

**Notice of Annual and  
Special Meeting of  
Shareholders to be Held  
on June 14, 2018**

**- and -**

**Management Information Circular  
as at April 30 2018**



Victory Nickel Inc.  
To be held at 4:00 p.m.  
Thursday June 14, 2018  
Norton Rose Fulbright,  
Royal Bank Plaza,  
South Tower, Suite 3800,  
200 Bay Street, Toronto, ON  
M5J 2Z4

## VICTORY NICKEL INC.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual and special meeting of the shareholders (the “**Meeting**”) of Victory Nickel Inc. (the “**Corporation**”) will be held on Thursday June 14, 2018, at 4:00 p.m. (Toronto time), at the offices of Norton Rose Fulbright, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, ON M5J 2Z4, for the following purposes:

- (1) to receive the consolidated financial statements of the Corporation for the financial year ended December 31, 2017, together with the report of the auditors thereon;
- (2) to appoint Flabbi & Associates LLP, Chartered Accountants, Licensed Public Accountants as the auditor of the Corporation and to authorize the directors to fix the auditor’s remuneration;
- (3) to elect directors;
- (4) to consider and, if thought fit, pass a special resolution (the “**Preferred Share Resolution**”) approving an amendment to the articles of the Corporation to increase the Corporation’s authorized share capital by creating a new class of preferred shares (the “**Preferred Shares**”) that may be issued in one or more series, with rights and restrictions attaching thereto that allow the Board of Directors of the Corporation to fix the number of shares in the series and to fix the preferences, special rights and restrictions, privileges, conditions and limitations attaching to the shares of that series, as more particularly described in the attached Circular (the text of the Preferred Share Resolution is included in the attached Circular under the heading “*Creation of New Class of Preferred Shares – Resolution*” and the text of the provisions of the Preferred Shares is included in Schedule “**A**” to the Circular);

Registered Shareholders have the right to dissent with respect to the Preferred Share Resolution and, if the Preferred Share Resolution becomes effective, to be paid the fair value of their Common Shares in accordance with the provisions of Section 185 of the *Business Corporations Act* (Ontario) (the “**OBCA**”). A Shareholder’s right to dissent is more particularly described in the Circular and the text of Section 185 of the OBCA is included in Schedule “**B**” to the Circular. Please refer to the Circular under the heading “*Creation of New Class of Preferred Shares – Rights of Dissenting Shareholders*” for a description of the right to dissent in respect of the Preferred Share Resolution.

Failure to strictly comply with the requirements set forth in Section 185 of the OBCA with respect to the Preferred Share Resolution may result in the loss of any right to dissent. Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of Common Shares are entitled to dissent. Accordingly, a beneficial owner of Common Shares desiring to exercise the right to dissent must make arrangements for the Common Shares beneficially owned by such holder to be registered in such holder’s name prior to the time the written objection to the Preferred Share Resolution is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of such Common Shares to dissent on behalf of the holder; and

- (5) to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Reference is made to the attached Management Information Circular which sets forth a description of the matters referred to in items (2), (3) and (4) above.

Only holders of common shares of the Corporation of record on May 4, 2018 are entitled to notice of, and to vote at, the Meeting. A copy of the Management Information Circular and form of proxy accompany this notice of meeting.

#### **NOTICE-AND-ACCESS**

Notice is also hereby given that the Corporation has decided to use the notice-and-access method of delivery (“**Notice-and-Access**”) of Meeting Materials (as defined below) for the Meeting. Notice-and-Access allows the Corporation to deliver the Meeting Materials over the internet in accordance with the Notice-and-Access rules adopted by the Ontario Securities Commission under National Instrument 54-101-*Communication with Beneficial Owners of Securities of a Reporting Issuer*. Under the Notice-and-Access system, Shareholders still receive a proxy

or voting instruction form (as applicable) enabling them to vote at the Corporation's meeting. However, instead of a paper copy of the Management Information Circular, the annual financial statements and related management's discussion and analysis and other information (the "**Meeting Materials**"), Shareholders receive this notification with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing materials to Shareholders. **Shareholders are reminded to view the Meeting Materials prior to voting.**

#### **WEBSITES WHERE MEETING MATERIALS ARE POSTED**

Materials can be viewed online under the Corporation's profile at [www.sedar.com](http://www.sedar.com) or on the Corporation's website at <http://www.victorynickel.ca/investor/financials/>. The Corporation will not use procedures known as "stratification" in relation to the use of Notice-and-Access provisions. Stratification occurs when a reporting issuer using Notice-and-Access provides a paper copy of the Management Information Circular to some shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under Notice-and-Access, which will include a paper copy of the Management Information Circular.

#### **HOW TO OBTAIN PAPER COPIES OF THE MEETING MATERIALS**

Registered holders or beneficial owners may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the Corporation's website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning Notice-and-Access, please call 1-833-363-8527.

Requests should be received by June 4, 2018 in order to receive the Meeting Materials in advance of the meeting date.

As a substantial representation of the Corporation's shareholders is desired, shareholders who are unable to attend the Meeting in person, are requested to date, sign and return the form of proxy in accordance with the instructions provided therein and in the Management Information Circular.

A proxy will not be valid unless it is deposited at the offices of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada, M5J 2Y1, facsimile within North America 1-866-249-7775 and outside North America (416) 263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. If you are able to attend the Meeting or any adjournment thereof, sending your proxy will not prevent you from voting in person.

**DATED** at Toronto, Ontario this 30<sup>th</sup> day of April, 2018.

By Order of the Board of Directors

(Signed) "René R. Galipeau"

René R. Galipeau  
Vice-Chair and Chief Executive Officer



## VICTORY NICKEL INC.

80 Richmond St. W., Suite 1802, Toronto, Ontario, Canada M5H 2A4  
telephone: (416) 363-8527 fax: (416) 626-0890  
**MANAGEMENT INFORMATION CIRCULAR**  
**AS AT APRIL 30, 2018**

### SOLICITATION OF PROXIES

**This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Victory Nickel Inc. (“Victory Nickel” or the “Corporation”) for use at the annual and special meeting of shareholders of the Corporation to be held at 4:00 pm (Toronto time) on Thursday, June 14, 2018 (the “Meeting”), and any adjournment thereof, to be held at the time and place and for the purposes set forth in the attached notice of annual and special meeting (the “Notice”). It is anticipated that the solicitation will be by mail primarily, but proxies may also be solicited personally by directors, officers and regular employees of the Corporation. The cost of such solicitation will be borne by the Corporation.**

This Management Information Circular is dated April 30, 2018, and the information contained herein is current as of April 30, 2018, unless a different date is otherwise indicated.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation and will represent management of the Corporation at the Meeting. **A shareholder desiring to appoint some other person, who need not be a shareholder, to represent him, her or it at the Meeting, may do so by striking out the names of the persons indicated in the form of proxy and inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the Corporation’s transfer agent indicated on the enclosed envelope not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment thereof at which the proxy is to be used or delivering the completed proxy to the Chair of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A form of proxy should be executed by a shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.**

A shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business then the space opposite the item is to be left blank. The common shares of the Corporation (the “**Common Shares**”) represented by the form of proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the form of proxy. A shareholder who has given a form of proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such form of proxy and may do so either:

1. by delivering another properly executed form of proxy bearing a later date and depositing it as described above;
2. by depositing an instrument in writing revoking the form of proxy executed by him, her or it with, or by transmitting by telephonic or electronic means, a revocation bearing a reliable electronic signature to:

(a) the Corporation at Suite 1802, 80 Richmond Street West, Toronto, Ontario, M5H 2A4, at any time prior to the close of business on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the form of proxy is to be used; or

(b) the Chair of the Meeting on the day of the Meeting or any adjournment thereof, prior to the commencement of the Meeting or any adjournment thereof, as applicable; or

3. in any other manner permitted by law.

Only a registered holder of Common Shares (a “**Registered Shareholder**”) has the right to revoke a form of proxy. A Non-Registered Shareholder (as defined below) who wishes to change his, her or its vote must arrange for the Intermediary (as defined below) to revoke the form of proxy on his, her or its behalf in accordance with the instructions of such Intermediary set out in the voting instructions form.

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

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

### EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Common Shares represented by the proxy shall be voted accordingly. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND THE COMMON SHARES REPRESENTED THEREBY WILL BE VOTED FOR: (I) THE ELECTION OF DIRECTORS; (II) THE RE-APPOINTMENT OF THE AUDITOR AND AUTHORIZATION OF THE DIRECTORS TO FIX THE REMUNERATION OF THE AUDITOR; AND, (III) THE PREFERRED SHARE RESOLUTION. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS OR HER JUDGMENT MAY DETERMINE.** At the time of printing of this Management Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

### ADVICE TO HOLDERS OF SECURITIES

#### Registered Shareholders

A registered holder of Common Shares (a “**Registered Shareholder**”) is a holder of Common Shares who holds Common Shares in his, her or its own name (that is, not in the name of, or through, an intermediary (an “**Intermediary**”) with whom the Non-Registered Shareholder deals with in respect of their Common Shares, such as a bank, a trust company, a stockbroker, or a trustee or manager of a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), registered education savings plan (“**RESP**”), or other similar self-administered plan). A Registered Shareholder may attend the Meeting and cast one vote for each Common Share registered in the name of such Registered Shareholder on any and all resolutions put before the Meeting. If such Registered Shareholder does not wish to vote for any matter proposed at the Meeting, he, she or it may withhold their vote from, or vote their Common Shares against, as applicable, any resolution at the Meeting. A Registered Shareholder who is unable to attend the Meeting, or does not wish to personally cast his, her or its votes, may authorize another person at the Meeting to vote on his, her or its behalf.

#### Non-Registered Shareholders

Only Registered Shareholders or the persons they name as proxy holders are authorized to vote at the Meeting. However, in many cases, the Common Shares beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either: (i) in the name of an Intermediary; or (ii) in the name of a clearing agency of which the Intermediary is a member.

