

**AFRASIA MINERAL FIELDS INC.**  
Suite 2050 - 1055 West Georgia Street  
Vancouver, British Columbia  
Canada V6E 3P3

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**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is hereby given that the Annual General Meeting (the “**Meeting**”) of the shareholders of Afrasia Mineral Fields Inc. (the “**Company**”) will be held on Wednesday, February 15, 2012 at Suite 2050 - 1055 West Georgia Street, Vancouver, B.C. V6E 3P3, at 10:00 a.m. (local time in Vancouver, B.C.) for the following purposes:

1. To receive the audited annual financial statements of the Company for its financial year ended May 31, 2011 and the report of the auditor thereon;
2. To set the number of directors at three;
3. To elect directors for the ensuing year;
4. To appoint Davidson & Company LLP, Chartered Accountants, as the Company’s auditor for the ensuing financial year and to authorize the directors to set the auditor’s remuneration;
5. To ratify and approve the Company’s stock option plan (the “**Plan**”) and to authorize the directors to make such changes to the Plan as may be required by the securities regulatory authorities without further shareholder approval;
6. To approve the transaction of such other business as may properly come before the Meeting.

Accompanying this Notice is an Information Circular and a form of Proxy.

Shareholders unable to attend the Meeting in person should read the notes to the enclosed Proxy and complete and return the Proxy to the Company’s Registrar and Transfer Agent, Computershare Trust Company of Canada, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 at least 48 hours (excluding Saturdays and holidays) before the time of the meeting or adjournment thereof. Unregistered shareholders who received the Proxy through an intermediary must deliver the Proxy in accordance with the instructions given by such intermediary.

The enclosed Proxy is solicited by management of the Company and shareholders may amend it, if desired, by inserting in the space provided, the name of an individual designated to act as Proxy holder at the Meeting.

DATED at Vancouver, British Columbia, this 11<sup>th</sup> day of January, 2012.

**BY ORDER OF THE BOARD**

*“Praveen K. Varshney”*

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**Praveen K. Varshney, C.A.**  
**President**

**INFORMATION CIRCULAR**

**for the**

**ANNUAL GENERAL MEETING**

**of**

**AFRASIA MINERAL FIELDS INC.**

**to be held on**

**WEDNESDAY, FEBRUARY 15, 2012**

# INFORMATION CIRCULAR

## AFRASIA MINERAL FIELDS INC.

Suite 2050 - 1055 West Georgia Street  
Vancouver, British Columbia  
Canada V6E 3P3

(all information as at January 11, 2012 unless otherwise noted)

### PERSONS MAKING THE SOLICITATION

**This Information Circular is furnished in connection with the solicitation of proxies being made by the management of Afrasia Mineral Fields Inc. (the "Company") for use at the Annual General Meeting of the Company's shareholders (the "Meeting") to be held on Wednesday, February 15, 2012 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company.**

All costs of this solicitation will be borne by the Company.

### APPOINTMENT OF PROXIES

The individuals named in the accompanying form of proxy (the "Proxy") are directors or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER'S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** A Proxy will not be valid unless it is completed, dated and signed and delivered to Computershare Trust Company of Canada, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, Canada not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment of it or to the chair of the Meeting on the day of the Meeting or any adjournment of it.

### VOTING BY PROXY

**The persons named in the accompanying form of Proxy will vote or withhold from voting the shares represented by the proxy in accordance with your instructions, provided your instructions are clear. If you have specified a choice on any matter to be acted on at the Meeting, your shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your shares will be voted in favour of all matters.**

**The enclosed form of Proxy gives the persons named as proxy holders discretionary authority regarding amendments or variations to matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting. As of the date of this Information Circular, our management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any amendment, variation or other matter properly comes before the Meeting, the persons named in the form of Proxy intend to vote on such other business in accordance with their judgement.**

You may indicate the manner in which the persons named in the enclosed Proxy are to vote on any matter by marking an "X" in the appropriate space. If you wish to give the persons named in the Proxy a discretionary authority on any matter described in the Proxy, then you should leave the space blank. **In that case, the proxy holders nominated by management will vote the shares represented by your Proxy in accordance with their judgement.**

### NON-REGISTERED HOLDERS

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are "non-registered" shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF,

RESP or similar plan or a clearing agency such as CDS Clearing and Depository Service Limited (a “Nominee”). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as “NOBOs”. Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as “OBOs”.

