee ceases to fall within a listed category contained in the definition of an "Service Provider" hereunder where such Optionee continues to fall within another listed category of such definition.

#### **Death of Optionee**

- 4.8 If an Optionee dies prior to the Expiry Date of his Option, his legal representatives may, by the earlier of:
- (a) one year from the date of the Optionee's death (or such lesser period as may be specified by the Board at the time of granting the Option); and
  - (b) the Expiry Date of the Option,
- exercise any portion of such Option.

#### **Non Assignable**

- 4.9 Subject to Section 0, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

#### **Adjustment of the Number of Optioned Shares**

- 4.10 If the Corporation amalgamates or merges with or into another company or enters into an arrangement or other business combination with another company, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such

amalgamation, merger, arrangement or other business combination if the Optionee had exercised his Option immediately prior to the record date applicable to such amalgamation, merger, arrangement or other business combination and the exercise price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

- 4.11 If there is any change in the Shares through the declaration of stock dividends of Shares or consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the exercise price of any Option shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.
- 4.12 The Corporation shall not be obligated to issue fractional shares in satisfaction of any of its obligations hereunder.

## **Article 5**

### **Exercise Procedures**

#### **Manner of Exercise**

- 5.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its principal office of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the exercise price for the Shares to be purchased. The exercise price must be paid in cash.

#### **Conditions of Issuance**

- 5.2 Notwithstanding any of the provisions contained in the Plan or any Option, the Corporation's obligation to issue Shares to an Optionee pursuant to the exercise of an Option shall be subject to:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of the Regulatory Authorities as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
  - (b) the admission of Shares to listing on the TSX-V; and
  - (c) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

The Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on the TSX-V. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain necessary shareholder, regulatory or TSX-V approval, then the obligation of the Corporation to issue such Shares shall terminate and any Optionee's exercise price paid to the Corporation shall be returned to the Optionee.

#### **Tax Withholding**

- 5.3 If the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall:
- (a) pay to the Corporation, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance;

- (b) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance; or
- (c) make other arrangements acceptable to the Corporation to fund the required tax remittance.

#### **Cashless Exercise**

- 5.4 Subject to Section 5.3 hereof and any other provision of the Plan and the terms of any stock option agreement and only if permitted by the Board and the rules of the stock exchange on which the Shares are listed (for avoidance of doubt, this Section 5.4 shall not apply while the Shares are listed on the TSX-V), an Optionee may elect to exercise an Option or a portion thereof held by the Optionee by surrendering such Option or a portion thereof in exchange for the issuance of that number of Shares having a fair market value equal to the amount by which (i) the product of the number of Shares issuable upon the exercise of such Option multiplied by the Market Price of the Shares (as at the date of exercise) underlying such Option exceeds (ii) the aggregate Option Price for all of the Options being exercised. Options may be exercised pursuant to this Section 5.4 from time to time by delivery to the Corporation at its principal office of a written notice of exercise specifying that the Optionee has elected a cashless exercise of such Options and the number of Options to be exercised. The Corporation will not be required, upon the exercise of any Options pursuant to this Section 5.4, to issue fractions of Shares or to distribute certificates which evidence fractional Shares. In lieu of fractional Shares, there will be paid to the Optionee by the Corporation upon the exercise of such Options pursuant to this Section 5.4 within ten (10) business days after the exercise date, an amount in lawful money of Canada equal to the then fair market value of such fractional interest, provided that the Corporation will not be required to make any payment, calculated as aforesaid, that is less than \$10.00. Upon exercise of the foregoing, the number of Shares actually issued shall be deducted from the number of Shares reserved with the stock exchange on which the Shares are listed for the future issuance under the Plan and the balance of the Shares that were issuable pursuant to the Options so surrendered shall be considered to have been cancelled and available for further issuance.

#### **Delivery of Optioned Shares**

- 5.5 As soon as practicable after receipt of the notice of exercise described in Section 5.1 and payment in full for the Shares being acquired, the Corporation will direct its transfer agent to issue to the Optionee the appropriate number of Shares.

### **Article 6** **General**

#### **No Other Rights**

- 6.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Corporation, or interfere in any way with the right of the Corporation to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.
- 6.2 An Optionee shall not have any rights as a shareholder of the Corporation with respect to any Shares covered by an Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tender of payment in full of the exercise price of the Shares in respect of which the Option is being exercised) and the Corporation shall issue such Shares to the Optionee in accordance with the terms of the Plan in those circumstances.

#### **No Representation or Warranty**

- 6.3 The Corporation makes no representation or warranty as to the future market value of Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Shares issuable thereunder or the tax consequences to a Service

Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Service Provider is the responsibility of each Service Provider and not the Corporation.