In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has delivered copies of the Notice, together with the Management

Information Circular and the form of proxy enclosed herewith (collectively, the “**Documents related to the Meeting**”), to the clearing agencies and Intermediaries so that they may forward them to the Non-Registered Shareholders. Intermediaries are required to forward to Non-Registered Shareholders the Documents related to the Meeting. Intermediaries typically use companies (such as Broadridge Financial Solutions (Canada) Inc., formerly known as “ADP Canada”) to deliver the documents to Non-Registered Shareholders. Non-Registered Shareholders will:

- (a) usually be provided by the Intermediary with an unsigned computerized form (often named “**voting instruction form**”) which, once it has been duly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or to the corporation used by the Intermediary for the delivery of the Documents related to the Meeting, will constitute the voting instructions which the Intermediary must follow. The Non-Registered Shareholder generally receives an instruction page containing an adhesive label on which a bar code and other information appear. To be considered as a valid voting instruction form, the Non-Registered Shareholder must remove the label from the voting instruction page and apply it on the computerized form which must be duly signed and completed before being returned to the Intermediary or its delivery corporation, in accordance with the instructions provided by the Intermediary or delivery corporation. In certain cases, a Non-Registered Shareholder may give the Intermediary or its delivery corporation such voting instructions via the Internet or by calling a toll free phone number; or
- (b) as is less often the case, receive a proxy form already signed by the Intermediary (typically, the form is sent by fax with the Intermediary’s signature, either handwritten or stamped), relating strictly to the number of shares beneficially owned by the Non-Registered Shareholder and otherwise left in blank. In such a case, the Non-Registered Shareholder who wishes to submit a proxy form should properly complete such form before filing it with Computershare Investor Services Inc. (Attention: Proxy Department), by mail to 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 or by fax to 1-866-249-7775 or (416) 263-9524.

In each case, the purpose of these procedures is to enable Non-Registered Shareholders to give instructions in relation to the voting rights attached to the Common Shares they beneficially own.

Should a Non-Registered Shareholder who receives a voting instruction form wish to vote in person at the Meeting, or to have another person attend and vote on his behalf, such Non-Registered Shareholder should print his own name or the name of such other person on the voting instruction form and return it to the Intermediary or its service corporation. Should a Non-Registered Shareholder who receives a proxy form wish to attend and vote in person at the Meeting, or to have another person attend and vote on his behalf, such Non-Registered Shareholder should strike out the names of the persons indicated in the proxy form and add his own name or the name of such other person in the space provided for that purpose on the form and return it to Computershare Investor Services Inc. at the above mentioned address.

In either case, Non-Registered Shareholders should carefully read the directions given by their Intermediaries, including as to when, where and how the voting instruction form or proxy form should be delivered.

A Non-Registered Shareholder may revoke voting instructions given to an Intermediary by following the procedures set out in the voting instruction form (or similar document) provided by the Intermediary.

### **Adoption of Notice and Access System**

In accordance with the notice-and-access rules adopted by the Ontario Securities Commission under NI 54-101, the Corporation has sent its proxy-related materials directly to registered holders and non-objecting beneficial owners using notice-and-access. Therefore, although Shareholders still receive a proxy or Voting Instruction Form (as applicable) in paper copy, this Information Circular, annual consolidated financial statements and related MD&A are not physically delivered. Instead, Shareholders may access these materials on the Corporation’s website at <http://www.victorynickel.ca/investor/financials/> or under the Corporation’s profile page on SEDAR at [www.sedar.com](http://www.sedar.com).

Registered holders or beneficial owners may request paper copies of the Meeting materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting materials are posted on the Corporation’s website. In order to receive a paper copy of the Meeting materials or if you have questions

concerning Notice-and-Access, please call 1-833-363-8527. **Requests for paper materials should be received by June 4, 2018 in order to receive the Meeting materials in advance of the Meeting.**

## VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As at the date hereof, 94,870,968 Common Shares are issued and outstanding. Each Common Share entitles the holder thereof to one vote in respect of each matter to be voted upon at a meeting of shareholders.

The Corporation has fixed May 4, 2018 as the record date (the “**Record Date**”) for the purpose of determining shareholders entitled to receive the Notice. In accordance with the provisions of the *Business Corporations Act* (Ontario) (the “**OBCA**”), the Corporation prepared a list of holders of Common Shares at the close of business on the Record Date. Holders of Common Shares named in the list will be entitled to vote the Common Shares shown opposite their name on the list at the Meeting.

As at the date hereof, to the knowledge of the directors and executive officers of the Corporation, no person or corporation beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

## BUSINESS TO BE CONDUCTED AT THE MEETING

### AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2017 and the auditor’s report thereon will be placed before the shareholders at the Meeting.

### RE-APPOINTMENT OF AUDITOR

Flabbi & Associates LLP, Chartered Accountants, Licensed Public Accountants, Toronto, Ontario, are auditors of the Corporation.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF FLABBI & ASSOCIATES LLP, CHARTERED ACCOUNTANTS LICENSED PUBLIC ACCOUNTANTS, AS AUDITOR OF THE CORPORATION TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE BOARD OF DIRECTORS TO FIX ITS REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

### ELECTION OF DIRECTORS

The articles of the Corporation provide for a minimum of three and a maximum of 15 directors. At the present time, the board of directors of the Corporation (the “**Board**” or the “**Board of Directors**”) consists of five directors. The shareholders will be asked to elect five directors for the ensuing year. Each director elected will hold office until the close of business of the first annual meeting of shareholders following his or her election unless his or her office is earlier vacated in accordance with the by-laws of the Corporation.

The names of all of the nominees; their position with the Corporation; their principal occupation or employment; the dates upon which they became directors of the Corporation; and, the number of Common Shares beneficially owned, or controlled, or directed, directly or indirectly, by them as of the date hereof, are as follows:

Name and Residence	Position with the Corporation	Principal Occupation	Date Elected	Shares Held or Controlled or Directed <sup>(5)</sup>
Cynthia Thomas <sup>(1)*(2)(4)</sup> Nevada, U.S.A.	Chair and Director	Principal of Conseil Advisory Services Inc. (financial advisory to the natural resource industry).	Feb. 1, 2007	445,000

<b>Name and Residence</b>	<b>Position with the Corporation</b>	<b>Principal Occupation</b>	<b>Date Elected</b>	<b>Shares Held or Controlled or Directed<sup>(5)</sup></b>
René R. Galipeau <sup>(4)*</sup> Ontario, Canada	Vice-Chair, Chief Executive Officer and Director	Vice-Chair and Chief Executive Officer of the Corporation (mineral exploration).	Feb. 1, 2007	1,159,235
Michael Anderson <sup>(1)(2)*(3)(4)</sup> Ontario, Canada	Director	Retired. Formerly a partner with the law firm of Gowling WLG (Canada) LLP (formerly Gowlings Lafleur Henderson LLP) and its predecessor, Smith Lyons, from 1985 until March 2011.	Jun. 29, 2011	0
Peter R. Jones <sup>(2)(3)*(4)</sup> Ontario, Canada	Director	Chair of Advisory Committee since April 2018 and formerly Executive Vice President since Nov. 2013 with Century Global Commodities Corporation, Formerly Chairman and Interim Chief Executive Officer of Augyva Mining Resources Inc. from 2011 to 2014 and formerly Chief Executive Officer and a director of HudBay Minerals Inc. 2004-2008 and 2009-2010; Chairman and Chief Executive Officer of Adanac Molybdenum Corporation 2008-2009.	Jun. 29, 2011	157,000
Paul W. Fisher <sup>(1)</sup> Alberta, Canada	Director	Retired. 29 years of oil and gas industry experience with executive positions including positions with Enbridge Inc., Oneok Gas Marketing, Engage Energy and Union Gas.	Jun. 22, 2017	0

Footnotes:

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance & Nominating and Compensation Committee.
- (3) Health, Safety & Environment Committee
- (4) All members of the Board are members of the Strategy Committee.
- (5) The information in the foregoing table as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been furnished by each respective nominee.  
\* denotes Committee Chair

## SPECIAL BUSINESS

### Creation of New Class of Preferred Shares

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass a special resolution (the “**Preferred Share Resolution**”) approving an amendment to the articles of the Corporation to create a new class of preferred shares that may be issued in one or more series (the “**Preferred Shares**”). The Board will have the ability to fix the designation, rights, privileges, restrictions and conditions attaching to the shares of each series of Preferred Shares. The Preferred Shares will have priority over the Common Shares with respect to the payment of dividends and distributions in the event of liquidation, dissolution or winding-up of the Corporation. The text of the provisions of the Preferred Shares is included in the attached Schedule “A” to this Circular.

#### *Purpose of Creation of the Preferred Shares*

The Board has determined that at this time, the creation of the Preferred Shares is in the best interests of the Corporation in order to increase the Corporation’s flexibility in its capital structure and ability to take advantage of



any future financing opportunities, including any financing of acquisitions. The Corporation does not currently have any specific plans, arrangements or understandings in respect of the issuance of Preferred Shares.

The Board will have the ability to establish any dividend rights (including rates and attributes), conversion, exchange, redemption and voting rights, if any, applicable to the Preferred Shares. This flexibility will allow the Board to determine the terms of any series of Preferred Shares in accordance with the particular needs and concerns of the investors and the Corporation at such time. The Board will provide only those rights which the Board wishes to grant, instead of being required to issue Common Shares in connection with any capital raising efforts. This will also avoid the expense and delay of calling a shareholders' meeting to approve specific terms of any series of Preferred Shares. The Preferred Shares may be used by the Corporation for any appropriate corporate purpose, including, without limitation, financing transactions or issuances in public or private sales as a means of obtaining additional capital for use in the Corporation's business and operations or in connection with acquisitions of other businesses or properties.