In accordance with securities regulatory requirements under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, we will have distributed copies of the Meeting Materials, being the Notice of Meeting, this Information Circular, and the Proxy directly to the NOBOs and to the Nominees for onward distribution to OBOs. We may also request the Nominees to forward the Meeting Materials to the NOBOs.

Nominees are required to forward the Meeting Materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting Materials sent to non-registered holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specified instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares which they beneficially own. Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request a legal Proxy as set forth in the VIF, which will grant the non-registered holder or his/her nominee the right to attend and vote at the Meeting. Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

#### **REVOCATION OF PROXIES**

A registered shareholder who has returned a proxy may revoke their proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

- (a) signing a proxy bearing a later date; or
- (b) signing a written notice of revocation in the same manner as the form of proxy is required to be signed as set out in the notes to the proxy.

The later Proxy or the notice of revocation must be delivered to the office of the Company’s registrar and transfer agent or to the Company’s head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chairman of the Meeting on the day of the Meeting or any adjournment.

A non-registered shareholder who wishes to revoke a Proxy authorization form or VIF or to revoke a waiver of their right to receive Meeting Materials and to give voting instructions, written instructions must be given to Nominee at least seven days before the Meeting.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the approval of the Company’s stock option plan.

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

The authorized capital of the Company consists of an unlimited number of voting common shares. As at the date of this Information Circular, the Company has issued and outstanding 20,026,663 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. The Company has no other classes of voting securities and does not have any classes of restricted securities.

Any shareholder of record at the close of business on January 11, 2012 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, is entitled to vote or to have such shareholder's shares voted at the Meeting.

To the best knowledge of the directors and executive officers of the Company, there are no persons who, or corporations which, beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

### NUMBER OF DIRECTORS

Management of the Company is seeking shareholder approval of an ordinary resolution fixing the number of directors of the Company at three for the ensuing year.

### ELECTION OF DIRECTORS

The term of office of each of the present directors expires at the Meeting. **The persons named below will be presented for election at the Meeting as management's nominees.** Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia)

The following table sets out the names of the nominees for election as directors, the province or state and country in which each is ordinarily resident, the period or periods during which each has served as a director, the first and last positions held in the Company, their present principal occupations and the number of common shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name, Position(s) with the Company <sup>(1)</sup> and Place of Residence <sup>(3)</sup>	Principal Occupation <sup>(2) (3)</sup>	Date(s) Served as a Director Since	Ownership or Control Over Voting Shares Held <sup>(3)</sup>
<b>Praveen K. Varshney, C.A.</b> <sup>(4)</sup> President & Director British Columbia, Canada	Chartered Accountant; Director of Varshney Capital Corp.; Director or Officer of various publicly traded companies	January 24, 1995	134,650
<b>Peeyush Varshney, LL.B.</b> <sup>(4)</sup> Director British Columbia, Canada	Barrister and Solicitor; Director of Varshney Capital Corp.; Director or Officer of various publicly traded companies	November 3, 1998	903,000
<b>Capt. Mervyn Pinto</b> <sup>(4)</sup> Director British Columbia, Canada	President, Chief Executive Officer and Director of Minaean International Corp; Director of various publicly traded companies	December 13, 2006	Nil

- (1) For the purposes of disclosing positions held in the Company, "Company" includes the Company and any parent or subsidiary thereof.
- (2) Unless otherwise stated above, any nominees named above have held the principal occupation or employment indicated for at least five years.
- (3) The information as to province or state and country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (4) Member of the Company's Audit Committee.

## **Cease Trade Orders and Bankruptcy**

To the knowledge of Company's management, no proposed director of the Company:

- (a) is or has been within the past ten years personally, or a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Company) that:
  - (i) was the subject of a cease trade order or similar order or an order that denied such other issuer access to any exemption under the securities legislation for more than thirty consecutive days, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
  - (ii) was subject a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the 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
- (c) has, within the 10 years before the date of 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 proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has 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.

## **COMPENSATION DISCUSSION AND ANALYSIS**

The Company does not have a formal Compensation Committee or compensation policy. All compensation awarded to the Company's Named Executive Officers (as defined below) is determined by the Board of Directors.

The main elements of compensation are incentive stock options. No incentive stock options were granted to Name Executive Officers during the most recently completed financial year of the Company.

### **Option based Awards**

No option based awards were granted to Name Executive Officers during the most recently completed financial year of the Company.

The Company has one Named Executive Officer, being Praveen Varshney, the President of the Company.

