



**INFORMATION CIRCULAR  
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON WEDNESDAY, MAY 25, 2011**

This information is given as of April 11, 2011 unless otherwise noted.

**SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the management of Expedition Mining Inc. (the “Company”) for use at the Annual General Meeting (the “Meeting”) of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

In this Information Circular, references to “the Company”, “we” and “our” refer to Expedition Mining Inc. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

**GENERAL PROXY INFORMATION**

*Solicitation of Proxies*

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

*Appointment of Proxyholders*

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

*Voting by Proxyholder*

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and

- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified by you in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

#### *Registered Shareholders*

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed Proxy or some other suitable form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to the toll free number given on the Proxy. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) using the internet through the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the proxy access number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

**If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.**

If any amendments or variations are proposed at the Meeting or any adjournment thereof to matters set forth in the proxy and described in the accompanying Notice of Meeting and this Information Circular, or if any other matters properly come before the Meeting or any adjournment thereof, the proxy confers upon the shareholder's nominee discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting the proxy at the Meeting or any adjournment thereof. **At the date of this Information Circular, management of the Company know of no such amendments or variations or other matters to come before the Meeting.**

#### *Beneficial Shareholders*

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares).

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 Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”) in the United States and in Canada. Broadridge mails a Voting Instruction Form (VIF) in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the persons designated in the VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Common Shares.

#### *Revocation of Proxies*

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or at the address of the registered office of the Company at Suite 750, 580 Hornby Street, Vancouver, British Columbia, V6C 3B6, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder’s Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company since the commencement of the Company’s last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, save and except for those matters pertaining to incentive stock options.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Board of Directors has set April 11, 2011 as the record date for the purpose of determining those shareholders who are entitled to receive notice of the Meeting and to vote at the Meeting. Only shareholders of record on the close of business on April 11, 2011, who either personally attend the Meeting or who complete and deliver an Instrument of Proxy in the manner and subject to the provisions set out under the headings “Appointment of Proxyholders” and “Revocation of Proxies” will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

On April 11, 2011, 55,110,318 common shares without par value were issued and outstanding, each share carrying the right to one vote. At a General Meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he is the holder.

To the knowledge of the directors and executive officers of the Company, as of the date hereof, the only persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common of the Company as at April 11, 2011 are:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
Pinetree Capital Ltd.	8,907,500 <sup>(2)</sup>	15.9%

(1) The above information was supplied to the Company by the shareholders, the Company’s transfer agent or from the insider reports available at [www.sedi.ca](http://www.sedi.ca).

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar regulatory authority in the Provinces of British Columbia and Alberta, Canada, are specifically incorporated by reference into, and form an integral part of, this information circular:

- The Company’s Audit Committee Charter, which was included in the Information Circular prepared for the Company’s April 29, 2009 annual general meeting and filed on SEDAR on April 1, 2009.

Copies of documents incorporated herein by reference may be obtained by a Shareholder upon request without charge from the Company. Shareholders may contact the Company at Suite 600, 595 Howe Street, Vancouver, B.C. V6C 2T5 or by fax at (604) 662-3904. These documents are also available through the Internet on SEDAR, which can be accessed at [www.sedar.com](http://www.sedar.com).

## ELECTION OF DIRECTORS

Shareholders will be requested to fix the number of directors at five (5).

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director’s office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (“BCA”), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management’s nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at April 11, 2011.

<b>Name and Residence of Proposed Directors and Present Offices Held</b>	<b>Date Elected or Appointed a Director</b>	<b>Principal Occupation</b>	<b>Number of Shares<sup>(3)</sup></b>
<b>Ronald Atlas</b> Wheeling, Illinois Director, President and Chairman of the Board	June 9, 2006	Certified Public Accountant and retired U.S. attorney.	2,498,000 <sup>(4)</sup>
<b>Steven Chan<sup>(1)(2)</sup></b> Surrey, B.C. Director	December 2, 2004	Consultant to public companies in areas of financing and public relations.	129,500 <sup>(5)</sup>
<b>John Hite<sup>(1)(2)</sup></b> Las Vegas, Nevada Director	June 9, 2006	Self-employed as Geological Consultant since July 1978; President of East Asia Gold Corp.; President of Marifil Mines Ltd.	Nil <sup>(6)</sup>
<b>Bert Jeffries</b> Salmon, Idaho Director	May 11, 2010	Self-employed as exploration geologist and mine construction manager since 2006; Vice President of Exploration and Development of Aldrin Resource Corp.	Nil <sup>(7)</sup>
<b>Corry Silbernagel<sup>(1)</sup></b> Vancouver, B.C. Director	June 6, 2005	Partner at a private equity and mezzanine debt fund and a Professional Engineer.	300,000 <sup>(8)</sup>

(1) Member of the Audit Committee.