The actual effect of the issuance of any Preferred Shares upon the rights of holders of Common Shares cannot be fully stated until the Board determines all specific rights of the particular series of Preferred Shares. When ultimately issued, the articles providing for the creation of a series of Preferred Shares will set out the terms and restrictions in respect of such series of Preferred Shares. This will provide the holders of Common Shares with an indication of the possible effects of an issuance of a particular series of Preferred Shares, specifically with respect to dividends, liquidation, redemption, conversion, dilution, voting rights and limitations on issuances of Preferred Shares. Such effects may include holders of Common Shares receiving less in the event of liquidation, dissolution or other winding up of the Corporation, or a reduction in the amount of funds, if any, available for dividends on Common Shares.

#### *Creation of the Preferred Shares*

If the Preferred Share Resolution is passed, the Corporation will file articles of amendment with the Director under the *Business Corporations Act (Ontario)* (the "OBCA"). The amendment to the articles will not become effective until articles of amendment have been delivered to the Director under the OBCA and a certificate of amendment has been received in accordance with the OBCA. No further action on the part of Shareholders would be required to effect the creation of the Preferred Shares. The text of the Preferred Share Resolution authorizes the directors of the Corporation to revoke the resolution without further approval of the Shareholders at any time prior to the receipt of the certificate of amendment from the Director under the OBCA. The directors do not have any present intention to revoke the Preferred Share Resolution.

Shareholders who vote against the Preferred Share Resolution will be entitled to dissent and require that the Corporation acquire the Common Shares of the Corporation that they hold for fair value if the Preferred Share Resolution passes and the articles are amended. These rights of dissent are described in greater detail below. The Corporation reserves the right not to proceed with the amendment to the articles in the event that Shareholders exercise and do not withdraw rights of dissent.

#### *Rights of Dissenting Shareholders*

Under Section 185 of the OBCA, a registered Shareholder of the Corporation is entitled to send a written objection to the Preferred Share Resolution. In addition to any other right a Shareholder may have, when the action authorized by the Preferred Share Resolution becomes effective, a registered Shareholder who complies with the dissent procedure under Section 185 of the OBCA is entitled to be paid the fair value of his or her Common Shares in respect of which he or she dissents, determined as at the close of business on the day before the Preferred Share Resolution is adopted. The full text of the dissent procedures provided by Section 185 of the OBCA is attached as Schedule "B" to this Circular. The following summary of Section 185 of the OBCA is qualified in its entirety by reference to Schedule "B" to this Circular. **ALL SHAREHOLDERS ARE URGED TO READ SCHEDULE "B" TO THIS CIRCULAR CAREFULLY AND IN ITS ENTIRETY.**

A Shareholder is not entitled to dissent if such Shareholder votes any of the Common Shares beneficially held by him or her in favour of the Preferred Share Resolution. A Shareholder is only entitled to dissent with respect to all of the Common Shares such Shareholder holds in a single class of shares, and may not partially dissent. The execution or exercise of a proxy does not constitute a written objection for the purposes of Section 185 of the OBCA.

Persons who are beneficial owners of Shares registered in the name of a broker, custodian, nominee, other intermediary or in some other name who wish to dissent, should be aware that only the registered owner of such

securities is entitled to dissent. A non-registered Shareholder will not be entitled to exercise his or her right to dissent directly (unless the Common Shares are re-registered in the non-registered Shareholder's name). A non-registered Shareholder who wishes to exercise the right of dissent should immediately contact the intermediary with whom the non-registered Shareholder deals with in respect of his or her Common Shares and either (i) instruct the intermediary to exercise the right to dissent on the non-registered Shareholder's behalf (which, if the Common Shares are registered in the name of a clearing agency, would require that the Common Shares first be re-registered in the name of the intermediary), or (ii) instruct the intermediary to re-register the Common Shares in the name of the non-registered Shareholder, in which case the non-registered Shareholder would be required to exercise the right to dissent directly.

A registered Shareholder who objects to the Preferred Share Resolution and who wishes to exercise his or her right of dissent (a "**Dissenting Shareholder**") must send to Victory Nickel Inc., 80 Richmond Street West, Suite 1802, Toronto, Ontario M5H 2A4, a written notice of such holder's objection to the resolution (a "**Notice of Objection**") prior to the Meeting or deliver a Notice of Objection to the Chairman of the Board at the Meeting.

The filing of a Notice of Objection does not deprive a Shareholder of the right to vote at the Meeting; however the OBCA provides, in effect, that a Shareholder who has submitted a Notice of Objection and who votes in favour of the Preferred Share Resolution will be deprived of further rights under section 185 of the OBCA. A Shareholder need not vote his or her Common Shares against the Preferred Share Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxyholder to vote in favour of the Preferred Share Resolution does not constitute a Notice of Objection. However, any proxy granted by a Shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Preferred Share Resolution, should be validly revoked in order to prevent the proxyholder from voting such Shares in favour of the Preferred Share Resolution and thereby causing the Shareholder to forfeit his or her right to dissent.

**FAILURE TO ADHERE STRICTLY TO THE REQUIREMENTS OF SECTION 185 OF THE OBCA AND THE TIME FRAMES SPECIFIED THEREIN WILL RESULT IN THE LOSS OR UNAVAILABILITY OF RIGHTS UNDER THAT SECTION.**

*Resolution*

The Board has unanimously approved the filing of articles of amendment to create the Preferred Shares and recommends that Shareholders vote **FOR** the Preferred Share Resolution. To be effective, the Preferred Share Resolution must be approved by at least 66 2/3% of the votes cast in person or by proxy at the Meeting.

Notwithstanding the foregoing, as indicated in the text of the Preferred Share Resolution below, the Board may, in its sole discretion, determine that the Corporation not proceed with the Preferred Share Resolution.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

**“RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. subject to the receipt of all necessary regulatory and stock exchange approvals, the Corporation is hereby authorized to file articles of amendment to create preferred shares in the capital of the Corporation, issuable in a series, on substantially the terms set out in Schedule “A” to the management information circular dated April 30, 2018 (the “**Preferred Share Resolution**”);
2. notwithstanding that this resolution has been passed by Shareholders, the directors of the Corporation, in their sole discretion, are hereby authorized and empowered without further notice to, or approval of, the Shareholders, to determine not to proceed with the Preferred Share Resolution at any time prior to the filing of the articles of amendment giving effect to the Preferred Share Resolution;
3. upon articles of amendment having become effective, the articles of the Corporation are amended accordingly;
4. any one officer and director of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to do all such acts and

things as may be necessary to effect to this special resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

**COMMON SHARES REPRESENTED BY PROXIES WILL BE VOTED IN FAVOUR OF THE SPECIAL RESOLUTION AUTHORIZING THE PREFERRED SHARE RESOLUTION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF 66 2/3% OF THE VOTES CAST AT THE MEETING BY SHAREHOLDERS IS SUFFICIENT FOR THE APPROVAL OF THE SPECIAL RESOLUTION.**

### ***Corporate Cease Trade Orders***

Other than as disclosed herein, no proposed director of the Corporation is, or within the ten years prior to the date hereof has been, a director, Chief Executive Officer or Chief Financial Officer of any corporation (including the Corporation) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the relevant corporation access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer, in the corporation being the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days.

Mr. Michael Anderson was a director of San Gold Corporation ("**San Gold**"). On December 23, 2014, trading of the common shares and the subordinate unsecured convertible debentures of San Gold was suspended by the Investment Industry Regulatory Organization of Canada and the TSX. On March 24, 2015 the common shares and subordinated unsecured convertible debentures of San Gold were listed on the TSXV and resumed trading.

On May 5, 2016, the Ontario Securities Commission issued a cease trade order ("**CTO**") for failure by Nuinsco Resources Limited ("**Nuinsco**") to file its audited financial statements for the year ended December 31, 2015; management's discussion and analysis relating to the audited financial statements for the year ended December 31, 2015; and, certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. On August 5, 2016, Nuinsco announced that it had filed on SEDAR its audited financial statements for the year ended December 31, 2015 and management's discussion and analysis relating to the audited financial statements for the year ended December 31, 2015, its unaudited interim financial statements relating to the first quarter of 2016 ended March 31, 2016 and management's discussion and analysis relating to the first quarter of 2016 ended March 31, 2016, and certification of these filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. As a result of completing these filings the CTO was revoked. Mr. René Galipeau was Chair and a director of Nuinsco at the time the CTO was issued.

### ***Corporate Bankruptcies***

No proposed director is, or within ten years prior to the date hereof has been, a director or executive officer of any 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, except for the following:

Mr. René Galipeau, Chief Executive Officer, Vice-Chair and a director of the Corporation ceased to be a director of Campbell Resources Inc. ("**Campbell**") in November 2008. In early 2009, Campbell announced that it had re-entered protection under the Companies' Creditors Arrangement Act.

Mr. Peter Jones was Chair and CEO of Adanac Molybdenum Corporation ("**Adanac**") from August 2008 to March 2009. Adanac entered voluntary Companies' Creditors Arrangement Act protection in December 2008 and emerged from creditor protection in February 2011 following the successful implementation of its plan of compromise and arrangement.

Mr. Michael Anderson was a director of San Gold. On December 22, 2014, San Gold filed a notice of intention to make a proposal under Part III, Division I of the Bankruptcy and Insolvency Act of Canada (the "BAI"). San Gold became bankrupt on June 22, 2015, on which date all of its officers and directors resigned.

### ***Personal Bankruptcies***

No proposed director of the Corporation has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

### ***Penalties or Sanctions***

No proposed director of the Corporation has been subject to:

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

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF ANY NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES AND MAY BE VOTED FOR ANY SUBSTITUTE NOMINEE(S) PROPOSED BY MANAGEMENT.**

### **INDICATION OF DIRECTORS AND EXECUTIVE OFFICERS**

All of the directors and executive officers of the Corporation have indicated that they intend to vote their Common Shares in favour of each of the above resolutions on which they are entitled to vote. **In addition, unless authority to do so is indicated otherwise, the persons named in the enclosed form of proxy intend to vote the Common Shares represented by such proxies in favour of each of the above resolutions.**

### **EXECUTIVE COMPENSATION**

#### **Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation's senior officers, being the identified named executive officers (the "NEOs") in 2017. During 2017, the Corporation had the following NEOs: Mr. René R. Galipeau, Vice-Chair, Chief Executive Officer, Ms. Margaret Lai, Chief Financial Officer and Mr. Ken Murdock, CEO of subsidiary Victory Silica Inc. ("**Victory Silica**").