For the purpose of this Information Circular, a "Named Executive Officer" means each of the following individuals:

- a) the individual who served as the Company's CEO or acted in a similar capacity during the most recently completed financial year;
- b) the individual who served as the Company's CFO or acted in a similar capacity during the most recently completed financial year;

- c) each of our three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined by 1.3(6) of Form 51-102F6 and
- d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year

(each of whom is a “**Named Executive Officer**”).

The following table is a summary of compensation paid to the Named Executive Officer during the financial years ended May 31, 2011, May 31, 2010 and May 31, 2009. For information concerning compensation related to previous years, please refer to the Company’s previous Information Circulars available at [www.sedar.com](http://www.sedar.com).

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non Equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$) <sup>(1)(2)</sup>	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Praveen Varshney President	2011	Nil	Nil	Nil	Nil	Nil	Nil	22,000	22,000
	2010	Nil	Nil	Nil	Nil	Nil	Nil	22,000	22,000
	2009	Nil	Nil	Nil	Nil	Nil	Nil	17,333	17,333

- (1) Pursuant to a management and administrative services contract (the “**Management Services Agreement**”) dated November 1, 2003 (amended on June 1, 2008, January 1, 2009) between the Company and Varshney Capital Corp. (“**VCC**”). VCC is a private B.C. company of which Praveen Varshney, President and a director of the Company is a director. See “Management Contracts” below.
- (2) No additional compensation was paid to the Named Executive Officer for serving as a director of the Company.

During the financial year ended May 31, 2011, the Company did not award any compensation to the Named Executive Officer, other than the \$22,000 paid to VCC, a private company of which Praveen Varshney is a director.

### **Incentive Plan Awards**

The following table discloses the particulars for the Named Executive Officer of all awards outstanding at the year ending May 31, 2011, including awards granted before the most recently completed financial year:

### **Outstanding share based compensation and option based awards**

Name	Option –based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of share or units of shares that have not vested (#)	Market of payout value of share-based awards that have not vested (\$)
Praveen Varshney	50,000	\$0.35	April 4, 2012	Nil	Nil	N/A

- (1) The closing market price on the TSX Venture Exchange (the “**Exchange**”) of the Company’s shares as at May 27, 2011, (i.e. the closest date for financial year end) was \$0.235.

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

No option-based awards or share-based awards value vested or were earned during the most recently completed financial year for the Named Executive Officer.

### **Pension Plan Benefits**

The Company does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

### **Termination and change of control benefits**

The Company does not have any plan or arrangement to pay or otherwise compensate any Named Executive Officer if his employment is terminated as a result of resignation, retirement, change of control, etc. or if his responsibilities change following a change of control.

### **Compensation of Directors**

The Company has three directors, one of which is also a Named Executive Officer. For a description of the compensation paid to the Named Executive Officer of the Company who also acts as a director, see “Summary Compensation Table”.

We did not grant any compensation our directors other than indicated below:

Name	Year	Fees earned (\$)	Share based awards (\$)	Option based awards(\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Peeyush Varshney	2011	Nil	Nil	Nil	Nil	Nil	\$22,000 <sup>(1)</sup>	\$22,000
Mervyn Pinto	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) This amount was paid pursuant to the Management Services Agreement. VCC is a private B.C. company, partially owned by Peeyush Varshney. See “Management Contracts” below.

The Company currently does not pay directors who are not employees or officers of the Company for attending directors meetings or for serving on committees. The Company has no arrangements, standard for otherwise, pursuant to which directors are compensated by the Company for their services as directors, for committee participation, or for involvement in special assignments during the most recently completed financial year. None of the Company’s directors have received any cash compensation for services provided in their capacity as directors during the Company’s most recently completed financial year.

### **Share-based awards, option based awards and non-equity incentive plan compensation**

#### **Incentive Plan Awards**

The following table discloses the particulars for each director, other than the director who is also a Named Executive Officer, for awards outstanding at the end of the most recently completed financial year:

#### **Outstanding share-based awards and option-based awards**

Name	Option –based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option date	expiration	Value of unexercised in-the-money options (\$)	Number of share or units of shares that have not vested (#)



Peeyush Varshney	50,000	0.35	April 4, 2012	Nil	Nil	N/A
Mervyn Pinto	25,000	0.35	April 4, 2012	Nil	Nil	N/A

(1) The closing market price on the Exchange of the Company's shares as at May 27, 2011, (i.e. the closest date for financial year end) was \$0.235.

