

NORTHFIELD METALS INC.

20 Adelaide Street East, Suite 301
Toronto, Ontario
M5C 2T6

MANAGEMENT INFORMATION CIRCULAR
for the
ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS
to be held on
JULY 28th, 2011

THIS MANAGEMENT INFORMATION CIRCULAR (the “Circular”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF NORTHFIELD METALS INC. (the “Corporation”) FOR USE AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION TO BE HELD ON THURSDAY, THE 28TH DAY OF JULY, 2011, AT 1:00 P.M., TORONTO TIME (the “Meeting”), AT THE OFFICES OF THE CORPORATION, SUITE 301, 20 ADELAIDE STREET EAST, TORONTO, ONTARIO M5C 2T6, AND AT ANY ADJOURNMENT THEREOF FOR THE PURPOSES SET OUT IN THE ACCOMPANYING NOTICE OF MEETING.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors or officers of the Corporation. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries to forward proxy solicitation material to the beneficial owners of the common shares of the Corporation (the “**Common Shares**”) pursuant to the requirements of National Instrument 54-101 *Communication with Beneficial owners of Securities of a Reporting Issuer*. The cost of any such solicitation will be borne by the Corporation.

This Circular describes the matters to be acted on at the Meeting and the procedures for attending or appointing proxies to vote at the Meeting. Unless otherwise stated, the information provided herein is given as of the 30th day of June, 2011.

VOTING OF PROXIES AND DISCRETIONARY AUTHORITY

All Common Shares represented at the Meeting by properly executed and deposited proxies will be voted and, **where a choice with respect to any matter to be acted upon at the Meeting has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. In the absence of any such specifications, the management designees, if named as proxy, will vote in favour of all of the matters set out herein.**

The enclosed instrument of proxy confers discretionary authority upon the management designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. At the date of this Circular, the Corporation is not aware of any amendments to, or variations of, or other matters which may come before the Meeting. In the event that other matters come before the Meeting, the management designees intend to vote in accordance with their judgment in respect of such matters.

Proxies, to be valid, must be deposited at the office of Equity Financial Trust Company, the registrar and transfer agent of the Corporation, at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, facsimile (416) 595-9593, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the province of Ontario, preceding the Meeting or any adjournment of the Meeting. A proxy is valid only at the meeting in respect of which it is given or any adjournment of that meeting.

APPOINTMENT OF PROXY

Registered Shareholders

If you are a registered shareholder, you can vote your shares at the Meeting in person or by proxy. If you wish to vote in person at the Meeting, do not complete or return the form of proxy included with this Circular. Your vote can be cast by you in person and counted at the Meeting. If you do not wish to attend the Meeting or do not wish to vote in person, complete and deliver a form of proxy in accordance with the instructions given below.

A form of proxy is enclosed and, if it is not your intention to be present in person at the Meeting, you are asked to sign, date and return the form of proxy in the envelope provided. The persons named in the enclosed form of proxy are directors or officers of the Corporation. **A shareholder has the right to designate a person (who need not be a shareholder of the Corporation) other than the management designees, Thomas G. Larsen and Jorge Estepa, to attend and act for him or her at the Meeting.** Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management designees or by completing another proper instrument of proxy and, in either case, depositing the instrument of proxy with Equity Financial Trust Company, the registrar and transfer agent of the Corporation, at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, facsimile: (416) 595-9593 at any time not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Ontario, preceding the Meeting or any adjournment of the Meeting.

The form of proxy must be executed by the registered shareholder or his attorney duly authorized in writing or, if the registered shareholder is a corporation, by instrument in writing executed (under corporate seal if so required by the rules and laws governing the corporation) by a duly authorized signatory of such corporation. If the proxy is executed by a duly authorized attorney or signatory of the shareholder, the proxy should reflect such person's capacity following his or her signature and should be accompanied by the appropriate instrument evidencing such person's qualifications and authority to act (unless such has been previously filed with the Corporation or the Corporation's registrar and transfer agent, Equity Financial Trust Company).

Non-Registered or Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will likely be registered under the name of the shareholder's broker or an agent or nominee of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depository for many Canadian brokerage firms).

Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its 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. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge or to call their toll free telephone number to vote their shares or access their web site www.proxyvotecanada.com to deliver voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting. A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to Broadridge in advance of the Meeting in order to have the Common Shares voted at the Meeting.

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 or her broker (or an agent or nominee of the broker), a Beneficial Shareholder may attend at 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 (or agent), well in advance of the Meeting.