#### ***Corporate Governance & Nominating and Compensation Committee***

In order to assist the Board in fulfilling its oversight responsibilities with respect to human resources matters, the Board has established a standalone compensation committee (the "**Compensation Committee**"). Given the small size of the Board, the Compensation Committee and the Corporate Governance and Nominating Committee were merged subsequent to the Annual and General Meeting of Shareholders held on June 22, 2017 (the "**Corporate Governance & Nominating and Compensation Committee**"). During the most recently completed fiscal year,

the Corporate Governance & Nominating and Compensation Committee was comprised of three directors, namely Cynthia Thomas (Chair), Peter R. Jones and Michael Anderson and, all of whom are independent within the meaning of section 1.4 of National Instrument 52-110 – *Audit Committees* (“NI 52-110”).

The Corporate Governance & Nominating and Compensation Committee’s purpose is to: (i) establish the philosophy and objectives that will govern the Corporation’s compensation program; (ii) oversee and approve the compensation and benefits paid to the senior officers; (iii) recommend to the Board for approval executive and other compensation and benefits plans and arrangements; (iv) oversee the Corporation’s stock option plan and the Share Incentive Plan; and (v) promote the clear and complete disclosure to shareholders of material information regarding executive compensation. In performing its duties, the Corporate Governance & Nominating and Compensation Committee has the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

### ***Principles and Objectives of the Compensation Program***

The primary goal of the Corporate Governance & Nominating and Compensation Committee and the Corporation’s compensation program is to ensure that the compensation provided to the Corporation’s senior officers is determined with regard to the Corporation’s business strategies and objectives, such that the financial interest of the senior officers is matched with the financial interest of the shareholders. The Corporate Governance & Nominating and Compensation Committee and Board of Directors strive to ensure that the Corporation’s senior officers are compensated fairly and commensurably with their contributions to furthering the Corporation’s strategic direction and objectives and that the compensation program is structured to attract, motivate and retain top quality employees and officers.

Generally, the Corporation places emphasis on annual cash compensation (i.e. salary) in order to attract, retain and motivate senior officers, as opposed to options, stock appreciation rights plans, securities purchase programs and other incentive type compensation. However, in order to ensure the alignment of officers with the Corporation’s long-term interests, the Corporation maintains the Stock Option Plan (as defined below) and the Share Incentive Plan.

### ***Compensation Process***

The Corporate Governance & Nominating and Compensation Committee relies on the knowledge and experience of the members of the Corporate Governance & Nominating and Compensation Committee. As a whole, the Corporate Governance & Nominating and Compensation Committee is comprised of directors who have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to making informed decisions on the suitability of the Corporation’s compensation policies and practices. Set out below is a brief summary of each director’s relevant skills and experience:

- Cynthia Thomas was Chair of the Audit Committee from the Corporation’s inception in 2007 until June, 2011, Chair of the Board since 2007 and is a member of the Corporate Governance & Nominating and Compensation Committee and prior to that was a member of the Compensation Committee. Ms. Thomas holds BCom and MBA degrees, has approximately 30 years of experience in banking and mine finance experience and is principal of Conseil Advisory Services Inc., an independent financial advisory firm specializing in the natural resource industry which she founded in 2000. She also currently and previously has served as a director of several public and private companies.
- Peter R. Jones has been a member of the Corporate Governance & Nominating and Compensation Committee since his election to the Board in 2011. Mr. Jones is a mining executive and Professional Engineer with 40 years of experience in senior operational and project positions at coal, gold, base metal and potash mines. He has also consulted in many countries and is currently Executive Vice President, Century Global Commodities Corporation.. Previously, he was CEO of Hudbay Minerals Inc. and Chair and CEO of Adanac Molybdenum Corporation. In these positions he has gained considerable experience in managing compensation matters.
- Michael Anderson has had a wide-ranging career that includes positions with law firms and corporations in the mining, food and beverage and consumer products industries. Mr. Anderson spent four years as General Counsel and Secretary with Denison Mines Limited, a uranium mining company with potash mining, coal mining and oil & gas operations. He was also a partner with Gowling WLG (Canada) LLP (formerly Gowlings Lafleur Henderson LLP), in-house counsel with John Labatt Limited for nine years, General

Counsel for Swift Canadian and served in general practice with a small legal firm in London, Ont.

Neither the Corporation nor the Corporate Governance & Nominating and Compensation Committee currently has any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of senior officer or director compensation.

When determining senior officer compensation, the Corporate Governance & Nominating and Compensation Committee evaluates the officer's performance, including reviewing the Corporation's performance against its business plans and the officer's achievements during the fiscal year. The Corporate Governance & Nominating and Compensation Committee uses all data available to it to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size of the Corporation and sufficient to retain personnel it considers essential to the success of the Corporation. In reviewing comparative data, the Corporate Governance & Nominating and Compensation Committee does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined level and does not compare its compensation to a specific peer group of companies.

The Corporate Governance & Nominating and Compensation Committee reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary, bonuses and prior awards under the stock option plan) and recommends the NEOs' compensation packages. The Corporate Governance & Nominating and Compensation Committee's recommendations regarding NEO compensation are presented to the Board for their consideration and approval. Although the Corporation does not have a formal policy relating to the management of compensation-related risk, the Board and, as applicable, the Corporate Governance & Nominating and Compensation Committee, consider and assess, as necessary, risks relating to compensation prior to entering into or amending employment contracts with NEOs and when setting the compensation of directors. The Board and the Corporate Governance & Nominating and Compensation Committee believe that the Corporation's compensation policies and practices are appropriate for its industry and stage of business and that such policies and practices do not have associated with them any risks that are reasonably likely to have a material adverse effect on the Corporation or which would encourage a NEO to take any inappropriate or excessive risks. The Corporate Governance & Nominating and Compensation Committee will continue to review the Corporation's compensation policies, including its compensation-related risk profile, as necessary, to ensure its compensation policies and practices are not reasonably likely to have a material adverse effect on the Corporation or encourage a NEO to take any inappropriate or excessive risks.

The Board of Directors, on the recommendation of the Corporate Governance & Nominating and Compensation Committee, periodically grants/issues to employees, directors and other eligible participants stock options under the stock option plan and Common Shares under the Share Bonus Plan. In determining whether and how many new options will be granted, the Corporation does not use any formal objectives, criteria or analyses in reaching such determinations; however consideration is given to the amount and terms of outstanding options.

The Corporation's Insider Trading and Blackout Policy does not allow NEOs, directors and other insiders from speculating in the Corporation's securities. The Insider Trading and Blackout Policy defines "speculating" as the purchase or sale of securities with the intention of reselling or buying back in a relatively short period of time in the expectation of a rise or fall in the market price of such securities. Speculating in such securities for a short-term profit is distinguished from purchasing and selling securities as part of a long-term investment program. Insiders are prohibited at any time from selling securities of the Corporation short or buying or selling a call or put option other than call or put options distributed by the Corporation in respect of securities of the Corporation or any of its affiliates.

The Corporate Governance & Nominating and Compensation Committee has not specifically identified any significant changes to its compensation policies and practices for the next financial year, however part of the Corporate Governance & Nominating and Compensation Committee's mandate is to review and assess the design and competitiveness of the Corporation's compensation and benefit programs generally, and it intends to do this going forward.

#### ***Compensation Elements and 2017 Compensation Decisions***

During the 2017 fiscal year, the above executive compensation philosophy and policies were followed in order to meet the Corporation's objectives.

***Base Salaries and Bonuses.*** The Corporate Governance & Nominating and Compensation Committee recommends base salaries and bonuses on an individual basis, taking into consideration the individual's performance and

contributions to the Corporation's success, tenure in the job, general industry practices, and internal equities among positions.

*Long-term Incentives – Stock Option Plan.* The Corporate Governance & Nominating and Compensation Committee believes that stock options encourage the Corporation's directors, senior officers, employees and consultants to own and hold shares in the Corporation and tie their long-term interests directly to those of the shareholders. Under the terms of the Corporation's Stock Option Plan, the Board of Directors, acting on the recommendations of the Corporate Governance & Nominating and Compensation Committee, may designate employees, including directors and senior officers, and consultants eligible to receive options to acquire such numbers of Common Shares as the Board of Directors determines, at the then current trading price on the CSE. When awarding options, consideration is given to the exercise price of the aggregate options that would be held by an individual after the award under consideration is made. In determining the individual grants, the Corporate Governance & Nominating and Compensation Committee considers the following factors: the individual's performance and contribution to the Corporation's success; relative position; years of service; and, past equity grants. See "Securities Authorized for Issuance under Equity Compensation Plans" for a detailed description of the Stock Option Plan. In the cases of the NEOs other than the Chief Executive Officer, the Corporate Governance & Nominating and Compensation Committee receives recommendations from the Chief Executive Officer regarding option awards.

*Long-term Incentives - Share Incentive Plan.* The Corporation also maintains the Share Incentive Plan. The purpose of the Share Incentive Plan is to encourage ownership of the Common Shares by directors, senior officers and employees of the Corporation and its designated affiliates and consultants who are primarily responsible for the management and profitable growth of its business, and to advance the interests of the Corporation by providing additional incentive for superior performance by such persons and to enable the Corporation and its designated affiliates to attract and retain valued directors, officers, employees and consultants. The Share Incentive Plan is comprised of both the Share Bonus Plan and the Share Purchase Plan. When awarding Common Shares under the Share Incentive Plan, consideration is given to the number of options under the Stock Option Plan and the number of Common Shares that would be held by an individual after the award under consideration is made. In determining the individual awards, consideration is given to the following factors: the individual's performance and contribution to the Corporation's success, relative position, years of service and past equity grants.