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

No option-based awards or share based awards value vested or were earned during the most recently completed financial year for the directors.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the date of this Information Circular regarding the number of common shares to be issued pursuant to the Company's stock option plan. The Company does not have any equity compensation plans that have not been approved by its shareholders.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans
<b>Equity compensation plans approved by security holders</b>			
Stock Option Plan	209,000	\$0.35	1,793,666
<b>Equity compensation plans not approved by security holders</b>	N/A	N/A	N/A
<b>Totals</b>	<b>209,000</b>	<b>\$0.35</b>	<b>1,793,666</b>

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Information Circular, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, or any of its subsidiaries.

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

Except as set out in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of Directors or the approval of the Company's stock option plan.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, since the commencement of the Company's most recently completed financial year, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or

company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

## **AUDIT COMMITTEE – DISCLOSURE BY VENTURE ISSUERS UNDER FORM 52-110F2**

### **Composition of Audit Committee**

As at the date in this Information Circular, the Audit Committee is composed of Praveen Varshney, Peeyush Varshney and Mervyn Pinto. Peeyush Varshney and Mervyn Pinto are “independent” because they are not executive officers or employees of the Company and all three members are “financially literate” within the meaning of National Instrument 52-110 *Audit Committee* (“**NI 52-110**”). The text of the Audit Committee’s Charter is attached as Appendix I to this Information Circular.

The Company is relying on the exemption provided by Section 6.1 of NI 52-110 by virtue of the fact that it is a venture issuer. Section 6.1 exempts the Company from the requirements of Parts 3 (*Composition of the Audit Committee*) and 6 (*Reporting Obligations*) of NI 52-110.

### **Relevant Education and Experience**

<b>Member</b>	<b>Independent/Not Independent <sup>(1)</sup></b>	<b>Financially Literate/ Not Financially Literate <sup>(1)</sup></b>	<b>Relevant Education and Experience</b>
Praveen Varshney	Not Independent	Financially Literate	Mr. Praveen Varshney is a Chartered Accountant and was in public practice from 1987 to 1991 with KPMG and from 1991 to 1995 with Varshney Chowdhry & Co. He has held executive level positions with various public companies since 1992 and is currently the CFO of Canada Zinc Metals Corp.
Peeyush Varshney	Independent	Financially Literate	Mr. Peeyush Varshney obtained a Bachelor of Commerce degree (1989) and a Bachelor of Laws degree (1993) from the University of British Columbia. He is a Barrister and Solicitor in good standing with the Law Society of British Columbia. Mr. Varshney serves as a director and officer for both private and public companies.

<b>Member</b>	<b>Independent/Not Independent <sup>(1)</sup></b>	<b>Financially Literate/ Not Financially Literate <sup>(1)</sup></b>	<b>Relevant Education and Experience</b>
Mervyn Pinto	Independent	Financially Literate	Captain Mervyn Pinto has experience with publicly traded companies and has an understanding of accounting principles used by the Company to prepare its financial statements.

(1) As defined by NI 52-110.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year, has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 (De Minimis Non-audit Services) or Part 8 (Exemptions) of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "Article 2 – Pre-Approval of Non-Audit Services" of the Audit Committee Charter as set out in Appendix I to this Information Circular.

### **Audit Fees, Audit-Related Fees, Tax Fees and all other Fees**

In the following table, "Audit Fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in "Audit Fees" that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last two financial years, by category, are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees (\$)</b>	<b>Audit Related Fees (\$)</b>	<b>Tax Fees (\$)</b>	<b>All Other Fees (\$)</b>
May 31, 2011	8,925	Nil	1,500	Nil
May 31, 2010	11,220	Nil	900	Nil

### **Assessment**

The entire Board is responsible for assessing the effectiveness of the Board, its members and the Audit Committee, in consultation with the chair of the Board and the chair of the Audit Committee.

## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires each reporting issuer to disclose its corporate governance practices on an annual basis. The Company's approach to corporate governance is set forth below.

### Board of Directors

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

Applying the definition set out in NI 52-110, one member of the Board, Praveen Varshney, is not independent. Praveen Varshney, the Company's President, is not independent by virtue of the fact that he is an executive officer of the Company. Peeyush Varshney and Mervyn Pinto are considered to be independent.