Occasionally, a Beneficial Shareholder may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of shares owned by the Beneficial Shareholder but is otherwise not completed. This form of proxy does not need to be signed by you. In this case, you can complete and deliver the proxy as described above under the heading "Registered Shareholders".

Beneficial Shareholders should carefully follow the instructions of their intermediaries on the forms they receive, including those regarding when and where the form of proxy or voting instruction form is to be delivered, and contact their intermediaries promptly if they need assistance.

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy.

A shareholder may revoke a proxy:

- (a) by depositing an instrument in writing, executed by him or her or his or her attorney authorized in writing at the offices of Equity Financial Trust Company, the registrar and transfer agent of the Corporation, at 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, or at the registered office of the Corporation, 20 Adelaide Street East, Suite 301, Toronto, Ontario M5C 2T6, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used;
- (b) by transmitting, by telephonic or electronic means, a revocation that complies with paragraph (a) above and is signed by means of an electronic signature that permits a reliable determination that the document was created or communicated by or on behalf of the shareholder or the attorney, as the case may be; or
- (c) in any other manner permitted by law, including depositing the revocation with the chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting.

RECORD DATE

The holders of Common Shares of record at the close of business on the Record Date, set by the directors of the Corporation to be May 30, 2011 (the “**Record Date**”), are entitled to receive notice of the Meeting and to vote such Common Shares at the Meeting and any adjournment thereof.

VOTING SHARES AND QUORUM

The Corporation is authorized to issue an unlimited number of Common Shares, of which, as of the Record Date, 21,566,604 Common Shares were issued and outstanding and entitled to vote at the Meeting on the basis of one vote for each Common Share held.

The by-laws of the Corporation provide that any two (2) shareholders present in person and entitled to vote thereat, or a duly appointed proxyholder or a representative for a shareholder so entitled, constitute a quorum for the Meeting.

PRINCIPAL HOLDERS OF VOTING SECURITIES

To the knowledge of the directors and senior officers of the Corporation, as at the date hereof, no person or company beneficially owns, directly or indirectly, controls or directs Common Shares carrying 10% or more of the voting rights attached to the outstanding Common Shares of the Corporation except for:

- (a) CDS & Co. (12,852,680 Common Shares representing 59.6% of the outstanding Common Shares of the Corporation).

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the Corporation’s directors, the only matters to be dealt with at the Meeting are those matters set forth in the accompanying Notice of Meeting and more fully described below.

I. RECEIPT OF FINANCIAL STATEMENTS

The directors will place before the Meeting the audited financial statements for the year ended December 31, 2010 together with the auditors’ report thereon. These audited financial statements have

been approved by the Board and have been sent to the shareholders who have requested that the Corporation provide them with financial statement, with this Circular. The financial statements are also available on the Corporation's profile on SEDAR at www.sedar.com.

II. APPOINTMENT OF AUDITORS

The Corporation is proposing to reappoint Collins Barrow Toronto LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix their terms of engagement and remuneration. Collins Barrow Toronto LLP, Chartered Accountants, were first appointed as auditors of the Corporation on January 16, 2008.

The management designees, if named as proxy, intend to vote the shares represented by any such proxy for the reappointment of Collins Barrow Toronto LLP, Chartered Accountants, as auditors of the Corporation, at a remuneration to be fixed by the Board, unless a shareholder has specified on his or her proxy that his or her shares are to be withheld from voting on the appointment of auditors.

III. ELECTION OF DIRECTORS

It is proposed that the persons named below will be nominated at the Meeting to be directors for the ensuing year. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Corporation unless his office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario) or the Corporation's by-laws.

It is the intention of the management designees, if named as proxy, to vote for the election of said persons to the Board. Management does not contemplate that any of such nominees will be unable to serve as directors. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of directors.

The following information relating to the nominees as directors is based on information received by the Corporation from proposed nominees:

Name of Proposed Nominees, Place of Residence and Positions with the Corporation	Principal Occupation for Past Five Years and Positions with other Reporting Issuers	Director Since	Common Shares Beneficially Owned or Controlled
Thomas Larsen Ontario, Canada Director, President and a Chief Executive Officer	Chairman, Chief Executive Officer and President of the Corporation, Eloro Resources Ltd. (a resource exploration corporation) since 1996, Champion Minerals Inc. (a resource exploration corporation) since 2006, Vice Chairman of Bear Lake Gold Ltd. (formerly NFX Gold Inc., a resource exploration corporation) since 2008, President and Chief Executive Officer of NFX Gold Inc. from 1996 to 2008.	1992	708,078