The Share Bonus Plan permits Common Shares to be issued as a discretionary bonus to eligible directors, senior officers and employees of the Corporation and its designated affiliates, and consultants designated from time to time. The Corporation granted no Common Shares pursuant to the Share Bonus Plan during 2017. Under the Share Purchase Plan, eligible directors, senior officers and employees of the Corporation and its designated affiliates and consultants can contribute up to 10% of their annual basic salary before deductions to purchase Common Shares. The Corporation matches each participant's contribution. As at the date hereof, no Common Shares have been issued pursuant to the Share Purchase Plan.

#### Summary

The Corporate Governance & Nominating and Compensation Committee will continue to evaluate the Corporation's executive compensation programs on an ongoing basis to ensure that the Corporation's compensation practices and philosophies are consistent with the objective of enhancing shareholder value over the long term.

### **Executive Compensation Tables**

#### *Summary Compensation Table*

The following table sets out each NEO's annual and long-term compensation for the financial years of the Corporation ended December 31, 2016, and December 31, 2017. During the year 2016 a portion of compensation was paid in cash, a portion was paid in common shares and a portion was deferred. During the year 2017, salaries were reduced by a minimum of 50% and a portion was deferred.

Name and Principal Position	Year	Salary		Share-based Awards	Option-based Awards	Non-equity Incentive Plan Compensation		Pension Value	All Other Compensation	Total Compensation
						Annual Incentive Plans	Long-term Incentive Plans			
Rene R. Galipeau Vice-Chairman, CEO and Director	2017	\$ 140,000		\$ nil	\$ 118,000	\$ nil	\$ nil	\$ nil	\$ nil	\$ 258,000
	2016	\$ 280,000		\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ 280,000
Margaret Lai CFO	2017	\$ 33,950	(2)	\$ nil	\$ 23,600	\$ nil	\$ nil	\$ nil	\$ nil	\$ 57,550
Steve Cresswell CFO	2016	\$ 63,147	(1)	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ 63,147
Ken Murdock CEO Victory Silica	2017	\$ 100,000		\$ nil	\$ 70,800	\$ nil	\$ nil	\$ nil	\$ nil	\$ 170,800
	2016	\$ 240,000		\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ 240,000

**Footnotes:**

- (1) Mr. Cresswell ceased to be CFO on December 12, 2016;  
(2) Ms Margaret Lai was appointed CFO on May 23, 2017.

	<u>2017</u>
Dividend yield	-
Expected volatility	169.5%-169.7%
Risk free interest rate	0.88% to 1.1%
Expected option term - years	5
Fair value per share of options granted	\$0.05

**Incentive Plan Awards**

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

The following table sets out the share-based awards and option-based awards held by each NEO as at December 31, 2017.

Name	Option-based Awards				Share-based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based awards that have not Vested (\$)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed (\$)
René R. Galipeau Vice-Chairman, CEO, acting CFO and Director	2,500,000	0.05	February 23, 2022	nil	nil	nil	nil
	10,000	0.70	July 21, 2019	nil	nil	nil	nil
Margaret Lai, CFO	500,000	0.05	June 22, 2022	nil	nil	nil	nil
Ken Murdock CEO, Victory Silica	1,500,000	0.05	February 23, 2022	nil	nil	nil	nil
	50,000	0.7	July 21, 2019	nil	nil	nil	nil
	35,000	0.3	June 27, 2018	nil	nil	nil	nil

**Footnote:**

- (1) Based on the closing price of the Common Shares on the CSE on December 31, 2017 of \$0.045.

*Incentive Plan Awards – Value vested or earned during the year*

The following table sets forth, for each NEO, the value of all incentive plan awards vested or earned during the year ended December 31, 2017.



Name	Option-Based Awards Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation - Value Earned During The Year (\$)
René R Galipeau, Vice-Chairman, CEO, and Director	nil	nil	nil
Margaret Lai, CFO	nil	nil	nil
Ken Murdock, CEO Victory Silica	nil	nil	nil

**Footnote:**

(1) Calculated based on the difference between the market value of the Common Shares on the applicable date of vesting and the applicable exercise price of the options which vested.

For details of the Stock Option Plan and Share Incentive Plan, please see “Securities Authorized for Issuance under Equity Compensation Plans”.

***Pension Plan Benefits***

The Corporation does not maintain any defined benefit or defined contribution plans or any other retirement plans.

***Deferred Compensation Plans***

The Corporation does not maintain any deferred compensation plans.

***Termination and Change of Control Benefits***

René Galipeau has an employment contract, which provides that the Corporation may terminate his employment without cause, upon payment at termination of 12 months’ base salary, plus accrued but unused vacation to the date of termination. The Corporation shall have no obligation to make the foregoing payment if the Corporation either (i) is, at the time such payment is to be made, unable to pay its liabilities as they become due, or (ii), after such payment, would be unable to pay its liabilities as they become due; provided that, in such event, the Corporation shall be obligated to make all payments to the executive required under applicable employment standards legislation, if any. All stock options granted by the Corporation shall vest on the date notice of termination is given and shall remain exercisable until the termination date of such option, notwithstanding the provisions of any agreement or plan. In the event that there is just cause for termination of employment at common law, employment may be terminated by the Corporation summarily and without notice, or payment in lieu of notice, severance payments, benefits, damages or any sums whatsoever. In this event, estimated incremental payments as of the end of the Corporation’s most recently completed financial year would have been \$280,000 for Mr. Galipeau.

In the event of a change of control, and for a period of twelve (12) months thereafter, Mr. Galipeau’s contract provides that if:

- a) the Corporation gives notice of its intention to terminate his employment for any reason other than just cause, or
- b) certain defined events occur and he/she elects to terminate the employment contract and his employment

he shall be entitled to receive from the Corporation 24 months’ base salary, plus accrued but unused vacation to the date of termination plus two (2) times the average bonus paid for the preceding three (3) years. All stock options granted by the Corporation shall vest on the date notice of termination is given and shall remain exercisable until the termination date of such option, notwithstanding the provisions of any agreement or plan.

In addition, he shall continue to be entitled to participate, at the expense of the Corporation, in the Corporation’s health and medical plans for its executive personnel, until the earlier of his obtaining alternate coverage under the terms of any new employment or the second anniversary of the termination date. If such participation is not permitted under the terms of any such plan, the Corporation shall pay to him, in addition to all other amounts payable hereunder, an amount sufficient to enable him to obtain individual benefit coverage equivalent to that at the time afforded under such plans. If the terms or conditions of any such benefits have changed since the

change of control, then at his election, he may require the Corporation to pay an amount sufficient to enable him to obtain individual benefit coverage equivalent to that in place immediately prior to the change of control, or any combination of the old and new benefits, provided that in no event shall he receive double recovery of replacement cost for any single benefit. In this event, estimated incremental payments would be: \$560,000 for Mr. Galipeau.

## Director Compensation

In addition to annual retainers and attendance fees, directors may also receive options to purchase Common Shares as recommended by the Corporate Governance & Nominating and Compensation Committee and determined by the Board. The exercise price of such options is determined by the Board, but shall in no event be less than the market price of the Common Shares at the time of grant of the options. Please see “Securities Authorized for Issuance under Equity Compensation Plans” below for a detailed description of the Stock Option Plan.

### Director Compensation Table

The following compensation table sets out the compensation payable to each of the Corporation’s directors in the year ended December 31, 2017. No cash payments were made during the year ended December 31, 2017. The Directors have unanimously agreed to defer receipt of all compensation until the Company’s financial situation improves.

Name	Fees Earned	Share-based Awards	Option-based Awards	Non-equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total Compensation
Cynthia P. Thomas	\$ 54,500	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ 54,500
Michael J. Anderson	\$ 17,900	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ 17,900
Paul W. Fisher	\$ 7,747	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ 7,747
Roland Horst(1)	\$ 12,000	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ 12,000
Peter R. Jones	\$ 16,300	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ 16,300

### Incentive Plan Awards for Directors

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

The following table sets out the share-based awards and option-based awards held by each director as at December 31, 2017.

Outstanding Share-based Awards and Option-based Awards							
Name	Option-based Awards				Share-based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed (\$)
Michael J. Anderson	1,000,000	0.05	February 23, 2022	nil	nil	nil	nil
Paul Fisher	1,000,000	0.05	June 22, 2022	nil	nil	nil	nil
Peter R. Jones	1,000,000	0.05	February 23, 2022	nil	nil	nil	nil
Cynthia P. Thomas	1,000,000	0.05	February 23, 2022	nil	nil	nil	nil

#### Footnote:

(1) Based on the closing price of the Common Shares on the CSE on December 30, 2017 of \$0.045.

#### Incentive Plan Awards – Value vested or earned during the year

<b>Incentive Plan Awards Value Vested or Earned During the Year</b>			
Name	Option-Based Awards	Share-Based Awards	Non-equity Incentive Plan Compensation - Value Earned
	Value Vested During the Year <sup>(1)</sup> (\$)	Value Vested During the Year (\$)	During The Year (\$)
Cynthia P. Thomas	nil	nil	nil
Paul Fisher	nil	nil	nil
Michael J. Anderson	nil	nil	nil
Peter R. Jones	nil	nil	nil

**Footnotes:**

- (1) Calculated based on the difference between the market value of the Common Shares on the applicable date of vesting and the applicable exercise price of the options which vested.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of December 31, 2017 with respect to Common Shares authorized for issuance under the Corporation’s equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	12,682,500	\$0.08	1,605,645 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	12,682,500	\$0.08	1,605,645 <sup>(2)</sup>

**Footnotes:**

- (1) The Stock Option Plan provides for the issuance of options to purchase up to an aggregate of 15% of the issued and outstanding Common Shares. The amount includes securities remaining available for future issuance under the Stock Option Plan. The maximum number of Common Shares issuable under the Share Purchase Plan is the lesser of: (i) that number of Common Shares that can be purchased with a dollar amount equal to 20% of the annual gross annual salary of the participants; and (ii) 1% of the aggregate number of issued and outstanding Common Shares (calculated on a non-diluted basis) from time to time. As at the date hereof, no Common Shares have been issued pursuant to the Share Purchase Plan.
- (2) See also “Long-Term Incentives – Share Incentive Plan” below.