(2) Member of Compensation Committee and Corporate Governance Committee.

(3) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at April 11, 2011, based upon information furnished to the Company by individual directors.

(4) Mr. Atlas also holds 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on March 19, 2012, 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on December 1, 2012, 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on April 23, 2013, 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on April 29, 2014, and 100,000 options to purchase Common Shares at an exercise price of \$0.10 per share expiring on June 8, 2015.

(5) Mr. Chan also holds 50,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on March 19, 2012, 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on December 1, 2012, 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on April 23, 2013, and 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on April 29, 2014.

(6) Mr. Hite also holds 150,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on November 13, 2011, 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on March 19, 2012, 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on December 1, 2012, 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on April 23, 2013, and 100,000 options to purchase Common Shares at an exercise price of \$0.10 per share expiring on June 8, 2015.

(7) Mr. Jeffries holds 200,000 options to purchase Common Shares at an exercise price of \$0.10 per share expiring on June 8, 2015.

(8) Mr. Silbernagel also holds 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on March 19, 2012, 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on December 1, 2012, 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on April 23, 2013, 100,000 options to purchase Common Shares at an exercise price of \$0.15 per share expiring on April 29, 2014, 100,000 options to purchase Common Shares at an exercise price of \$0.10 per share expiring on June 8, 2015, and 150,000 options to purchase Common Shares at an exercise price of \$0.10 per share expiring on July 28, 2015.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity.

No proposed director is, at the date of this Information Circular, or has been, within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

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

- (c) 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
- (d) has, within the 10 years before the date of the 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.

Pursuant to the provisions of the *Business Corporations Act* (British Columbia), the Company is required to have an Audit Committee which, at the date of this Information Circular, is comprised of Corry Silbernagel (Chairman), John Hite and Steven Chan.

The Company also has a Compensation Committee and a Corporate Governance Committee, which are both currently comprised of John Hite (Chairman, Compensation Committee), Steven Chan (Chairman, Corporate Governance Committee) and Bert Jeffries.

### **APPOINTMENT OF AUDITOR**

Shareholders will vote for the re-appointment of De Visser Gray LLP, Chartered Accountants, of Suite 401, 905 West Pender, Vancouver, British Columbia, Canada V6C 1L6, as Auditor of the Company. De Visser Gray LLP was first appointed auditors of the Company on August 15, 2006. Shareholders are asked to approve the appointment of De Visser Gray LLP, Chartered Accountants, as the Auditor of the Company for the ensuing year at a remuneration to be fixed by the Directors.

The persons named in the accompanying Instrument of Proxy, unless otherwise directed by the shareholder completing the proxy to abstain from doing so, intend to vote, on any ballot that may be called for, for the appointment of De Visser Gray, Chartered Accountants, as auditors of the Company to hold office until the next Annual General Meeting of shareholders.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

#### **The Audit Committee’s Charter**

The Audit Committee has a charter. A copy of the Audit Committee Charter is set out in the Company’s Information Circular prepared for the Company’s April 29, 2009 annual general meeting and filed on SEDAR on April 1, 2009, and is incorporated herein by reference.

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

The Company’s Audit Committee is currently comprised of Corry Silbernagel (Chairman), John Hite and Steven Chan, all of whom are independent and “financially literate” as defined in NI 52-110.

#### **Relevant Education and Experience**

*Corry Silbernagel* is independent. He is a partner of a Vancouver-based private equity fund. Prior to this, Mr. Silbernagel was CFO of Cabo Drilling Corp., one of Canada’s largest exploration drilling services companies following his role as a management and financial consultant and corporate advisor in strategy, finance, business development and marketing. As a professional engineer, Mr. Silbernagel has managed large-scale projects in excess of \$100 million in the mining and oil and gas industry for companies such as Suncor Energy and TransAlta Energy. Mr. Silbernagel holds a Masters of Business Administration from INSEAD in Fontainebleau, France and a Bachelors degree in Applied Science in Civil Engineering from the University of British Columbia.