Name of Proposed Nominees, Place of Residence and Positions with the Corporation	Principal Occupation for Past Five Years and Positions with other Reporting Issuers	Director Since	Common Shares Beneficially Owned or Controlled
Francis Sauve ⁽¹⁾ Ontario, Canada Director	Entrepreneur, director of the Corporation and a director of Champion Minerals Inc. and Eloro Resources Ltd. (resource exploration corporations). Former director of NFX Gold Inc. (renamed Bear Lake Gold Ltd.)	1999	30,700
Miles A. Nagamatsu Ontario, Canada Chief Financial Officer and a Director	Chief Financial Officer of the Corporation, Eloro Resources Ltd. since 1997, NFX Gold Inc. (renamed Bear Lake Gold Ltd.) from 1997 to 2008, Champion Minerals Inc. since 2006, Randsburg International Gold Corp. from 2007 to 2009, PC Gold Inc. since 2008, Delta Uranium Inc. from 2008 to 2009, Essex Oil Ltd. since 2008, Forsys Metals Corp. from 2004 to 2008 (all resource exploration corporations), High Income Principal and Yield Securities Corporation (a mutual fund corporation) from 2003 to 2007, High Income Preferred Shares Corporation (a mutual fund corporation) from 2003 to 2007, Lawrence Enterprise Fund Inc. (a labour sponsored venture capital corporation) from 2003 to 2007, York Labour Fund Inc. (a labour sponsored venture capital corporation) from 2003 to 2007.	1998	428,812
Kenneth S. Friedman ⁽¹⁾ Colorado, U.S.A. Director	President of Clifton Mining Company (a resource exploration corporation).	1997	Nil
John Langton Quebec, Canada Nominee	Professional Geologist. Independent consultant and co-owner of MRB & Associates (a geological consulting firm) since 2010. Vice President, Exploration of Eloro Resources Ltd. since 2008, and of NFX Gold Inc. (renamed Bear Lake Gold Ltd.) from 2008 to 2009. Assistant Regional Geologist with Govt. of New Brunswick prior to 2008.	Nominee	Nil

Notes: (1) Currently a member of the Audit Committee of the Corporation.

The current directors, officers and promoters of the Corporation, as a group, control 1,564,090 Common Shares, representing approximately 7.3% of the outstanding Common Shares.

To the knowledge of the Corporation, no proposed director is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (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 issuer 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 that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days.

To the knowledge of the Corporation, no proposed director is, as at the date of this Circular, or has been with 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that

person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following:

Miles Nagamatsu is a director and officer of Essex Oil Ltd (“Essex”). On January 14, 2011, Randsburg International Gold Corp. (“Randsburg”) purported to appoint an unlicensed privately-appointed receiver over the assets of Essex pursuant to a general security agreement granted to Randsburg in respect of a loan of \$125,000 plus accrued interest. On January 28, 2011, Essex advised Randsburg that its attempted appointment of a receiver contravened section 243(4) of the *Bankruptcy and Insolvency Act* (Canada) which provides that only a licensed trustee may be appointed as a receiver pursuant to the terms of a security agreement. On February 10, 2011, Randsburg purported to appoint a licensed trustee as a privately-appointed receiver over the assets of Essex. Essex is taking steps to refute the efforts by Randsburg and Essex continues to retain possession of its assets.

To the knowledge of the Corporation, no proposed director has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of the Corporation, no proposed director (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority; or (b) since December 31, 2000, has entered into a settlement agreement with a securities regulatory authority or, before January 1, 2001, entered into a settlement agreement with a securities regulatory authority which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director; or (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Directors will be elected by the affirmative vote of a majority of the votes cast on the resolution and will hold office until the next annual meeting of shareholders or until the directors' respective successors are duly elected or appointed.

IV. SHARE CONSOLIDATION

The board of directors (the “**Board**”) wishes to have the ability to consolidate the issued and outstanding Common Shares of the Corporation on the basis of one (1) new share for up to four (4) old shares, if considered necessary or advisable by the Board, with the actual consolidation ratio to be determined by the Board. To consolidate the Common Shares of the Corporation, the articles of the Corporation must be amended. Such an amendment must be authorized by a special resolution of shareholders. Shareholders of the Corporation will therefore be asked at the Meeting to consider and, if thought advisable, to authorize by means of a special resolution, an amendment to the articles of the Corporation to consolidate the issued and outstanding Common Shares of the Corporation by changing each one of the issued and outstanding Common Shares of the Corporation into such a fraction of a new common share of the Corporation as is determined by the Board, provided, however, that such fraction shall not be smaller than one-quarter (0.25) of a new common share. No fractional common shares of the Corporation will be issued in connection with such consolidation and, in the event that a shareholder would otherwise be entitled to receive a fractional share upon such consolidation, the number of common shares of the Corporation to be received by such shareholder will be rounded down to the next lowest whole number of common shares. The Board will also have the authority to determine when to implement

the consolidation or to decide not to implement it. As part of the consolidation, the Corporation will also change its name to a name determined by the Board. The special resolution shareholders will be asked to approve is as follows:

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. *the Articles of the Corporation be amended to consolidate the issued and outstanding common shares of the Corporation by changing each one of the issued and outstanding common shares of the Corporation into such a fraction of a common share of the Corporation as is determined by the Board, provided, however, that such fraction shall not be smaller than one-quarter (0.25) of a common share;*
2. *no fractional common shares of the Corporation shall be issued in connection with the consolidation and, in the event that a shareholder would otherwise be entitled to receive a fractional share upon such consolidation, the number of common shares of the Corporation to be received by such shareholder shall be rounded down to the next lower whole number of common shares;*
3. *in connection with such potential consolidation, the Corporation be and is hereby authorized to changes its name to a name determined by the board of directors and acceptable to securities regulatory authorities having jurisdiction;*
4. *any one director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to execute and deliver, or cause to be delivered, articles of amendment of the Corporation, as required pursuant to the Business Corporations Act (Ontario), and to do all such other acts or things necessary or desirable to implement, carry out and give effect to the said consolidation; and*
5. *the directors of the Corporation are hereby authorized pursuant to Section 168(3) of the Business Corporations Act (Ontario), in their discretion, to revoke this special resolution or any portion thereof before it is acted upon without further approval or authorization of the shareholders of the Corporation.*

To be approved, the above special resolution must be passed by at least two-thirds of the votes cast by shareholders at the Meeting in respect of this special resolution. Unless otherwise specified, the persons named in the enclosed form of proxy will vote FOR the special resolution.

STATEMENT OF EXECUTIVE COMPENSATION (FORM 51-102F6)

In accordance with the requirements of applicable securities legislation in Canada, the section below entitled “*Compensation Discussion and Analysis*” sets out the “*Summary Compensation Table*” and related tables and narrative disclosures, all as required under Form 51-102F6 which applies to financial years ending on or after December 31, 2010. The stated objective of Form 51-102F6 is to provide insight into executive compensation as a key aspect of the overall stewardship and governance of a corporation and to help investors understand how decisions about executive compensation are made.

Summary Compensation Table

The “*Summary Compensation Table*” below details all of the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly for the fiscal year ended December 31, 2010, to the Chief Executive Officer, the Chief Financial Officer and the other individuals (to a

maximum of three) who were the most highly compensated executive officers of the Corporation and its subsidiaries and whose total compensation from the Corporation and its subsidiaries exceeded \$150,000 in 2010, (collectively, with the Chief Executive Officer and the Chief Financial Officer, the “**named executive officers**” or the “**NEOs**” of the Corporation). During the financial year ended December 31, 2010, the Company had two (2) Named Executive Officers: Thomas Larsen and Miles Nagamatsu.

The following table sets forth particulars concerning the compensation paid or accrued for services rendered to the Corporation by its NEOs in all capacities during the most recently completed financial year ended December 31, 2010:

Name and principal position	Year	Salary(3) (\$)	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			
Thomas Larsen President and C.E.O.	2010	96,000 (1)	Nil	Nil	Nil	Nil	Nil	Nil	96,000 (1)
	2009	96,000 (1)	Nil	Nil	Nil	Nil	Nil	Nil	96,000 (1)
	2008	96,000 (1)	Nil	Nil	Nil	Nil	Nil	Nil	96,000 (1)
Miles Nagamatsu C.F.O.	2010	72,000 (2)	Nil	Nil	Nil	Nil	Nil	Nil	72,000 (2)
	2009	72,000 (2)	Nil	Nil	Nil	Nil	Nil	Nil	72,000 (2)
	2008	72,000 (2)	Nil	Nil	Nil	Nil	Nil	Nil	72,000 (2)

- (1) Owed to a corporation controlled by Thomas Larsen.
- (2) Owed to a corporation controlled by Miles Nagamatsu.
- (3) Compensation is awarded as consulting fees under a contractual agreement with the NEO.

Compensation Discussion and Analysis

All matters relating specifically to senior executive compensation are reviewed and approved by the full Board. The Board has elected not to appoint a Compensation Committee. The Chief Executive Officer makes recommendations to the Board with respect to compensation of the Corporation’s executive officers, including base salaries, annual bonuses and long-term equity participation levels. The CEO also plays a major role in setting performance objectives and outlining progress in meeting corporate objectives. The Board gives final approval on compensation matters.