### ***Stock Option Plan***

The Corporation maintains a stock option plan (the “**Stock Option Plan**”) pursuant to which options may be granted to Eligible Persons. The term “**Eligible Person**” includes, subject to all applicable laws, employees, senior officers, directors or consultants of the Corporation, any subsidiary of the Corporation or any personal holding corporation controlled by an officer or director of the Corporation or any subsidiary.

The Stock Option Plan mandates that there be a “rolling maximum” number of Common Shares issuable that shall not exceed 15% of Common Shares issued and outstanding (calculated on a non-diluted basis) from time to time. As at the date hereof 12,682,500 options to acquire Common Shares were outstanding, representing 13.4% of the Corporation’s issued and outstanding Common Shares as of the date hereof, leaving an additional 1,548,145 Common Shares, representing 1.6% of the Corporation’s issued and outstanding Common Shares as at the date hereof, available for issuance pursuant to grants of options under the Stock Option Plan. The maximum number of Common Shares which may be reserved for issuance to any one person under the Stock Option Plan is 5% of the Common Shares outstanding at the time of the grant (calculated on a non-diluted basis) less the number of shares reserved for issuance to such person under any other option to purchase Common Shares from treasury granted as a compensation or incentive mechanism. Any shares subject to an option granted under the Stock Option Plan, which for any reason is surrendered, cancelled or terminated prior to exercise, will be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares will be determined by the Board but cannot be less than the closing price of the shares on the day immediately preceding the day upon which the option is granted. Options granted under the Stock Option Plan may be exercised during a period not exceeding ten years,

subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, senior officer, director or consultant of the Corporation or any of its subsidiaries, as applicable, or upon the optionee retiring, becoming permanently disabled or upon death. Any options granted will terminate on the earlier of the following dates (i) the date of expiration specified in the option agreements, (ii) 90 days after such optionee ceases to be an Eligible Person (other than by reason of death), and (iii) 180 days after the optionee's death during which the option may be exercised by the optionee's legal representative or person to whom the deceased optionee's rights under the options have passed by will or other applicable law. In the resolution allocating any option, the Board of Directors may determine that the date or dates of the vesting of any options issued under the Stock Option Plan shall be a future date or dates determined in the manner specified in such resolution. The options are non-transferable.

The Stock Option Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a reorganization, a merger or other relevant changes in the Corporation's capitalization. The Board has the power and authority to approve amendments relating to the Stock Option Plan or to options, without further approval of the shareholders, to the extent that such amendments relate to: (a) complying with the requirements of any applicable regulatory authority; (b) complying with the rules, policies and notices of any stock exchange on which the Corporation's securities are listed; (c) altering, extending or accelerating the terms and conditions of vesting of any options; (d) extending the term of options held by a person other than a person who, at the time of the extension, is an insider of the Corporation; (e) determining, subject to all applicable regulatory requirements, that the provisions of the Stock Option Plan concerning the effect of termination of an optionee's status as an Eligible Person shall not apply to an optionee for any reason acceptable to the Board; (f) accelerating the expiry date of any options; (g) amending the definitions contained within the Stock Option Plan; (h) amending the categories of persons who are Eligible Persons and entitled to be granted options pursuant to the Stock Option Plan; (i) allowing the grant of financial assistance to optionees for the purpose of exercising options granted under the Stock Option Plan, subject to compliance with all applicable regulatory requirements; (j) authorizing the addition or modification of a cashless exercise feature, payable in cash or Common Shares; (k) amending or modifying the mechanics of exercise of options; and (l) amendments of a "housekeeping" nature, including, without limitation, amending the wording of any provisions of the Stock Option Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any inconsistency.

The Stock Option Plan provides that the Corporation may provide financial assistance in respect of options granted under the Stock Option Plan by means of loans to optionees. Under the terms of the Stock Option Plan, the Corporation may, but is not obligated to, loan an optionee the funds required to exercise any particular option. The Stock Option Plan provides that any such loan will be for a term not exceeding ten years and will be non-interest bearing. Any such loan will be repayable at maturity or upon earlier termination of the option, including the death or retirement of the optionee. Any loans made under the Stock Option Plan are to be secured by a pledge of the shares acquired upon the exercise of the option exercised being lodged with a trustee for such purposes.

In the event that any loan amount is not fully repaid when due, the trustee holding the pledged shares is entitled to realize on the shares being held by it as security for the loan.

Loans made under the Stock Option Plan are "non-recourse loans" and, as a result, the sole remedy of the Corporation in the event of a default is to realize on the shares being held as security as described above. Thus, in the event there is a shortfall between the loan amount and any such proceeds of realization, the optionee will not be liable for any such shortfall. The Stock Option Plan provides that any shares issued pursuant to loans made under the Stock Option Plan may be sold by the optionee from time to time provided that an amount equal to the aggregate option exercise price or the balance of the loan is applied in repayment of the loan. Any financial assistance so provided under the Stock Option Plan will be subject to and made in accordance with all applicable laws and regulatory policies at the time of making the loan. At present, no loans are outstanding under these provisions.

#### ***Share Incentive Plan – Share Purchase Plan and Share Bonus Plan***

The Corporation also maintains the Share Incentive Plan, which is comprised of both the Share Purchase Plan and the Share Bonus Plan.

Under the Share Purchase Plan, eligible directors, senior officers and employees of the Corporation and its designated affiliates and consultants can contribute up to 10% of their annual basic salary before deductions to purchase Common Shares. The Corporation matches each participant's contribution. The purchase price per Common Share is the volume weighted-average of the trading prices of the Common Shares for the calendar quarter

in respect of which the Common Shares are issued, which could be lower than the market price of the Common Shares on a given date. Common Shares issued are held in safekeeping and delivered to employees as soon as practicable following March 31, June 30, September 30 and December 31 in each calendar year. The maximum number of Common Shares issuable under the Share Purchase Plan is the lesser of: (i) that number of Common Shares that can be purchased with a dollar amount equal to 20% of the annual gross salary of the participants; and (ii) 1% of the aggregate number of issued and outstanding Common Shares (calculated on a non-diluted basis) from time to time. As at the date hereof, no Common Shares have been issued pursuant to the Share Purchase Plan.

Participation in the Share Purchase Plan is subject to earlier termination upon the termination of the participant's employment, upon the participant ceasing to be an employee, senior officer or consultant of the Corporation or any death. The right to participate in the Share Incentive Plan is non-assignable and non-transferable, other than pursuant to a will or by the laws of descent and distribution.

The Share Bonus Plan permits the Corporation to issue Common Shares as a discretionary bonus to eligible directors, senior officers and employees of the Corporation and its designated affiliates, and consultants designated from time to time. During the year ended December 31, 2017, the Corporation issued no Common Shares under the Share Bonus Plan.

The Share Incentive Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a reorganization, a merger or other relevant changes in the Corporation's capitalization. The Share Incentive Plan may be amended without further approval of the shareholders to the extent that such amendments relate to: (a) complying with the requirements of any applicable regulatory authority; (b) complying with the rules, policies and notices of any stock exchange having jurisdiction over the securities of the Corporation; (c) determining, subject to all applicable regulatory requirements, that the provisions of the Share Incentive Plan concerning the effect of termination of a participant's employment on such participant's status under the Share Purchase Plan shall not apply to such participant; (d) amending the definitions contained within the Share Incentive Plan; (e) amending the categories of persons who are participants pursuant to the Share Incentive Plan; (f) amending or modifying the contribution mechanics of the Share Purchase Plan; and (g) amendments of a "housekeeping" nature, including, without limitation, amending the wording of any provisions of the Share Incentive Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Share Incentive Plan that is inconsistent with any other provision of the Share Incentive Plan, provided that any amendment, modification or change to the provisions of the Share Incentive Plan which would: (a) materially increase the benefits under the Share Incentive Plan; (b) increase the number of Common Shares, other than by virtue of the operation of the Share Incentive Plan, which may be issued; or (c) materially modify the requirements as to eligibility for participation in the Share Incentive Plan; shall only be effective upon such amendment, modification or change being approved by the shareholders of the Corporation.

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

Since the beginning of the Corporation's most recently completed financial year there is no, and there has not been any, outstanding indebtedness owing to the Corporation or any subsidiary of the Corporation or any other entity where such indebtedness has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries in connection with a purchase of securities or otherwise by: (i) any director, executive officer or employee of the Corporation or any of its subsidiaries; (ii) any former director, executive officer or employee of the Corporation or any of its subsidiaries; (iii) any proposed nominee for election as a director of the Corporation; (iv) any associate of any individual who is, or at any time during the Corporation's most recently completed financial year was, a director or executive officer of the Corporation; or (v) any associate of any proposed nominee for election as a director of the Corporation.

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

No informed person or proposed director of the Corporation, or any of the associates or affiliates of those persons, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has, in either case, materially affected or would materially affect the Corporation or any of its subsidiaries.

"Informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a

combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

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

No person who has been a director or executive officer of the Corporation at any time since the beginning of its last completed financial year, no proposed nominee for election as a director and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Management Information Circular.

### MANAGEMENT CONTRACTS

Except as disclosed below, there are no management functions of the Corporation or its subsidiaries which are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation or its subsidiaries.