*John Hite* is independent. He graduated from the Colorado School of Mines with a professional degree in Geological Engineering. He has over 40 years of experience in the junior mining industry. He has worked as a geologic consultant since 1978 and is a qualified person as defined in National Instrument 43-101. Previously he was with Micronesia Mineral Resources Co., Golden Sitka Inc. and Golden Palm Resources, as well as director and president of East Asia Gold Corp. Presently Mr. Hite is president and director of Marifil Mines Ltd.

*Steven Chan* is independent. He currently consults with public companies in the areas of financing and public relations. He was formerly Vice President of Cambridge House International Inc. He has been instrumental in building Cambridge House into Canada's leading investment conference company, serving the mining and natural resource industry. Mr. Chan has started and managed several private companies, including a consulting company handling investor relations and financings to junior resource companies. He has the expertise to understand and evaluate financial statements that are prepared using both US and Canadian GAAP, the principles applied to natural resource companies' financial statements and the internal controls required to accurately report the Company's financial position.

### **Audit Committee Oversight**

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than BDO Dunwoody, LLP.

### **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 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### **Pre-approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### **External Auditor Service Fees (By Category)**

The audit committee has reviewed the nature and amount of the non-audited services provided by BDO Dunwoody, LLP to the Company to ensure auditor independence. Fees incurred with BDO Dunwoody, LLP for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
2010	\$19,000	Nil	Nil	Nil
2009	\$19,000	Nil	\$1,850	Nil

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

## **CORPORATE GOVERNANCE**

Canadian securities regulatory policy as reflected in National Instrument 58-101 requires that TSX Venture listed companies must disclose on an annual basis their approach to corporate governance. National Instrument 58-201 provides regulatory staff guidance as to preferred governance practices, although such guideline is not prescriptive (other than for audit committees). Disclosure of the Company's approach to corporate governance in the context of these two instruments (together the "Policies"), as well as its compliance with the mandatory rules relating to audit committees, is set out below.

## Mandate of the Board of Directors

The Board has not adopted a written mandate but understands that its role is to (i) assume responsibility for the overall stewardship and development of the Company and monitoring of its business decisions, (ii) identify the principal risks and opportunities of the Company's business and ensuring the implementation of appropriate systems to manage these risks, (iii) provide ethical management and succession planning, including appointing, training and monitoring of senior management and directors, (iv) implement a communication policy for the corporation, and (v) assure the integrity of the corporation's internal financial controls and management information systems. The Policies suggest that the Company should have a sufficient number of independent directors generally and especially on its sub-committees of the Board and that it should formalize its governance practices with written charters and mandates which allow verification that they are being observed. To date, the Board has not adopted written position descriptions for the Chair, the chair of the Audit Committee, or of the President & CEO.

## Composition of the Board of Directors

The following table outlines the Company's independent and non-independent directors, and the basis for a determination that a director is non-independent:

Name	Independent/Non-Independent
Ronald Atlas	Non-Independent <b>Basis for determination:</b> Serves as President of the Company.
Steven Chan	Independent
John Hite	Independent
Bert Jeffries	Independent
Corry Silbernagel	Independent

Under the Policies, an "independent" director is one who "has no direct or indirect material relationship" with the Company. Generally speaking, a director is "independent" if he or she is free from any employment, business or other relationship which could, or could reasonably be expected to materially interfere with the exercise of the director's independent judgment. A material relationship includes the situation where a person has been (or has a family member who has been) within the last three years, an employee or executive of the Company or who was employed by the Company's external auditor in that period. An individual who, or whose family member, is or has been within the last three years, an executive officer of an entity of which any of the Company's current executive officers served at the same time on that entity's compensation committee, is deemed to have a material relationship. Any individual who (or whose family members or partners) received directly or indirectly, any consulting, advisory, accounting or legal fee or investment banking compensation from the Company (other than compensation for acting as a director or as a part time chairman or vice-chairman) which is in excess of \$75,000 during any 12 month period, is also deemed to have a material relationship.

The Board of Directors of the Company is proposing five (5) nominees for the office of director of whom all, with the exception of Ronald Atlas, President of the Company, can be considered "independent" directors by virtue of not being or having been an executive officer of the Company and by virtue of not having received any compensation.

The Company is a small company and has a close knit Board in which free discussion by Board members is encouraged.

During the fiscal year ended September 30, 2010, the Board met four times, the Audit Committee met four times and the Compensation Committee met once.