**Inability to Obtain Approval**

- 6.4 The inability of the Corporation to obtain approval from Regulatory Authorities (which approval is deemed by the Corporation to be necessary to the lawful issuance of any Shares hereunder) shall relieve the Corporation of any liability in respect of the failure to issue such Shares.

**Applicable Law**

- 6.5 The Plan will be governed and construed in accordance with the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein.
- 6.6 If any provision of this Plan or any agreement entered into pursuant to this Plan contravenes any law or any order, policy, by-law or regulation of any Regulatory Authorities, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

**Effective Date of Plan and Approvals**

- 6.7 The Plan will become effective on the date first noted above and will remain effective subject to receiving Shareholder Approval and to acceptance by the TSX-V and any other relevant Regulatory Authority. Any Options granted hereunder prior to such approval and acceptance shall be conditional upon such approval and acceptance being given, and no such Options may be exercised unless and until such approval and acceptance is given.

**APPENDIX B**  
**AUDIT COMMITTEE CHARTER**

**1.0 PURPOSE**

**1.1** The Audit Committee (the "**Committee**") is a standing committee of the board of directors (the "**Board**") of Adventus Zinc Corporation (the "**Corporation**") charged with assisting the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements;
- (b) review and appraise the performance of the Corporation's external auditors; and
- (c) provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board.

**2.0 COMMITTEE MEMBERSHIP**

**2.1** The Board shall annually elect a minimum of three (3) directors to the Committee, a majority of whom shall be financially literate, independent of management and free from any material relationship with the Corporation, that in the opinion of the Board, would interfere with the director's exercise of independent judgment as a member of the Committee. Unless a chair of the Committee ("**Chair**") is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

**2.2** If the Corporation ceases to be a "venture issuer" (as that term is defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**")), then all of the members of the Committee shall be independent (as that term is defined in NI 52-110).

**2.3** If the Corporation ceases to be a "venture issuer" (as that term is defined in NI 52-110), then all members of the Committee shall be financially literate. 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 this Charter of the Audit Committee (the "**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 Corporation's financial statements.

**3.0 MEETINGS**

**3.1** The Committee shall meet a least four (4) times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the external auditors.

**3.2** A quorum for the transaction of business at any meeting of the Committee shall be two (2) members.

**4.0 RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Committee shall:

#### 4.1 *Documents/Reports Review*

- (a) review this Charter annually and recommend any changes to the Board; and
- (b) review the Corporation's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Corporation publicly discloses this information, and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

#### 4.2 *External Auditors*

- (a) annually review the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation;
- (b) annually obtain a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation, consistent with Independence Standards Board Standard No. 1 - *Independence Discussions with Audit Committees*;
- (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditors;
- (g) at least once per year, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- (h) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto;
- (k) review and pre-approve any non-audit services provided by the Corporation's external auditors, subject to the following:
  - (i) the pre-approval requirement shall be satisfied with respect to the provision of non-audit services if the following criteria (as set forth in Section 2.4 of NI 52-110) are met:
    - (A) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of fees paid by the Corporation (and its subsidiary entities) to its external auditors during the fiscal year in which the non-audit services are provided;

- (B) such services were not recognized by the Corporation (or the subsidiary entity) at the time of the engagement to be non-audit services;
  - (C) such services are promptly brought to the attention of the Committee 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 (with such delegation being in compliance with Section 2.5 of NI 52-110); and
- (ii) the Committee may delegate to the Chair or any other independent member of the Committee the authority to pre-approve non-audit services, provided such pre-approved non-audit services are presented to the Committee at the next scheduled Committee meeting following such pre-approval.

#### **4.3 Financial Reporting Processes**

- (a) in consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments;
- (e) 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;
- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) establish a procedure for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
- (j) establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

#### **4.4 Internal Control**

- (a) consider the effectiveness of the Corporation's internal control system;
- (b) understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses;
- (c) review external auditors' management letters and management's responses to such letters;

- (d) as requested by the Board, discuss with management and the external auditors the Corporation's major risk exposures (whether financial, operational or otherwise), the adequacy and effectiveness of the accounting and financial controls, and the steps management has taken to monitor and control such exposures;
- (e) annually review the Corporation's disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures; and
- (f) discuss with the Chief Financial Officer and, as is in the Committee's opinion appropriate, the President and Chief Executive Officer, all elements of the certification required pursuant to National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*.

**4.5 Other**

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (c) set and pay compensation for any independent counsel and other advisors employed by the Committee; and
- (d) communicate directly with the internal and external auditors.