The Corporation’s overall policy regarding compensation of the Corporation’s executive officers is structured to provide competitive salary levels and compensation incentives that support both the short-term and long-term goals of the Corporation, attract and retain suitable and qualified executive management and establish a compensation framework which is industry competitive. The Corporation’s policy is to recognize and reward individual performance as well as to place executive compensation within the range of compensation levels in the industry.

Compensation Policy and Key Compensation Components

The Corporation does not have a compensation program other than paying base salaries, incentive bonuses, and incentive stock options to the NEOs. The Corporation recognizes the need to provide a

compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility.

The Corporation has no other forms of compensation, although payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

Base Salary

The objectives of base salary are to recognize market pay, and acknowledge the competencies and skills of individuals. The base salary paid to the NEOs shall be reviewed annually by the Board as part of the annual review of executive officers. The decision on whether to grant an increase to the executive's base salary and the amount of any such increase shall be in the sole discretion of the Board.

Incentive Bonuses

The objectives of incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees. No incentive bonuses were paid to NEOs, other executive officers and employees during the most recently completed fiscal year.

Stock Option Plan

The objectives of the stock option plan are to reward achievement of long-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of the Corporation. No stock options are currently outstanding and no stock options were granted to NEOs, other executive officers and employees during the most recently completed fiscal year.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets forth the options granted to the NEOs to purchase or acquire securities of the Company outstanding at the end of the most recently completed financial year ended December 31, 2010:

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 (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Thomas Larsen President and CEO	Nil	Nil	Nil	N/A	N/A	N/A
Miles Nagamatsu CFO	Nil	Nil	Nil	N/A	N/A	N/A

Incentive plan awards - value vested or earned during the year

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to NEOs during the most recently

completed financial year ended December 31, 2010:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Thomas Larsen President and CEO	N/A	N/A	N/A
Miles Nagamatsu CFO	N/A	N/A	N/A

Note: No incentive stock options were granted during financial year ended December 31, 2010.

Pension Plan Benefits

No pension plan or retirement benefit plans have been instituted by the Company and none are proposed at this time.

NEO Employment Contracts, Termination and Change of Control Benefits

The Corporation has written employment contracts with the NEOs as follows:

Thomas Larsen - The Corporation has an employment contract with its Chief Executive Officer, Thomas G. Larsen. Mr. Larsen's contract was originally for a one-year period expiring in November 1997, and in accordance with its terms, was automatically extended thereafter on an annual basis for additional terms of one year. Under the terms of the employment contract, Mr. Larsen currently receives an annual salary of \$96,000 payable to a corporation controlled by Mr. Larsen. In the event of termination of employment of Mr. Larsen for just cause, the Corporation shall not be liable to pay any amount to Mr. Larsen solely as a consequence of such termination, whether as severance pay, payment in lieu of notice, damages or otherwise. If there is a change in control of the Corporation which results in the termination of office for Mr. Larsen, he would be entitled to receive an amount equal to two times his then current annual salary. Mr. Larsen would also be entitled to exercise any unexercised stock options granted to Mr. Larsen under the provisions of the Corporation's stock option plan for a period of up to two years after the termination date.

Miles Nagamatsu - The Corporation has an employment contract with its Chief Financial Officer, Miles Nagamatsu. Mr. Nagamatsu's contract was originally for a one-year period expiring in November 1997, and, in accordance with its terms, was automatically extended thereafter on an annual basis for additional terms of one year. Under the terms of the employment contract, Mr. Nagamatsu currently receives an annual salary of \$72,000 payable to a corporation controlled by Mr. Nagamatsu. In the event of termination of employment of Mr. Nagamatsu for just cause, the Corporation shall not be liable to pay any amount to Mr. Nagamatsu solely as a consequence of such termination, whether as severance pay, payment in lieu of notice, damages or otherwise. If there is a change in control of the Corporation which results in the termination of office for Mr. Nagamatsu, he would be entitled to receive an amount equal to two times his then current annual salary. Mr. Nagamatsu would also be entitled to exercise any unexercised stock options granted to Mr. Nagamatsu under the provisions of the Corporation's stock option plan for a period of up to two years after the termination date.

The following table details the estimated payments, payables and benefits triggered by a termination without cause or as a result of a change of control for each of the NEOs, assuming the triggering event took place on December 31, 2010. This table assumes that all compensation currently owed to the NEOs as at December 31, 2010 has been paid.