<b><u>Name of Director</u></b>	<b><u>Number of Board Meetings Attended</u></b>	<b><u>Number of Committee Meetings Attended</u></b>
Ronald Atlas	4 of 4	n/a
Steven Chan <sup>(1)(2)</sup>	4 of 4	5 of 5
John Hite <sup>(1)(2)</sup>	4 of 4	5 of 5
Bert Jeffries <sup>(2)(3)</sup>	4 of 4	0 of 0
Corry Silbernagel <sup>(1)</sup>	4 of 4	4 of 4
Richard Walters <sup>(4)</sup>	1 of 1	0 of 0

(1) Member of Audit Committee.

(2) Member of Compensation Committee and Corporate Governance Committee.

(3) Mr. Jeffries was appointed a director on May 11, 2010.

(4) Mr. Walters resigned as a director on May 11, 2010.

The Board's process for nomination of candidates has been an informal process to date but one in which the entire Board is involved. The Board itself reviews candidates for the Board and its executive officers and reviews succession planning on a regular basis. The Company's current principal operating officers and directors are expected to be active for a number of years. The Board monitors the activities of the senior management through regular meetings and discussions amongst the Board and between the Board and senior management. The Board is of the view that its communication policy between senior management, Board members and shareholders is good. The Board is satisfied with the integrity of the Company's internal control and financial management information systems.

### **Directorships**

The following directors and nominees as directors of the Company serve on one or more boards of directors of other publicly traded companies:

- Mr. Atlas is also a director of Toro Resources Corp., which is a reporting issuer.
- Mr. Chan is also a director of Kermode Resources Ltd., which is a reporting issuer.
- Mr. Hite is also a director of Marifil Mines Limited, which is a reporting issuer.
- Mr. Jeffries is also a director of Aldrin Resource Corp., which is a reporting issuer.
- Mr. Silbernagel is also a director of Goldgroup Mining Inc., which is a reporting issuer.

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

The Policies suggest that (i) committees of the board of directors of a listed corporation (other than the audit committee) generally be composed of at least a majority of independent directors (and preferably all independents) and that (ii) every board of directors expressly assume responsibility, or assign to a committee of directors, responsibility for the development of the corporation's approach to governance issues, (iii) under the audit committee instrument, the audit committee of every board of directors must be composed only of independent directors, and the role of the audit committee be specifically defined and include the responsibility for overseeing management's system of internal control, (iv) the audit committee have direct access to the corporation's external auditor, and (v) the board of directors appoint a committee, composed solely of independent directors, with the responsibility for proposing new nominees to the board and for assessing directors on an ongoing basis.

The Company has to date established an Audit Committee, Compensation Committee and Corporate Governance Committee.

### *Audit Committee*

The Board has adopted a charter for the Audit Committee in accordance with National Instrument 52-110 *Audit Committees*, the Canadian regulatory policy respecting audit committees, in carrying out its audit and financial review functions. The text of the audit committee charter is set out in the Information Circular prepared for the Company's April 29, 2009 annual general meeting and filed on SEDAR on April 1, 2009.

The Audit Committee reviews all financial statements of the Company prior to their publication, reviews audits or communications, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them and reviews fees for audit services. The Audit Committee meets both separately with auditors (without management present) as well as with management present. The meetings with the auditors discuss the various aspects of the Company's financial presentation in the areas of audit risk and Canadian generally accepted accounting principles.

The Company's Audit Committee is currently comprised of: Corry Silbernagel (Chairman), John Hite and Steven Chan, who are independent and "financially literate" as defined in NI 52-110. The audit committee meets quarterly.

### *Compensation Committee*

The Board has established a Compensation Committee of independent, currently comprised of John Hite (Chairman), Steven Chan and Bert Jeffries.

The function of the Compensation Committee is to review, on an annual basis, the compensation paid to the Company's executive officers and to the Directors, and to make recommendations on compensation to the Board. In addition, the Committee reviews the compensation plans for the Company's senior executive staff and administers the Company's stock option plan. The process adopted with respect to the review of compensation for the Company's directors and senior officers is set out under the heading Report on Executive Compensation. See also "Compensation and Discussion Analysis" below. The Board has not adopted a formal charter for the Compensation Committee.

### *Corporate Governance*

The Board has established a Corporate Governance Committee of independent directors, currently comprised of Steven Chan (Chairman), John Hite and Bert Jeffries.

