

**WABI EXPLORATION INC.**  
130 Adelaide Street West, Suite 1010  
Toronto, ON M5H 3P5

## **MANAGEMENT INFORMATION CIRCULAR**

### **SOLICITATION OF PROXIES**

**This management information circular is furnished in connection with the solicitation by management of Wabi Exploration Inc. (the “Company”) of proxies to be used at the annual meeting of Shareholders of the Company (the “Meeting”) to be held at 130 Adelaide Street West, Suite 1010, Toronto, Ontario M5H 3P5, on Wednesday, August 15, 2012, at 9:00 a.m. (Eastern Time) and at any adjournment thereof for the purposes set forth in the enclosed Notice of Meeting. Except where otherwise indicated, the information contained herein is stated as of July 20, 2012.**

**Although it is expected that the solicitation of the proxies will be primarily by mail, proxies may also be solicited personally or by telephone or other similar means of communication by the directors and/or officers of the Company at nominal cost. The cost of solicitation will be borne by the Company. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares of the Company (“Common Shares”). The Company will provide, without cost to such person, upon request to the Secretary of the Company, additional copies of the foregoing documents for this purpose.**

### **APPOINTMENT, VOTING AND REVOCATION OF PROXIES**

#### **Appointment**

**Any Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the enclosed form of proxy to attend and to vote and act for and on behalf of such person at the Meeting. In order to do so the Shareholder may insert the name of such person in the blank space provided in the form of proxy, or may use another appropriate form of proxy. All proxies must be deposited with the Company’s registrar and transfer agent, Capital Transfer Agency Inc., 105 Adelaide Street West, Suite 1101, Toronto, Ontario M5H 1P9 not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment thereof. The Company may refuse to recognize any instrument of proxy received after such time.**

#### **Voting**

**Common Shares represented by any properly executed proxy in the accompanying form will be voted for or against, or withheld from voting, as the case may be, on any ballot that may be called for in accordance with the instructions given by the Shareholder. In the absence of such direction, such Common Shares will be voted in favour of the matters set out herein.**

**The accompanying form of proxy confers discretionary authority on the persons named in it with respect to amendments or variations to matters identified in the notice of Meeting or other matters that may properly come before the Meeting. As of the date hereof, management of the Company is not aware of any such amendments, variations or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of management of the Company.**

## **Revocation**

In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing and deposited either at the offices of the Company's registrar and transfer agent, Capital Transfer Agency Inc., 105 Adelaide Street West, Suite 1101, Toronto, Ontario M5H 1P9, or at the offices of the Company's legal counsel, Irwin Lowy LLP, 130 Adelaide Street West, Suite 1010, Toronto, Ontario, M5H 3P5, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof.

## **Interest of Certain Persons in Matters to be Acted Upon**

No person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year or any associate of any such director or officer 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.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

### **Beneficial Holders**

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name.** Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the shareholder's name. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name of the Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example).

Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

**A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

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

All references to shareholders in this Circular and the accompanying instrument of proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

#### Registered Shareholders

Registered holders of Common Shares as shown on the shareholders' list prepared as of the Record Date will be entitled to vote such shares at the Meeting on the basis of one vote for each Common Share held, except to the extent that the person has transferred the ownership of any of his Common Shares after the Record Date, and the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands, not later than 10 days before the Meeting, or such shorter period before the Meeting that the by-laws of the Company may provide, that his name be included in the list before the Meeting, in which case the transferee is entitled to vote his Common Shares at the Meeting.

Registered shareholders may also, rather than returning the proxy received from the Company by mail or hand delivery, elect to submit a form of proxy by use of the telephone or of the Internet. Those registered holders electing to vote by telephone require a touch-tone telephone to transmit their voting preferences. Registered holders electing to vote by telephone or via the Internet must follow the instructions included in the form of proxy received from the Company.