Name and principal position	Salary (\$)	Performance Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total compensation (\$)
Thomas Larsen President and CEO	192,000	N/A	Nil	N/A	Nil	192,000
Miles Nagamatsu CFO	144,000	N/A	Nil	N/A	Nil	144,000

Director's Compensation

During the year ended December 31, 2010, directors of the Corporation were not provided with any compensation. Additionally, no options were granted to directors of the Corporation.

The following table sets forth the value of all compensation paid to the directors of the Corporation who are not NEOs during the most recently completed financial year ended December 31, 2010:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Francis Sauve	Nil	N/A	Nil	N/A	N/A	Nil	Nil
Jean Lafleur	Nil	N/A	Nil	N/A	N/A	Nil	Nil
Kenneth Friedman	Nil	N/A	Nil	N/A	N/A	Nil	Nil

Share-based awards and option-based awards

The following table sets forth the options granted to the directors of the Corporation who are not NEOs to purchase or acquire securities of the Corporation outstanding at the end of the most recently completed financial year ended December 31, 2010:

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 (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Francis Sauve	Nil	Nil	Nil	N/A	N/A	N/A
Jean Lafleur	Nil	Nil	Nil	N/A	N/A	N/A
Kenneth Friedman	Nil	Nil	Nil	N/A	N/A	N/A

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth the Corporation's equity compensation plan, which is the

Corporation's stock option plan.

Plan Category	(A) Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	(B) Weighted average option price of outstanding options, warrants and rights (\$)	(C) Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column a) (#)
Equity compensation plans approved by security holders	Nil	N/A	2,156,660 (1)
Equity compensation plans not approved by security holders	N/A	N/A	Nil
Total	Nil	N/A	2,156,660 (1)

Note (1) Based on a maximum number available for issuance of 2,156,660 Common Shares, representing 10% of the issued and outstanding Common Shares as at June 1, 2011.

The Corporation's stock option plan was approved by the shareholders of the Corporation on June 29, 2007. The stock option plan provides that the Board of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation or any subsidiary of the Corporation, the option to purchase Common Shares. The stock option plan provides for a maximum limit of 10% of the number of Common Shares outstanding from time to time. On December 31, 2010 and June 30, 2011 this represents 2,156,660 Common Shares available to be granted under the stock option plan.

The number of Common Shares reserved for any one person during any 12 month period may not exceed 5% of the outstanding Common Shares. The Board determines the price per Common Share and the number of Common Shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to applicable securities exchange rules regarding minimum exercise price.

Options may be exercisable for up to five years from the date of grant, but the Board has the discretion to grant options that are exercisable for a shorter period. Options granted under the stock option plan do not require vesting provisions, although the Board may attach a vesting period or periods to individual grants as it deems appropriate. Options under the stock option plan are non-assignable and non-transferable. If, prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant, the stock options must be exercised within 30 days of termination of employment or cessation of position with the Corporation, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option must be exercised within six months, subject to the expiry date.

Indebtedness of Directors and Officers

No director or senior officer of the Corporation or associate of the foregoing persons, was indebted to the Corporation at any time during the most recently completed financial year ended December 31, 2010.

Interest Of Informed Persons In Material Transactions

No informed person (within the meaning of National Instrument 51-102 “Continuous Disclosure Obligations”, which definition includes, among others, executive officers, directors and insiders) of the Corporation, no nominee for election as a director of the Corporation and no associate or affiliate of any informed person or nominee for election as a director of the Corporation has or had 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 that has materially affected or would materially affect the Corporation or any of its subsidiaries.

CORPORATE GOVERNANCE AND OTHER INFORMATION

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the “CSA”) have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”), which prescribes certain disclosure by the Corporation of its corporate governance practices. The disclosure pursuant to NI 58-101 is presented below.

Board of Directors

The Board exercises independent supervision over management, which includes among other duties and responsibilities: to approve and monitor the strategic, business and financial plans of the Corporation; to supervise performance and succession planning of senior officers; to assess the principal risk factors relating to the business of the Corporation; and to monitor and oversee the integrity of the financial reporting and disclosure. Every Director is required to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Responsibilities not delegated to senior management or to a committee of the Board remain those of the full Board.

Composition of the Board of Directors

The Board is currently comprised of four (4) directors, Thomas G. Larsen, Francis Sauve, Miles Nagamatsu and Kenneth Friedman. Francis Sauve and Kenneth Friedman are independent for the purposes of NI -58-101. Thomas G. Larsen is Chairman, President and Chief Executive Officer and therefore not independent for the purposes of NI -58-101 and Miles Nagamatsu is Chief Financial Officer and therefore also not independent.