The Corporate Governance Committee is charged with the responsibility of developing corporate governance policies. The Board has not adopted a formal charter for the Corporate Governance Committee.

### **Director Orientation**

When new directors are appointed, they receive orientation on the Company's business, current projects and industry and on the responsibilities of directors. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

### **Ethical Business Conduct**

The Company has not adopted a written code of conduct applicable to officers and directors of the Company. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operated independently of management and in the best interests of the Company.

## **Board Decision Making**

The Board generally requires that all material transactions receive Board review. In this regard, virtually all financing transactions are considered material to the Company. Any property acquisitions and significant exploration programs also generally receive the approval of the plenary Board.

## **Nomination of Directors**

The Board has not established a nominating committee. The Board annually evaluates the size of the Board and persons as nominees for the position of Director of the Company. The Board's process for nomination of candidates has been an informal process to date but one in which the entire Board is involved. The Board itself reviews candidates for the Board and its executive officers.

## **Recruitment of New Directors and Assessment of Board Performance**

Good governance policies suggest that (i) every board of directors of a listed corporation implement a process for assessing the effectiveness of the board of directors and the committees of the board and the contribution of individual directors, (ii) every corporation provide an orientation and education program for new directors, and (iii) every board review the adequacy and form of compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director. The Board has not yet developed a means of assessing Board performance.

## **COMPENSATION OF EXECUTIVE OFFICERS**

During the Company's financial year ended September 30, 2010, the aggregate direct remuneration paid or payable to the Company's executive officers by the Company was \$186,922.

### *Executive Compensation*

In this section, "Named Executive Officer" means each of the following individuals:

- (a) a Chief Executive Officer ("CEO");
- (b) a Chief Financial Officer ("CFO");
- (c) each of the 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 for that financial year; 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 September 30, 2010.

The Company has two (2) Named Executive Officers: Ronald Atlas, President and Chairman of the Board, and Jorge Avelino, CFO, are each a "Named Executive Officer" of the Company for the purposes of the following disclosure.

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant, give or otherwise provide to each Named Executive Officer and director for the financial year ended September 30, 2010.

## **Compensation and Discussion Analysis**

The Company's Compensation Committee is currently comprised of Corry Silbernagel (Chairman), Steven Chan and Bert Jeffries.

Executive Compensation is determined by the independent members of the Board who review proposed compensation and determine if it is competitive with similar companies and whether it recognizes and rewards executive performance consistent with the success of the Corporation's business. The policies and programs are

designed to attract and retain capable and experienced people. The Compensation Committee assists in establishing the Company's compensation goals and objectives and ensures that they are aligned with the Company's overall business objectives and with shareholder interests.

In addition to industry comparables, the Compensation Committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Corporation and its shareholders, overall financial and operating performance of the Corporation and the Compensation Committee's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

### **Philosophy and Objectives**

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its stock option plan.

### **Elements of the Compensation Program for the Fiscal Year 2010**

The significant elements of compensation awarded to the Named Executive Officers are a cash salary and stock options. The Company does not presently have a long-term incentive plan for its Named Executive Officers. There is no policy or target regarding allocation between cash and non-cash elements of the Corporation's compensation program. The Board reviews annually the total compensation package of each of the Company's executives on an individual basis, against the backdrop of the compensation goals and objectives described above.

#### **Cash Salary**

As a general rule, the Company seeks to offer its Named Executive Officers a compensation package that is in line with that offered by other companies in our industry, and as an immediate means of rewarding the Named Executive Officer for efforts expended on behalf of the Company.

#### **Equity Participation**

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's stock option plan. Stock options are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options are generally granted to senior executives which vest on terms established by the Board.

#### **Stock Options**

The Company's Stock Option Plan is intended to emphasize management's commitment to the growth of the Company and the enhancements of shareholders' equity through, for example, improvements in its resource base and share price increments.

The Company relies on board discussions without any formal objectives in granting stock options, other than management's consideration of the Named Executive Officer's duties and responsibilities, the Named Executive Officer's execution of such duties, and the impact of stock options on the total compensation package as envisioned by the Board for each of the Named Executive Officers. In view of the current situation wherein the Company is not in a position to pay cash salaries commensurate with the Named Executive Officers' positions in comparison with industry standards, the Board generally relies on stock options to design an equitable compensation package.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

At least annually, the Board reviews the grant of stock options to management and employees.