In addition to their positions on the Board, the following directors also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

<b>Name of Director</b>	<b>Reporting Issuer(s) or Equivalent(s)</b>
Praveen Varshney, CA	Bayswater Uranium Corporation Bluerock Ventures Corp. Canada Zinc Metals Corp. Genview Capital Corp. Mexigold Corp. LED Medical Diagnostics Inc. Trigen Resources Inc.
Peeyush Varshney, LLB	Canada Zinc Metals Corp. JDV Capital Corp. Mexigold Corp. Minaean International Corp. Mountain Province Diamonds Inc. Open Gold Corp. Trigen Resources Inc.
Mervyn Pinto	Genview Capital Corp. Mexigold Corp. Minaean International Corp.

### Orientation and Continuing Education

Orientation and education of new members of the Board is conducted informally by management and members of the Board. The orientation provides background information on the Company's history, performance and strategic plans.

### Ethical Business Conduct

Directors, officers and employees are required as a function of their directorship, office or employment to structure their activities and interests to avoid conflicts of interest and potential conflicts of interest and refrain from making personal profits from their positions. The Board does not consider it necessary at this time to have a written policy regarding ethical conduct.

## **Nomination of Directors**

The Board as a whole is responsible for reviewing the composition of the Board on a periodic basis. The Board analyzes the needs of the Board when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs.

## **Compensation**

The Board as a whole reviews and approves all matters relating to compensation of the directors and executive officers of the Company. With regard to the President, the Board reviews and approves corporate goals and objectives relevant to the President's compensation, evaluates the President's performance in light of those goals and objectives and sets the President's compensation level based on this evaluation.

## **Committees of the Board of Directors**

The Board has appointed an Audit Committee, the members of which are: Praveen Varshney, Peeyush Varshney and Mervyn Pinto. A description of the function of the Audit Committee can be found in this Information Circular under the heading "Audit Committee". The Company does not have any other committees of the Board.

## **Assessments**

The Board has not, as yet, adopted formal procedures for assessing the effectiveness of the Board, its Audit Committee or individual directors. The relatively small size of the Company enables the Board to satisfy itself that individual directors are performing effectively. As the Company grows, the Board will consider adopting formal procedures for evaluating director performance.

## **APPOINTMENT AND REMUNERATION OF AUDITOR**

Shareholders will be asked to approve the appointment of Davidson & Company LLP, Chartered Accountants, as the auditor of the Company to hold office until the next annual general meeting of the shareholders with remuneration to be fixed by the directors.

## **MANAGEMENT CONTRACTS**

Pursuant to the Management Services Agreement, the Company paid or accrued to VCC an aggregate of \$66,000, being \$2,500 per month for management fees and \$3,000 per month for administrative fees during the financial year ended May 31, 2011. Peeyush Varshney, a director of the Company, partially owns VCC and Praveen Varshney, a director and President of the Company, is a director of VCC.

## **APPROVAL OF STOCK OPTION PLAN**

In accordance with Policy 4.4 of the TSX Venture Exchange (the "**Exchange**"), "rolling plans" must receive shareholder approval yearly. As such, the directors of the Company are seeking shareholder approval of the Company's 2012 "rolling" stock option plan (the "**Plan**") reserving a maximum of 10% of the issued shares of the Company at the time of the stock option grant. The purpose of the Plan is to provide incentive to employees, directors, officers, management companies and consultants who provide services to the Company and reduce the cash compensation the Company would otherwise have to pay.

The Plan complies with the current policies of the Exchange for Tier 2 issuers. Under the Plan, a maximum of 10% of the issued and outstanding shares of the Company are proposed to be reserved at any time for issuance on the exercise of stock options. As the number of shares reserved for issuance under the Plan increases with the issue of additional shares of the Company, the Plan is considered to be a "rolling" stock option plan.

Management is seeking shareholder approval for the Plan and the approval of the number of shares reserved for issuance under the Plan in accordance with and subject to the rules and policies of the Exchange.

### *Terms of the Plan*

A full copy of the Plan will be available at the Meeting for review by shareholders. Shareholders may also obtain copies of the Plan from the Company prior to the Meeting on written request.

The following is a summary of the material terms of the Plan:

Number of Common Shares Reserved. The number of common shares reserved for issuance under the Plan is 10% of the number of issued common shares at the time the common shares are reserved for issuance as a result of the grant of a stock option, less any common shares reserved for issuance under stock options granted under share compensation arrangements other than the Plan.