### CORPORATE GOVERNANCE PRACTICES

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENTS	COMMENTS
<b>1. Board of Directors</b>	
<p>a. Disclose the identity of directors who are independent.</p> <p>b. Disclose the identity of directors who are not independent, and describe the basis for that determination.</p> <p>c. Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities.</p>	<p>Pursuant to National Instrument 58-101 (“<b>NI 58-101</b>”), a director is independent if the director has no direct or indirect material relationship with a company which could, in the view of the company’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgment.</p> <p>The Board of Directors is currently comprised of five members, four of whom the Board has determined are “independent” directors within the meaning of NI 58-101: Cynthia Thomas, Paul Fisher, Michael Anderson and Peter R. Jones. Assuming all of the directors nominated for election at the upcoming annual meeting of shareholders are elected, the board will be comprised of five current directors, four of whom are independent directors.</p> <p>René Galipeau, Vice-Chair and director, is also Chief Executive Officer of the Corporation and therefore not considered to be independent.</p>
<p>d. If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction, identify both the director and the other issuer.</p>	<p><b>René Galipeau:</b> Nuinsco Resources Limited, Wallbridge Mining Company Limited;</p> <p><b>Peter R. Jones:</b> Augyva Mining Resources Inc., Mandalay Resources Corp.</p>
<p>e. Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.</p>	<p>The business and affairs of the Corporation are managed by the Board. The Board holds regular meetings to review the business and affairs of the Corporation and to make any decisions relating thereto. The Board believes that it functions independently of management. When conflicts do arise, interested parties are precluded from voting on matters in which they may have an interest. As may be deemed necessary by the Chair of the Board and/or the independent directors, the independent directors of the Board convene meetings of the independent directors, at which non-independent directors and members of management are not in attendance. To enhance its ability to act independently of management, the Board may meet in the absence of members of management and the non-independent director(s) or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate. The Board held no meetings of the independent directors in the absence of members of management</p>

	<p>and the non-independent directors from January 1, 2017 to the date hereof, however when deemed appropriate during Board meetings, members of management were excused to facilitate discussion by Board members and/or committees of the Board independent of management. The Corporate Governance &amp; Nominating and Compensation Committee has recommended, and the Board has adopted, a policy whereby a standard agenda item providing for the independent directors to meet in the absence of non-independent directors and members of management will be included in respect of Board meetings going forward. This practice has been in place for the Audit Committee since 2009.</p>
<p>f. Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.</p>	<p>Ms. Thomas serves as Chair of the Board and is independent within the meaning of NI 58-101. The primary functions of the Chair of the Board of Directors are to facilitate the operations and deliberations of the Board and the fulfilment of the Board's role and responsibilities under its mandate. The Chair is accountable to the Board and acts as a direct liaison between the Board and management of the Corporation through the Chief Executive Officer.</p>
<p>g. Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.</p>	<p>Cynthia Thomas : 5/5  Michael Anderson: 5/5  Peter R. Jones: 5/5  René Galipeau : 5/5  Roland Horst<sup>1</sup>: 2/2  Paul Fisher<sup>1</sup>: 3/3</p>
<p><b>2. Board Mandate – Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities</b></p>	<p>The Board has a mandate to set the strategic direction of the Corporation and to oversee its implementation by management of the Corporation. The charter of the Board is as follows:</p> <ul style="list-style-type: none"> <li>a) to the extent feasible, the Board must satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of the Corporation and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization as articulated in the Corporation's Code of Business Conduct and Ethics (the "Code");</li> <li>b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business;</li> <li>c) identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;</li> <li>d) succession planning including the appointment, training and monitoring of senior management;</li> <li>e) adoption of a disclosure policy which policy will be in compliance with National Policy 51-201 – <i>Disclosure Standards</i>, and updated to remain in compliance as a result of any amendments thereto;</li> <li>f) the periodic review and approval of internal control and management information systems;</li> <li>g) participation in the development of the Corporation's approach to corporate governance, including the</li> </ul>

	<p>development of, and ongoing monitoring of, a set of corporate governance principles and guidelines in compliance with NI 58-101 and any amendments thereto;</p> <p>h) ensuring that measures for receiving feedback from stakeholders are in place; and</p> <p>i) ensuring that the responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials, are fully understood and that individual directors are able to make the requisite time commitment and have the requisite skills and experience to attend to their duties and responsibilities as members of the Board of Directors.</p> <p>The items listed above serve as the framework for the mandate of the Board of Directors and will be amended to reflect any amendments made to applicable law and other rules that govern the Corporation's operations.</p> <p>At a minimum, the Board of Directors meets once in each fiscal quarter. In addition, the Board of Directors meets at other times when matters requiring its approval are raised and the timing is such that it is not prudent or possible to wait for a regularly scheduled quarterly meeting.</p>
<p><b>3. Position Descriptions</b></p>	
<p>a. Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.</p> <p>b. Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.</p>	<p>The Corporation has not developed written position descriptions for the CEO, Chair and the Chair of each Board committee. The Board has enlisted the CEO to manage the day-to-day strategic and operational affairs of the Company. The roles and responsibilities of the Chair of the Board are as described above. The Board delineates the roles of the Chair of each of the Board's committees under the auspices of the respective committee charters. Members of all Board committees are approved by the Board and the Chairs of those committees are approved by the individual committees.</p> <p>The CEO reports to the Board, and the Board responds to and, if it considers appropriate, approves, with such revisions as it may require, corporate objectives and recommended courses of action, which have been brought forward by the CEO and management. The Board and the CEO review, on a regular basis, the scope and limits of management's responsibilities and powers. In addition to those matters which must be approved by the Board by law, significant business activities and actions proposed to be taken by the Corporation are subject to Board approval.</p> <p>Annual capital and operating budgets and significant changes thereto, long range plans, major changes in the organizational structure of the Corporation, annual financial statements, major acquisition and disposal transactions, major financing transactions involving the issuance of shares, debt securities and the like, major banking transactions, long term contracts with significant cumulative financial commitments, appointment of senior executive officers, benefit plans, stock option plans, issuance of stock options and share-based awards and succession plans are all subject to Board approval or, where appropriate, a duly authorized committee of the directors.</p> <p>In addition, the Board of Directors is responsible for overseeing the strategic direction of the Corporation, monitoring the performance of the Corporation's assets and assessing opportunities for and risks affecting the Corporation's business and assessing means to effectively deal with the same.</p>
<p><b>4. Orientation and Continuing Education</b></p>	
<p>a. Briefly describe what measures the Board takes to orient new</p>	<p>Orientation and continuing education of directors is the responsibility of the Corporate Governance &amp; Nominating and</p>



<p>directors regarding:</p> <p>I. the role of the Board, its committees and its directors, and;</p> <p>II. the nature and operation of the issuer's business.</p> <p>b. Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>Compensation Committee. The Corporate Governance &amp; Nominating and Compensation Committee is responsible for developing and recommending to the Board an orientation program for new directors which shall include assisting new directors to understand the role of the Board and its committees, the contribution that individual directors are expected to make, and the nature and operation of the Corporation's business. The Corporation currently has an informal orientation and education program for new Board members in order to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board of Directors. In addition, a corporate policies manual and all available information about the Corporation's projects is available to Board members, who are also encouraged to visit the Corporation's project sites as appropriate. The Corporate Governance &amp; Nominating and Compensation Committee has implemented a process of periodic review of the corporate policies manual to ensure it is updated to reflect modifications of corporate policies and procedures and other documents that assist individuals in performing their role as directors. In light of the Corporation's size and the high level of experience of the Board members, the Board believes this approach is practical and effective.</p>
<p><b>5. Ethical Business Conduct</b></p>	
<p>a. Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code, disclose how a person or company may obtain a copy of the code and describe how the board monitors compliance with the code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code. Provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>	<p>The Board has adopted the Code for directors, officers and employees. A copy of the Code can be found at <a href="http://www.victorynickel.ca">www.victorynickel.ca</a> and <a href="http://www.sedar.com">www.sedar.com</a>. The Board does not formally monitor compliance with the Code. Management is expected to report any breaches of the Code to the Board. Additionally, the Code provides a process by which actual or potential violations of its provisions are to be reported to the President or Chief Financial Officer and confirms that there will not be any reprisals against an individual who does so in good faith. There has been no material change reports filed pertaining to conduct of a director or executive officer that constitute a departure from the Code.</p>
<p>b. Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p> <p>c. Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>Each director and executive officer is required to fully disclose his interest in respect of any transaction or agreement to be entered into by the Corporation. Once such interest has been disclosed, the Board as a whole determines the appropriate level of involvement that the director or executive officer should have in respect of the transaction or agreement. In addition, management of the Corporation, with the support of the Board, has put structures in place to ensure effective communication between the Corporation and its shareholders and the public. The Corporation provides disclosure as required by law, and the Board and legal counsel review press releases and reports to shareholders as required.</p>
<p><b>6. Nomination of Directors</b></p>	
<p>a. Describe the process by which the Board identifies new candidates for Board nomination.</p>	<p>The Corporate Governance &amp; Nominating and Compensation Committee, which consists of Mr. Anderson (Chair), Ms. Cynthia Thomas and Mr. Jones (each of whom is considered under NI 58-</p>

<p>b. Disclose whether or not the Board has a nominating committee comprised entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.</p> <p>c. If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>101 to be an independent director), identifies and recommends new potential directors to the Board. In respect of the nomination of directors, the Corporate Governance &amp; Nominating and Compensation Committee is responsible for: (i) establishing competencies and skills that the Board should possess; (ii) assessing competencies and skills of each of the existing directors as well as of the Board as a whole, recognizing the personality and other qualities of each director; (iii) considering the appropriate size of the Board with a view to facilitating effective decision-making; (iv) establishing procedures for identifying possible nominees who are likely to bring the competencies and skills the Corporation needs as a whole; (v) establishing an appropriate review selection process for new nominees for election as directors; (vi) analyzing the needs of the Corporation when vacancies arise and identifying and recommending nominees who meet the needs of the Corporation for election as directors at annual meetings of shareholders; and (vii) establishing procedures for filling in vacancies among the directors.</p>
<p><b>7. Compensation</b></p>	
<p>a. Describe the process by which the Board determines the compensation for the issuer's directors and officers.</p> <p>b. Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.</p> <p>c. If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>The Corporate Governance &amp; Nominating and Compensation Committee is composed entirely of independent directors. See "Executive Compensation" above for a discussion of senior officer and director compensation and details regarding the Corporate Governance &amp; Nominating and Compensation Committee's oversight of compensation matters and role in compensation determinations.</p>
<p><b>8. Other Board Committees – If the Board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.</b></p>	<p>In addition to the Audit Committee and Corporate Governance &amp; Nominating and Compensation Committee, the Board has a Technical Committee and a Strategy Committee. These committees meet on an as-needed basis to discuss specific issues with respect to technical and overall strategic issues. The Board also has Safety, Health and Environment ("SHE") Committee to provide oversight and guidance specifically with respect to frac sand operations at the Corporation's Seven Persons Frac Sand Plant. The SHE Committee meets quarterly at a minimum.</p>
<p><b>9. Assessments – Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.</b></p>	<p>The Board of Directors reviews, on an ongoing basis, the effectiveness of the Board as a whole and each of the Board committees, and the contribution and effectiveness of individual directors. The Chair of the Board provides leadership and direction in the workings and effective performance of the Board of Directors. With input from the other directors, the Chair is responsible for reviewing the performance of the Board of Directors for the prior year and setting objectives for the current year. The Corporate Governance &amp; Nominating and Compensation Committee had determined in 2013 an appropriate format for the formal assessment and evaluation of the effectiveness of the Board, its committees and individual directors, which assessment and evaluation was completed for 2015 and 2017.</p>