The Company has in place a share option plan which was ratified and approved by the shareholders of the Company at the annual general meeting of the Company held on July 28, 2010 ("the Plan"). The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date not later than five (5) years after the issuance of such option. Previous grants of option-based awards are taken into account when considering new grants of options. Subject to the requirements of the policies of the TSX Venture Exchange (the "TSX-V") and the prior receipt of any necessary regulatory approval, the Board may, in its absolute discretion, amend or modify the Plan or any outstanding option granted under the Plan, as to the provisions set out in the Plan.

The process by which the Board grants option-based awards to executive officers is:

- The Board generally approves base salaries and stock options at the same time to facilitate consideration of targeted direct compensation to executive officers. Additional options may be granted as options are replenished within the Plan. Options are granted at other times of the year to individuals commencing employment with the Company. The exercise price for the options is set in accordance with the policies of the TSX-V.

#### **Perquisites and Other Personal Benefits:**

Currently there are no significant perquisites or other personal benefits offered to the Company's Named Executive Officers or other employees.

### **SUMMARY COMPENSATION TABLE**

The compensation paid to the Named Executive Officers during the Company's most recently completed financial years ended September 30, 2009 and 2010 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and principal position	Year Ended September	Salary <sup>(1)</sup> (\$)	Share-based awards <sup>(2)</sup> (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation <sup>(3)</sup> (\$)		Pension value (\$)	All other compensation (\$)	Total compensation <sup>(4)</sup> (\$)
					Annual incentive plans	Long-term incentive plans			
Ronald Atlas President & Chairman of the Board	2010	127,712 <sup>(5)</sup>	Nil	5,880	Nil	Nil	Nil	Nil	133,592
	2009	144,537 <sup>(5)</sup>	Nil	7,000	Nil	Nil	Nil	Nil	151,537
Jorge Avelino CFO	2010	59,210 <sup>(6)</sup>	Nil	5,880	Nil	Nil	Nil	Nil	65,090
	2009	51,090 <sup>(6)</sup>	Nil	5,250	Nil	Nil	Nil	Nil	56,340

(1) Includes the dollar value of cash and non-cash base salary earned during a financial year covered.

(2) The method used to calculate the grant date fair value for the calculation was Black-Scholes option-pricing model (\$0.07 for 2009 and \$0.0588 for 2010).

(3) These amounts include annual non-equity incentive plan compensation, such as bonuses and discretionary amounts.

(4) These amounts include all amounts set out in table from for each Named Executive Officer and executive officer.

(5) Paid to a private consult company which is wholly owned by Mr. Atlas.

(6) Paid to a private company that provides financial and accounting services to the Company, of which Mr. Avelino is an employee and managing partner.

## Outstanding Share-based Awards and Option-based Awards

The following table sets out all share-based awards and option-based awards outstanding as at September 30, 2010, for each Named Executive Officer:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Ronald Atlas	150,000 <sup>(2)</sup> 100,000 100,000 100,000 100,000 <u>100,000</u> 650,000	\$0.15 \$0.15 \$0.15 \$0.15 \$0.15 \$0.10	June 13, 2011 March 19, 2012 December 1, 2012 April 23, 2013 April 29, 2014 June 8, 2015	4,500 3,000 3,000 3,000 3,000 <u>8,000</u> 24,500	Nil	Nil
Jorge Avelino	40,000 50,000 50,000 75,000 <u>100,000</u> 315,000	\$0.15 \$0.15 \$0.15 \$0.15 \$0.10	March 19, 2012 December 1, 2012 April 23, 2013 April 29, 2014 June 8, 2015	1,200 1,500 1,500 2,250 <u>8,000</u> 14,450	Nil	Nil

(1) The market price of the Company's common shares as reported on the TSX-V on September 30, 2010 was \$0.18 per share.

(2) Exercised subsequent to year ended September 30, 2010.

## Incentive plan awards – value vested or earned during the year.

The following table sets out all incentive plans (value vested or earned) during the year ended September 30, 2010, for each Named Executive Officer:

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 (\$)
Ronald Atlas	5,880	Nil	Nil
Jorge Avelino	5,880	Nil	Nil

## Pension Plan Benefits

The Company has no pension plans for its directors, officers or employees.

## Termination of Employment, Change in Responsibilities and Employment Contracts

The following agreements with the Named Executive Officers were in effect during the year ended September 30, 2010.