As at the date hereof, the Company has outstanding 19,033,699 common shares, each of which carries one vote per share. To the knowledge of the directors and officers of the Company, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over Common Shares carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of the Company, other than:

Name & Municipality	No. of Shares	% of Issued Shares
James Brady Toronto, Ontario	9,168,376	48.17%

Persons registered on the books of the Company at the close of business on July 11, 2012 (the "**Record Date**") and persons who are transferees of any shares acquired after such record date and who have produced properly endorsed certificates evidencing such shares or who otherwise establish ownership thereof and demand, not later than 10 days before the Meeting, that their names be included in the list of shareholders, are entitled to vote at the Meeting of the Company.

## MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the board of directors (the “**Board**”) of the Company, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

### 1. Receipt of Financial Statements

The audited financial statements of the Company for the fiscal year ended April 30, 2011 and the report of the auditors thereon which accompany this Circular, will be submitted to the Meeting. Receipt at the Meeting of the auditors’ report and the Company’s audited financial statements for its last completed fiscal period will not constitute approval or disapproval of any matters referred to therein.

### 2. Election of Directors

The Board consists of three (3) directors to be elected annually. The following table states the names of the persons nominated by management for election as directors, any offices with the Company currently held by them, their principal occupations or employments, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof. The term of office of each director will be from the date of the meeting at which he is elected until the next annual meeting, or until his successor is elected or appointed.

Name and Municipality of Residence	Principal Occupation	Director Since	Position with the Company	Number of Common Shares Beneficially Owned <sup>(1)</sup>
James Brady <sup>(2)</sup> Toronto, Ontario	President of the Company	May 18, 2011	President, CEO and Director	9,168,376
Andrew McQuire <sup>(2)</sup> Mississauga, Ontario	Mining Consultant	August 13, 2004	Director	Nil
Galen McNamara <sup>(2)</sup> Calgary, Alberta	Geologist	May 18, 2011	Director	103,600

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Member of the audit committee.

Each director elected at the Meeting will hold office until the next annual meeting or until his successor is duly elected or appointed.

As at the date of this Circular, the current directors and senior officers of the Company as a group, directly or indirectly, beneficially own or exercise control or direction over 9,271,976 common shares, representing approximately 48% of the issued and outstanding common shares.

None of the directors is, as at the date of this information circular, or was within 10 years before the date of this information circular, a director or chief executive officer or chief financial officer of any company that:

- (a) was the subject of an order (as defined in Multilateral Instrument 51-102F5) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer, or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer, or chief financial officer.

None of the directors, executive officers or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is at the date hereof, or has been within 10 years before the date of this information circular, a director or executive officer of any company that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

**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 the Common Shares are to be withheld from voting in respect thereof.** Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a 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 and may be voted for a substitute nominee unless the shareholder has specified in the proxy that the Common Shares are to be withheld from voting in respect of the election of directors.

### **3. APPOINTMENT OF AUDITOR**

McGovern, Hurley, Cunningham, LLP, Chartered Accountants, has been the auditor of the Company since February 27, 2008. At the Meeting, shareholders will be asked to re-appoint McGovern, Hurley, Cunningham, LLP as auditor of the Company and authorize the Board to fix the remuneration of the auditor.

**Unless the shareholder directs that his or her common shares are to be withheld from voting in connection with the appointment of the auditor, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of McGovern, Hurley, Cunningham, LLP, Chartered Accountants, as the auditor of the Company until the next annual meeting of shareholders and to authorize the directors to fix the auditor's remuneration.**

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

Named Executive Officers (“NEOs”), as defined in National Instrument 51-102F6 – *Statement of Executive Compensation*, include the CEO, CFO and each of the three most highly compensated individuals acting in a similar capacity during the financial year whose total compensation was, individually, more than \$150,000. The Company currently has the following two NEOs: James Brady, President & CEO; and Rebecca Hudson, Chief Financial Officer.

The following is a general discussion of the significant elements of compensation to the NEOs for the most recently completed financial year. As tabulated below the normal compensation elements consist of a base salary, options to purchase common shares of the Company, bonuses, if applicable.

The objective of the compensation strategy is to attract, retain and award the team of NEOs to accomplish the broader objectives of the Company. These corporate objectives are focused on the successful development of the Company’s properties. The compensation program is designed to enhance the Company’s success at meeting this objective.