Directorships

Certain of the directors are also directors of other reporting issuers as follows:

Director	Other Reporting Issuer
Thomas G. Larsen	Bear Lake Gold Ltd., Eloro Resources Ltd. and Champion Minerals Inc.
Francis Sauve	Eloro Resources Ltd. and Champion Minerals Inc.
Miles Nagamatsu	Essex Oil Ltd.
Kenneth Friedman	Clifton Mining Company

Orientation and Continuing Education of Board Members

New Board members receive an orientation package which includes reports on operations and results, and public disclosure filings by the Corporation. Board meetings are sometimes held at the Corporation's facilities and are combined with tours and presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available for discussion with all Board members. The directors are encouraged to participate in continuing education programs which promote awareness and an understanding of current corporate governance issues.

Measures to Encourage Ethical Business Conduct

The Board promotes a culture of ethical business conduct with respect to the fiduciary duties placed on individual directors and officers by law, the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, and through independent oversight of management, to encourage each director and officer to act in the best interests of the Corporation.

Nomination of Board Members

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experiences beneficial to the governance of the Corporation.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. New candidates for nomination to be elected to the Board are identified by the Board as a whole following an informal invitation to the directors and officers to propose individuals to be considered by the Board.

Other Board Committees

The Corporation does not presently have other committees apart from the audit committee.

Assessment of Directors, the Board and Board Committees

The Board is responsible to periodically consider and assess the effectiveness and performance of the audit committee, the individual directors and the Board as a whole. The Board monitors the adequacy of information given to directors by management and the effectiveness of communication between the Board and management with respect to corporate governance.

AUDIT COMMITTEE

Audit Committee

In accordance with the Multilateral Instrument 52-110 *Audit Committees* ("MI 52-110"), the Audit Committee reviews the annual and interim financial statements of the Corporation and makes recommendations to the Board with respect to such statements. The Audit Committee also reviews the nature and scope of the annual audit as proposed by the auditors and management, and the adequacy of the internal accounting control procedures and systems within the Corporation. The Audit Committee is responsible to ensure that management has implemented an effective system of internal control and has

oversight responsibility for management reporting on internal control. The Audit Committee Charter is attached hereto as Schedule “A”.

Composition of the Audit Committee

The Audit Committee is currently comprised of Kenneth S. Friedman, Francis Sauve and Miles Nagamatsu, all of whom are financially literate. Kenneth Friedman and Francis Sauve are considered independent within the meaning of MI 52-110, while Mr. Nagamatsu is not considered independent, but the Board believes that Mr. Nagamatsu, as an experienced director, is sufficiently versed in the expectations of independent directors and fully capable of exercising independent judgement. The Chair of the Audit Committee is Francis Sauve.

Relevant Education and Experience

Kenneth Friedman is currently the President of Clifton Mining Corporation, a U.S. based resource exploration corporation. Dr. Friedman is also a former money manager, author and stock analyst. He holds an M.A. from Harvard University as well as a Ph.D. from M.I.T.

Francis Sauve owns his own business and in such capacity has experience in the preparation, analysis and/or evaluation of financial statements generally and an understanding of internal control and procedures for financial reporting. Over the past 16 years, Mr. Sauve has been, and is currently, a director of a number of publicly traded resource exploration companies.

Miles Nagamatsu is a Chartered Accountant with over 30 years of professional experience in accounting, management, lending, restructurings and turnarounds. Mr. Nagamatsu currently is and has acted as a Chief Financial officer of public and private companies primarily in the mineral exploration and investment management sectors.

External Auditor Service Fees (By Category)

The following table provides information about the fees billed to the Corporation for professional services rendered by Collins Barrow Toronto LLP for professional services rendered for the fiscal 2010 and 2009 audit:

Fees	2010	2009
Audit Fees ⁽¹⁾	\$12,000	\$15,000
Audit-Related Fees	Nil	Nil
Tax Fees	\$2,750	\$3,000
All other Fees	Nil	Nil
Total:	\$14,750	\$18,000

Notes:

- (1) Audit fees were for professional services rendered by Collins Barrow Toronto LLP, for the audit of the Corporation’s 2009 and 2010 annual financial statements.