Annual Shareholder Approval. The Company will submit the Plan for approval and ratification by the shareholders of the Company at each annual general meeting of the Company.

Administration. The Plan is to be administered by the Board of the Company or, if the Board so elects, by a committee to which such authority is delegated by the Board from time to time.

Different Exercise Periods, Prices and Number. The Board may, in its absolute discretion, at the time of granting of options under this Plan, specify different exercise prices, numbers of common shares, expiry dates and vesting periods respecting such options without regard to terms of any other options granted hereunder either previously or concurrently.

Expiry Date. Each option granted under the Plan will be for a term not exceeding ten years from the date of grant.

Limitations on Number of Options Granted to Individual Optionees. The number of common shares reserved for issuance to any one optionee pursuant to options granted to such optionee during any 12 month period will not exceed 5% of the issued and outstanding common shares, calculated at the date such options are granted. The number of common shares reserved for issuance to employees and consultants who are engaged or employed in investor relations activities during any 12 month period will not exceed in the aggregate 2% of the issued and outstanding common shares, calculated at the date such options are granted.

Assignment. No options granted under the Plan will be assignable or transferable.

Termination or Cessation Prior to Expiry. Generally, stock options must expire and terminate on a date stipulated by the Board at the time of grant and, in any event, must terminate within a reasonable time following the date on which the option holder ceases to be an employee, officer, director or consultant. If an option holder dies, the stock options of the deceased option holder will be exercisable by his or her legal representatives for a period not exceeding 12 months or the balance of the term of the stock options, whichever is shorter.

Payment. Subject to any vesting requirements described in each individual option agreement, options may be exercised in whole or in part at any time prior to their expiry or termination. The aggregate exercise price of any options will be paid for in full concurrently with the delivery of the notice of exercise by certified cheque or bank draft.

Termination of Plan. The Plan will only terminate when all of the stock options have been granted or when the Plan is otherwise terminated by a resolution of the Board or the Company's shareholders.

### **OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

## ADDITIONAL INFORMATION

Additional information relating to the Company is on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year. These financial statements and MD&A are available on the SEDAR website at [www.sedar.com](http://www.sedar.com) or shareholders may request copies of these documents by contacting the Company at:

Afrasia Mineral Fields Inc.  
Suite 2050 - 1055 West Georgia Street  
PO Box 11121, Royal Centre  
Vancouver, British Columbia, Canada V6E 3P3  
Telephone: (604) 684-2181; Fax: (604) 682-4768

DATED at Vancouver, British Columbia, this 11<sup>th</sup> day of January, 2012.

### ON BEHALF OF THE BOARD

*"Praveen K. Varshney"*

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**Praveen K. Varshney, C.A.**  
**President**

## **Appendix I**

### **Audit Committee Charter**

#### **Article 1 – Mandate and Responsibilities**

The Audit Committee is appointed by the board of directors of the Company (the “Board”) to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee’s primary duties and responsibilities are to:

- (a) recommend to the Board 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 Company;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee 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 Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company’s external auditor;
- (e) review the Company’s financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company’s financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.



## **Article 2 – Pre-Approval of Non-Audit Services**

The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor. The pre-approval of non-audit services must be presented to the Audit Committee at its first scheduled meeting following such pre-approval.

The Audit Committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee's responsibilities to management.

## **Article 3 – External Advisors**

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

## **Article 4 – External Auditors**

The external auditors are ultimately accountable to the Audit Committee and the Board, as representatives of the shareholders. The external auditors will report directly to the Audit Committee. The Audit Committee will:

- (a) review the independence and performance of the external auditors and annually recommend to the Board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- (b) approve the fees and other significant compensation to be paid to the external auditors;
- (c) on an annual basis, review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors' independence;
- (d) review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the Audit Committee may have;
- (e) before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants;
- (f) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting;
- (g) resolve any disagreements between management and the external auditors regarding financial reporting;
- (h) approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Company; and
- (i) receive from the external auditors timely reports of:
  - (i) all critical accounting policies and practises to be used;
  - (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and
  - (iii) other material written communications between the external auditors and management.

## **Article 5 – Legal Compliance**

On at least an annual basis, the Audit Committee will review with the Company's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

## **Article 6 - Complaints**

Individuals are strongly encouraged to approach a member of the Audit Committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The Audit Committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the Audit Committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the Board appropriate corrective action.

To the extent practicable, all complaints will be kept confidential. The Company will not condone any retaliation for a complaint made in good faith.