Prior to setting compensation levels the board of directors, through the use of compensation consultants and personal knowledge, reviews market conditions for the management group and in particular the specific tasks at hand for the NEOs.

### Long Term Compensation

The shareholders of the Company approved the Stock Option Plan at the annual and special meeting of shareholders held on September 27, 2004. The purpose of the Stock Option Plan is to encourage Common Share ownership in the Company by directors, senior officers, employees and consultants of the Company and its affiliates and other designated persons. Stock options may be granted under the Stock Option Plan only to directors, senior officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board. The number of shares which may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding shares of the Company as at the date of the grant of options. The maximum number of common shares which may be reserved for issuance to any one director, senior officer or employee under the Stock Option Plan is 5% of the common shares outstanding at the time of the grant (calculated on a non-diluted basis) and 2% for any consultant of the Company. Any shares subject to an option which for any reason is 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 cannot be less than the closing price of the shares on the day immediately preceding the day upon which the option is granted, less any discount permitted. Stock options granted under the Stock Option Plan may be exercised during a period not exceeding five 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 Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The stock 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 merger or other relevant changes in the Company's capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Stock Option Plan.

## Compensation Summary

The table below sets forth information concerning the compensation paid, awarded or earned by each of the NEOs for services rendered in all capacities to the Company during the fiscal year ended April 30, 2011. In light of significant changes to the requirements, content and format for executive compensation disclosure, the Company has reported compensation in the table below for its two most recently completed financial years only, in accordance with these requirements. Disclosure of the compensation for prior years, in accordance with applicable requirements, can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

### Summary Compensation Table

Name and principal position	Year Ended April 30	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans <sup>(2)</sup>			
James M. Brady President	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andrew McQuire CFO	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) *Grant date fair value calculations are based on the Black-Scholes Option Pricing Model. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company's share and option-based awards.*
- (2) *"LTIP" or "long term incentive plan" means any plan that provides compensation intended to motivate performance to occur over a period greater than one fiscal year, but does not include option or share-based awards.*

### Long-term Incentive Plan (LTIP) Awards

The Company currently has no Long-term Incentive Plans, other than stock options granted from time to time by the Board under the provisions of the Company's stock option plan (the "**Stock Option Plan**").

### Incentive Plan Awards

During the financial year ended April 30, 2011, no options to purchase or acquire securities of the Company were granted to the NEOs.

### Stock Appreciation Rights and Restricted Shares

No stock appreciation rights or restricted shares of the Company were granted by the Company during the year ended April 30, 2011.

### Employment Contracts

The Company does not have a written employment agreement with its NEOs.

## Pension and Retirement Plans and Payments made upon Termination of Employment

The Company does not have any pension or retirement plan which is applicable to the NEOs. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a NEO of the Company, in connection with or related to the retirement, termination or resignation of such person other than as described below and the Company has provided no compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. The Company is not party to any compensation plan or arrangement with a NEO resulting from the resignation, retirement or the termination of employment of such person.

## Compensation of Directors

Directors of the Company do not receive any compensation for attending meetings of the Board, committees of the Board and shareholders of the Company. Other than stock options to purchase common shares which are granted to the Company's directors from time to time, the Company does not have any arrangements pursuant to which directors are remunerated by the Company or any of its subsidiaries for their services in their capacities as directors, consultants or experts.

## Director and Officer Liability Insurance

The Company does not maintain director and officer liability insurance on behalf of its directors and officers.

## Director Compensation Table

The following table summarizes the compensation paid, payable, awarded or granted to each of the directors of the Company (other than NEOs) for the year ended April 30, 2011.

COMPENSATION OF DIRECTORS <sup>(1)(2)</sup>							
Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
James M. Brady	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andrew McQuire	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Galen McNamara	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Table does not include any amount paid as reimbursement for expenses.

(2) Compensation paid to the NEO who served as directors of the Company is disclosed in the Summary Compensation Table. See "Statement of Executive Compensation".

## Incentive Plan Awards

During the financial year ended April 30, 2011, no options to purchase or acquire securities of the Company were granted to directors of the Company (other than NEOs).