Exemption

The Corporation is a venture issuer as defined in MI 52-110 and is relying on the exemptions provided by section 6.1 of MI 52-110 relating to Part 3 “Composition of Audit Committees” and Part 5 “Reporting Obligations”.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth within this Circular, the management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or officer of the Corporation at any time since the beginning of the last completed financial year, proposed management nominee for election as a director of the Corporation, or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting other than the election of directors.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Other than as set forth within this Circular, the management of the Corporation is not aware of any material interest, direct or indirect, of any director, proposed management nominee for election as a director of the Corporation, or senior officer or insider of the Corporation, or any associate or affiliate of any such person, in any transaction (other than participation in private placements and shares-for-debt transactions, the details of which have been placed on public files with securities regulatory authorities) since the beginning of the last completed financial year of the Corporation, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its affiliates.

ADDITIONAL INFORMATION

Financial information is provided in the Corporation's audited financial statements and accompanying management's discussion and analysis ("MD&A") for the year ended December 31, 2010. The 2010 audited annual financial statements and MD&A have been mailed to registered shareholders concurrently with the mailing of this Circular.

Under National Instrument 54-102 *Interim Financial Statements and Report Exemption*, any person or company who wishes to receive interim financial statements from the Corporation may deliver a written request for such material to the Corporation or the Corporation's agent, together with a signed statement that the person or company is the owner of securities of the Corporation. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed mail card, together with the completed form of proxy, in the addressed envelope provided, to the Corporation's registrar and transfer agent, Equity Transfer and Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1. The Corporation will maintain a supplemental mailing list of persons or companies wishing to receive interim financial statements.

Additional information relating to the Corporation is available on the SEDAR website at www.sedar.com.

GENERAL

All matters referred to herein for approval by the shareholders require a simple majority of the shareholders voting, in person or by proxy, at the Meeting, unless otherwise indicated herein.

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

Dated the 30th day of June, 2011.

“Thomas G. Larsen”

Thomas G. Larsen
President and Chief Executive Officer

SCHEDULE “A”

NORTHFIELD METALS INC. (the “Corporation”)

AUDIT COMMITTEE CHARTER

Adopted by the Board of Directors May 29th, 2007

The Audit Committee is a committee of the Board of Directors (the “Board”) of the Corporation to which the Board delegates certain of its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee’s overall purpose is to assist the Board in its oversight role with respect to:

- (i) the quality and integrity of financial information;
- (ii) the external auditor’s performance, qualifications and independence;
- (iii) the performance of the Corporation’s internal audit function, if applicable; and
- (iv) the Corporation’s compliance with legal and regulatory requirements.

MEMBERSHIP AND MEETINGS

The Audit Committee shall consist of three or more directors appointed by the Board, the majority of whom shall meet the requirement of independence as defined in MI 52-110 and shall not be officers or employees of the Corporation or any of the Corporation’s affiliates.

The Board shall designate one member of the Audit Committee as the Committee Chair. Each member of the Audit Committee at the time of appointment shall be financially literate as such qualification is defined by Multilateral Instrument 52-110 *Audit Committees* (“MI 52-110”), or become financially literate within a three month period from the date of appointment to the Audit Committee.

STRUCTURE AND OPERATIONS

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Audit Committee shall report to the Board on its activities after each of its meetings at which time minutes of the prior Audit Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the external auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

1) Oversight of the External Auditor

The Audit Committee shall:

- Make recommendations to the Board for the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer and the compensation of the external auditor;
- Directly oversee of the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditor regarding financial reporting. The external auditor shall report directly to the Audit Committee;
- The Audit Committee must pre-approve all non-audit services (including the fees, terms and conditions for the performance of such services) to be provided by the external auditor; and
- The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.

2) Financial Reporting

The Audit Committee shall:

- Review the financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;
- Satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and shall periodically assess the adequacy of those procedures;
- Review and discuss with management and the external auditor:
 - prior to the annual audit the scope, planning and staffing of the annual audit,
 - the annual audited financial statements,
 - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,
 - any significant changes in the Corporation's selection or application of accounting principles,
 - any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and
 - other material written communications between the external auditor and management, such as any management letter or schedule of unadjusted differences.
- Monitor, evaluate and report to the Board on the integrity of the financial reporting process and the system of internal controls that management and the Board have established;
- Monitor management of the principal risks that could impact the financial reporting of the

Corporation; and

- With respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with Multilateral Instrument 52-109.

3) Other Duties

The Audit Committee shall:

- Establish procedures for the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls or auditing matters, and confidential anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters;
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the external auditors in accordance with MI 52-110; and
- Review and approve the disclosure required under MI 52-110F2 regarding the Audit Committee as included within the annual management information circular of the Corporation.

Authority of the Audit Committee

The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, and to set and pay the compensation for any advisors employed by the Audit Committee. The Audit Committee may communicate directly with the internal and external auditors of the Corporation.