<p><b>10. Director Term Limits and Other Mechanisms of Board Renewal</b></p>	<p>The Board does not consider it appropriate or necessary to limit the number of terms a director may serve due to the time and effort necessary for each director to become familiar with the business of the Company. As an alternative to term limits, in addition to reviewing director performance on an annual basis as a part of assessing the composition of the Board, the Corporate Governance &amp; Nominating and Compensation Committee considers, among other things, the tenure of the existing directors and board succession planning.</p>
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1. Roland Horst did not stand for re-election at the meeting of shareholders held on June 22, 2017 (the “June 22, 2018 AGM”). Mr. Fisher joined the Board of Directors Following the June 22, 2018 AGM.

### **Audit Committee**

The Audit Committee consists of Ms. Thomas (Chair), Mr. Anderson and Mr. Fisher, each of whom is considered by the Board to be an independent director and financially literate. The Audit Committee operates under guidelines established by NI 52-110. In addition to carrying out its statutory legal responsibilities (including review of the Corporation’s annual financial statements), the Audit Committee reviews accounting policies and issues and all financial reporting, including interim financial statements and management’s discussion and analysis in the Corporation’s annual report. The Committee meets with the Corporation’s external auditor as appropriate (with and without management) and with members of management at least four times per year to assist it in the effective discharge of its duties. The Audit Committee also recommends to the Board the firm to be appointed as the Corporation’s auditor and the terms of its remuneration.

### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Except as otherwise indicated, information contained herein is given as of April 30, 2018. Management of the Corporation knows of no matters to come before the Meeting other than the matters referred to in the Notice. **HOWEVER, IF ANY OTHER MATTERS WHICH ARE NOT NOW KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGEMENT OF THE PERSON VOTING SUCH PROXY.**

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation’s website. Financial information relating to the Corporation is provided in the Corporation’s comparative consolidated financial statements and related management’s discussion and analysis (“**MD&A**”) for the year ended December 31, 2017. To request copies of the Corporation’s consolidated financial statements and related MD&A, please contact the Corporation at:

Victory Nickel Inc.  
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Toronto, Ontario, Canada M5H 2A4  
Tel.: (416) 363-8527, Fax: (416) 626-0890  
[info@victorynickel.ca](mailto:info@victorynickel.ca)

### **APPROVAL**

The contents of this Management Information Circular and the sending thereof to the shareholders have been approved by the Board of Directors.

**DATED** April 30, 2018  
By Order of the Board of Directors  
(Signed) “René R. Galipeau”  
René R. Galipeau  
Vice-Chair and Chief Executive Officer

## **SCHEDULE “A”**

### **AUTHORIZED CAPITAL AMENDMENTS**

Capitalized terms not otherwise defined in this Schedule “A” shall have the meanings ascribed to such terms in the accompanying management information circular of Victory Nickel Inc. (the “**Corporation**”), dated April 30, 2018.

The articles of the Corporation shall be amended to provide that the Common Shares and the Preferred Shares, issuable in series shall have attached thereto the following rights, privileges, restrictions and conditions:

### **COMMON SHARES**

1. The holders of the common shares shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to the Preferred Shares and any other class of shares of the Corporation ranking senior to the Common Shares, to receive any dividend declared by the Corporation.
2. Each holder of common shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation and to vote thereat, except meetings at which only holders of a specified class of shares (other than common shares) or specified series of shares are entitled to vote. At all meetings of which notice must be given to the holders of the common shares, each holder of common shares shall be entitled to one (1) vote in respect of each common share held by that holder.
3. In the event of the liquidation, dissolution or winding-up of the Corporation (whether voluntary or involuntary), reduction of capital or other distribution of its assets among the shareholders by way of repayment of capital, subject to the rights of the Preferred Shares and any other class of shares of the Corporation ranking senior to the common shares, all the remaining property and assets of the Corporation shall be paid or distributed to the holders of the common shares.

### **PREFERRED SHARES**

4. The Preferred Shares shall be issuable in series and the Board shall have the right, from time to time, to fix the number of shares in, and to determine the designation, rights, privileges, restrictions and conditions attaching to, the Preferred Shares of each series subject to the limitations, if any, set out in the articles of the Corporation.
5. The holders of any series of the Preferred Shares shall be entitled to receive in priority to the holders of common shares and of shares of any other class of the Corporation ranking subordinate to the Preferred Shares, as and when declared by the Board, dividends in the amounts specified or determinable in accordance with the rights, privileges, restrictions and conditions attaching to the series of which such Preferred Shares form part.
6. Upon any liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation among shareholders for the purpose of winding up its affairs, before any amount shall be paid to or any assets distributed among the holders of common shares or of shares of any other class of the Corporation ranking subordinate to the Preferred Shares, the holders of the Preferred Shares shall be entitled to receive with respect to the shares of each series thereof all amounts which may be provided in the articles of the Corporation to be payable thereon in respect of return of capital, premium and accumulated dividends remaining unpaid, including all cumulative dividends, whether or not declared. Unless the articles of the Corporation otherwise provide with respect to any series of the Preferred Shares, after payment to the holders of the Preferred Shares of the amounts provided in the articles of the Corporation to be payable to them, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.
7. Unless the articles of the Corporation otherwise provide with respect to any series of the Preferred Shares, the holders of the Preferred Shares shall not be entitled to receive any notice of or attend any meeting of

shareholders of the Corporation and shall not be entitled to vote at any such meeting: provided that at any meeting of shareholders at which, notwithstanding the foregoing, the holders of the Preferred Shares are required or entitled by law to vote separately as a class or a series, each holder of the Preferred Shares of any series thereof shall be entitled to cast one vote in respect of each such share held.

8. The holders of the Preferred Shares shall not be entitled to vote separately as a class and, unless the articles of the Corporation otherwise provide, the holders of any series of the Preferred Shares shall not be entitled to vote separately as a series, pursuant to subsection 170(1) of the OBCA, upon a proposal to amend the articles of the Corporation in the case of an amendment of a kind referred to in paragraphs (a), (b) and (e) of such subsection.
9. Any meeting of shareholders at which the holders of the Preferred Shares are required or entitled by law to vote separately as a class or a series shall, unless the articles of the Corporation otherwise provide, be called and conducted in accordance with the by-laws of the Corporation; provided that no amendment to or repeal of the provisions of such by-laws made after the date of the first issue of any of the Preferred Shares by the Corporation shall be applicable to the calling and conduct of meetings of holders of the Preferred Shares voting separately as a class or as a series unless such amendment or repeal has been theretofore approved by an ordinary resolution adopted by the holders of the Preferred Shares voting separately as a class.

## SCHEDULE “B”

### SECTION 185 OF THE OBCA

#### Rights of dissenting shareholders

185 (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

**Note: On a day to be named by proclamation of the Lieutenant Governor, subsection 185 (1) of the Act is amended by striking out “or” at the end of clause (d) and by adding the following clauses: (See: 2017, c. 20, Sched. 6, s. 24)**

(d.1) be continued under the *Co-operative Corporations Act* under section 181.1;

(d.2) be continued under the *Not-for-Profit Corporations Act, 2010* under section 181.2; or

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1).

#### Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

#### One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares. 2006, c. 34, Sched. B, s. 35.

#### Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986. R.S.O. 1990, c. B.16, s. 185 (3).

### **Shareholder's right to be paid fair value**

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

### **No partial dissent**

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

### **Objection**

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

### **Idem**

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6). R.S.O. 1990, c. B.16, s. 185 (7).

### **Notice of adoption of resolution**

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection. R.S.O. 1990, c. B.16, s. 185 (8).

### **Idem**

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

### **Demand for payment of fair value**

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares. R.S.O. 1990, c. B.16, s. 185 (10).

### **Certificates to be sent in**

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11); 2011, c. 1, Sched. 2, s. 1 (9).

### **Idem**

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

### **Endorsement on certificate**

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

### **Rights of dissenting shareholder**

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

- (a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);
- (b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or
- (c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10). R.S.O. 1990, c. B.16, s. 185 (14); 2011, c. 1, Sched. 2, s. 1 (10).

### **Same**

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

- (a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or
- (b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,
  - (i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and
  - (ii) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

### **Same**

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

- (a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and
- (b) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

### **Offer to pay**

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,



(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

**Idem**

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

**Idem**

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. R.S.O. 1990, c. B.16, s. 185 (17).

**Application to court to fix fair value**

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

**Idem**

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

**Idem**

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

**Costs**

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

**Notice to shareholders**

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

**Parties joined**

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

#### **Idem**

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

#### **Appraisers**

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (25).

#### **Final order**

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

#### **Interest**

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. R.S.O. 1990, c. B.16, s. 185 (27).

#### **Where corporation unable to pay**

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

#### **Idem**

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. R.S.O. 1990, c. B.16, s. 185 (29).

#### **Idem**

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. R.S.O. 1990, c. B.16, s. 185 (30).

#### **Court order**

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).

**Commission may appear**

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation. 1994, c. 27, s. 71 (24).