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information in respect of the Company's equity compensation plans under which equity securities of the Company are authorized for issuance, aggregated in accordance with all equity plans previously approved by the Company's shareholders and all equity plans not approved by the Company's shareholders:



<b>Plan Category</b>	<b>Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)</b>	<b>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$)</b>	<b>Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (#)</b>
Equity compensation plans approved by securityholders <sup>(1)</sup>	500,000	0.10	1,384,016 <sup>(1)</sup>
Equity compensation plans not approved by securityholders <sup>(1)</sup>	Nil	N/A	Nil
<b>Total</b>	<b>500,000</b>	<b>0.10</b>	<b>1,384,016</b>

Note:

(1) The Stock Option Plan is a “rolling” stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant. As at the date hereof, 1,884,016 Common Shares may be reserved for issuance pursuant to the Stock Option Plan.

### **Aggregate Indebtedness**

As of the date hereof and during the fiscal period ended April 30, 2011 there was no indebtedness owing to the Company in connection with the purchase of securities or other indebtedness by any current or former executive officers, directors, employees of the Company.

### **Indebtedness of Directors and Officers**

At no time during the fiscal year ended April 30, 2011, or at any time from April 30, 2011 to the date hereof, was, a director, executive officer or senior officer of the Company, each proposed nominee for election as a director, and each associate of any such director, officer or proposed nominee indebted to the Company or any subsidiary or whose indebtedness to another entity is, or at any time during the fiscal year ended April 30, 2011, or at any time from April 30, 2011 to the date hereof, been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board has confirmed the strategic objective of the Company is seeking out and exploring mineral bearing deposits with the intention of developing and mining the deposit or proving the feasibility of mining the deposit for others.

National Instrument 58-101 (*Disclosure of Corporate Governance Practices*) (“NI58-101”) requires the Company to disclose its corporate governance practices by providing in the Circular the disclosure required by Form 58-101F2. NI58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

## Form 58 – 101 F2 – Corporate Governance Disclosure (Venture Issuers)

### Board of Directors

The Board is currently composed of three directors. Form 58-101F1 suggests that the Board of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under Multilateral Instrument 52-110 ("MI 52-110"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Of the proposed nominees, two: James Brady, President; and Andrew McQuire, acting Chief Financial Officer, are "inside" or management directors and accordingly are considered not "independent". The remaining one (1) proposed director is considered by the Board to be "independent", within the meaning of MI 52-110. In assessing Form 58-101F1 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

### Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
Andrew McQuire	Richmond Minerals Inc.
Galen McNamara	Hornby Bay Mineral Exploration Ltd.

### Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. Additionally, historically board members have been nominated who are familiar with the Company's and the nature of its business.

### Ethical Business Conduct

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct; but does promote ethical business conduct through the nomination of board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having a majority of its board members independent of corporate matters.

### Nomination of Directors

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board are reviewed by the entire Board.

### Compensation

To determine compensation payable, the independent directors review compensation paid for directors and Chief Executive Officers of companies of similar size and stage of development and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort

expended by the directors and senior management while taking into account the financial and other resources of the Company..

### **Other Board Committees**

The audit committee (the “**Audit Committee**”) is the only standing committee of the Board.

### **Assessments**

Currently the Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board’s decision-making processes and the quality of information provided by management, and among other things:

- overseeing strategic planning
- monitoring the performance of the Company’s assets
- evaluating the principal risks and opportunities associated with the Company’s business and overseeing the implementation of appropriate systems to manage these risks
- approving specific acquisitions and divestitures
- evaluating senior management
- overseeing the Company’s internal control and management information systems

### **AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER**

Multilateral Instrument 52-110 (“**MI52-110**”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in MI52-110) be included in the management information circular sent to shareholders in connection with the issuer’s annual meeting.

### **Audit Committee Charter**

The full text of the charter of the Company’s Audit Committee is attached hereto as Appendix “A”.

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

The Audit Committee members are James Brady, Andrew McQuire and Galen McNamara, each of whom is a director, and financially literate. Mr. Galen is considered by management to be independent in accordance with MI 52-110; however, Mr. Brady is not considered independent due to his serving as President and Chief Executive Officer of the Company.

### **Relevant Education and Experience**

The relevant education and/or experience of each member of the Audit Committee is as follows:

**James M. Brady:** Mr. Brady has over 35 years experience in the mining industry particularly in exploration, property evaluation and corporate finance.

**Andrew McQuire:** Mr. McQuire holds an Engineering degree and is a Chartered Accountant. Mr. McQuire has over 35 years mineral exploration and has also served on the board of directors of several public companies and has been a member of several audit committees.

**Galen McNamara:** Mr. McNamara holds BSc. and MSc. degrees in geology from Laurentian University. He is currently employed as senior project geologist at Claude Resources Inc.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### **Reliance on Exemptions in MI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of MI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit); or
2. an exemption from the requirements of MI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of MI 52-110.

### **Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter.

### **Audit Fees**

The following table provides detail in respect of audit, audit related, tax and other fees paid by the Company to the external auditors for professional services:

	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
<b>Year ended April 30, 2011</b>	\$6,300	Nil	Nil	Nil
<b>Year ended April 30, 2010</b>	\$6,000	Nil	Nil	Nil

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice and advice related to relocating employees.

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

No “informed person” (as such term is defined under applicable securities laws), proposed nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed nominee has or had a material interest, direct or indirect, in any transaction since the beginning of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company.

## **STATUTORY RIGHTS**

Securities legislation in certain of the provinces and territories of Canada provides security holders of the Company with, in addition to any other rights that they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or a notice that is required to be delivered to such security holders. However, such rights must be exercised within prescribed time limits. The Company’s security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

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

Management knows of no matters to come before the Meeting of shareholders other than as set forth in the Notice of Meeting. **However, if other matters which are not known to the Management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Securityholders may contact the President of the Company in order to request copies of the Company’s consolidated financial statements at 105 Airdrie Road, Toronto, Ontario M4G 1M4 Telephone: (416) 368-0999; Facsimile: (416) 368-6836. Financial information about the Company may be found in the Company’s financial statements and Management’s Discussion and Analysis for its most recently completed financial year.

## **APPROVAL AND CERTIFICATE**

The contents and the sending of this Circular have been approved by the board of directors of the Company. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

**DATED** this 20<sup>th</sup> day of July, 2012.

*“James M. Brady” (Signed)*

James M. Brady, President

## APPENDIX "A"

### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

#### I. PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of Wabi Exploration Inc. (the "**Company**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Company. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management's discussion and analysis of the Company's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Company's external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Company.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

#### II. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

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

### III. COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission (“OSC”), the TSX Venture Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. A majority of the members of the Committee shall not be officers or employees of the Company or any of its affiliates.
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Company and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
11. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an

instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

#### **IV. RESPONSIBILITIES**

##### **A. Financial Accounting and Reporting Process and Internal Controls**

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles (“GAAP”) and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management’s response.
3. The Committee shall be satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements, management’s discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.
4. The Committee shall review management’s discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws before the Company publicly discloses this information.
5. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.
6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management’s response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.



9. The Committee shall establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Company.

**B. Independent Auditors**

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with the terms of this charter.
4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.
8. The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

**C. Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

## **WABI EXPLORATION INC.**

### **Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters**

1. The Company shall inform employees on the Company's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "Complaints Officer") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Company.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

### **Procedures for Approval of Non-Audit Services**

1. The Company's external auditors shall be prohibited from performing for the Company the following categories of non-audit services:
  - (a) bookkeeping or other services related to the Company's accounting records or financial statements;
  - (b) financial information systems design and implementation;
  - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
  - (d) actuarial services;
  - (e) internal audit outsourcing services;
  - (f) management functions;
  - (g) human resources;
  - (h) broker or dealer, investment adviser or investment banking services;
  - (i) legal services;
  - (j) expert services unrelated to the audit; and
  - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
2. In the event that the Company wishes to retain the services of the Company's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.

The Chief Financial Officer of the Company shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.