- (a) Pursuant to a management agreement effective the 1st day of July, 2010, Ronald J. Atlas is paid a fee of \$10,000 per month, for acting as President of the Company, with bonuses as may be granted from time to time by the Company's Compensation Committee. The agreement is for a term of two years with automatic renewal terms, and may be terminated upon notice in writing and payment of \$120,000 and any bonuses that may be due at such time of termination. In addition, the agreement provides that, for a period of 30 days after a "change of control", Mr. Atlas may deem the agreement to be terminated, in which case Mr. Atlas will receive a lump sum payment of \$120,000 and any bonuses then due. A change of control (a "Change of Control") means the acquisition, by a person or persons acting jointly or in concert, and their affiliate(s) or associate(s), of:
- (i) 25% or more of the issued and outstanding voting shares of the Corporation, or

- (ii) instruments that are convertible or exercisable, alone or in conjunction with existing shareholdings of such person(s) and their associates and affiliates, on conditions or otherwise, into 25% or more of the then issued and outstanding voting shares of the Corporation upon the conversion or exercise thereof.
- (b) Pursuant to a management agreement effective the 1st day of July, 2010, Bill Galine is paid a fee of \$6,500 per month, for acting as Executive Vice-President of the Company, , with bonuses as may be granted from time to time by the Company's Compensation Committee. The agreement is for an initial term of one year with automatic renewal terms, and may be terminated by the Company on payment of 12 months compensation in the amount of \$78,000 and any bonuses that may be due at such time of termination. In addition, the agreement provides that, for a period of 30 days after a "change of control", Mr. Galine may deem the agreement to be terminated, in which case Mr. Galine will receive a lump sum payment of \$39,000 and any bonuses then due. A change of control (a "Change of Control") " means the acquisition, by a person or persons acting jointly or in concert, and their affiliate(s) or associate(s), of:
- (i) 25% or more of the issued and outstanding voting shares of the Corporation, or
  - (ii) instruments that are convertible or exercisable, alone or in conjunction with existing shareholdings of such person(s) and their associates and affiliates, on conditions or otherwise, into 25% or more of the then issued and outstanding voting shares of the Corporation upon the conversion or exercise thereof.

#### *Compensation of Directors*

The Company does not have any non-cash compensation plans for its directors and it does not propose to pay or distribute any non-cash compensation during the current financial year, other than the possible grant of incentive stock options.

The compensation provided to directors, excluding directors who are included in disclosure for a Named Executive Officer for the Company's most recently completed financial year of September 30, 2010, is as follows:

Name <sup>(1)</sup>	Fees earned (\$)	Share-based Awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation <sup>(2)</sup> (\$)	Total (\$)
Steven Chan	6,200	Nil	5,430	Nil	Nil	Nil	11,630
John Hite	5,915	Nil	5,430	Nil	Nil	Nil	11,345
Bert Jeffries <sup>(3)</sup>	2,000	Nil	10,860	Nil	Nil	Nil	12,860
Corry Silbernagel	7,000	Nil	14,250	Nil	Nil	Nil	21,250
Richard Walters <sup>(4)</sup>	3,595	Nil	Nil	Nil	Nil	Nil	3,595

- (1) Does not include disclosure for a director who is also an Named Executive Officer unless compensation has not previously been fully disclosed herein.
- (2) Includes all fees awarded, earned, paid or payable in cash for services as a director, including annual retainer fees, committee and chair fees, and meeting fees of \$500 per meeting.
- (3) Appointed a director of the Company on May 11, 2010.
- (4) Resigned as a director of the Company on May 11, 2010.

The following table sets out all share-based awards and option-based awards outstanding as at September 30, 2010, for each director, excluding directors and officers who are already set out in disclosure for Named Executive Officers for the Company:

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 (\$)
Steven Chan <sup>(3)</sup>	15,000 100,000 100,000 100,000 100,000 100,000 <u>100,000</u> 615,000	\$0.15 \$0.15 \$0.15 \$0.15 \$0.15 \$0.15 \$0.10	January 16, 2011 May 8, 2011 March 19, 2012 December 1, 2012 April 23, 2013 April 29, 2014 June 8, 2015	450 3,000 3,000 3,000 3,000 3,000 <u>8,000</u> 23,450	Nil	Nil
John Hite	150,000 100,000 100,000 100,000 <u>100,000</u> 550,000	\$0.15 \$0.15 \$0.15 \$0.15 \$0.10	November 13, 2011 March 19, 2012 December 1, 2012 April 23, 2013 June 8, 2015	4,500 3,000 3,000 3,000 <u>8,000</u> 21,500	Nil	Nil
Bert Jeffries <sup>(2)</sup>	200,000	\$0.10	June 8, 2015	16,000	Nil	Nil
Corry Silbernagel <sup>(4)</sup>	15,000 100,000 100,000 100,000 100,000 100,000 <u>150,000</u> 665,000	\$0.15 \$0.15 \$0.15 \$0.15 \$0.15 \$0.10 \$0.10	January 16, 2011 March 19, 2012 December 1, 2012 April 23, 2013 April 29, 2014 June 8, 2015 July 28, 2015	450 3,000 3,000 3,000 3,000 8,000 <u>12,000</u> 32,450	Nil	Nil
Richard Walters <sup>(5)</sup>	50,000 <u>100,000</u> 150,000	\$0.15 \$0.15	March 12, 2013 April 23, 2013	1,500 <u>3,000</u> 4,500	Nil	Nil

(1) The market price of the Company's common shares as reported on the TSX-V on September 30, 2010 was \$0.18 per share.

(2) Appointed a director of the Company on May 11, 2010.

(3) Subsequent to the year ended September 30, 2010, 15,000 options expired and 250,000 options were exercised.

(4) Subsequent to the year ended September 30, 2010, 15,000 options expired.

(5) Subsequent to the year ended September 30, 2010, 150,000 options were exercised.

The following table sets forth details of all exercises of stock options during the most recently completed financial year ended September 30, 2010 by each of the Named Executive Officers and directors of the Company, the number of unexercised options held by the Named Executive Officers and directors, and the financial year-end value of unexercised in-the-money options on an aggregated basis. The Named Executive Officers and directors did not exercise any options in respect of the Company's shares during the most recently completed financial year, other than as listed below.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized <sup>(1)</sup> (\$)	Unexercised Options/SAR's at Fiscal Year-End (#) Exercisable/ Unexercisable	Value of Unexercised In-the-Money Options/SAR's at Fiscal Year-End <sup>(2)</sup> (\$) Exercisable/ Unexercisable
Ronald Atlas <sup>(3)</sup>	Nil	Nil	650,000 / Nil	24,500 / Nil
Steven Chan <sup>(4)</sup>	Nil	Nil	615,000 / Nil	23,450 / Nil
John Hite	Nil	Nil	550,000 / Nil	21,500 / Nil
Bert Jeffries <sup>(5)</sup>	Nil	Nil	200,000 / Nil	16,000 / Nil
Corry Silbernagel <sup>(6)</sup>	Nil	Nil	665,000 / Nil	32,450 / Nil
Jorge Avelino	Nil	Nil	315,000 / Nil	14,450 / Nil



- (1) The closing price of the common shares on the date of exercise less the exercise price of the options.
- (2) Based on the closing price of the common shares on September 30, 2010 (\$0.18) less the exercise price of the options.
- (3) Subsequent to year end, 150,000 @ \$0.15 were exercised.
- (4) Subsequent to year end, 15,000 @ \$0.15 expired; 100,000 @ \$0.10 were exercised; 150,000 @ \$0.15 were exercised.
- (5) Appointed a director of the Company on May 11, 2010.
- (6) Subsequent to year end, 15,000 @ \$0.15 expired.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is the Company's share incentive stock option plan (the "Plan") which was previously approved by shareholders on April 29, 2009.

The following table sets out equity compensation plan information as at the end of the financial year ended September 30, 2010.

### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders – July 28, 2010	4,605,000	\$0.14	143,407
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	4,605,000		143,407

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

### Aggregate Indebtedness

Purpose	To the Company or its Subsidiaries	To Another Entity
Share Purchases	Nil	Nil
Other	Nil	Nil

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, save and except for those matters pertaining to incentive stock options.

During the financial year ended September 30, 2010, the Company paid consulting fees of \$78,000 to William Galine, Executive Vice-President. Management contracts are disclosed elsewhere in this Circular. See "*Termination of Employment, Change in Responsibilities and Employment Contracts*".

## MANAGEMENT CONTRACTS

During the Company's most recently completed financial year ended September 30, 2010, there were no management functions of the Company, which were to any substantial degree performed by a person other than a director or senior officer of the Company.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### A. Presentation of Financial Statements

The audited financial statements for the Company for the year ended September 30, 2010, together with the report of the auditors thereon, will be placed before the Meeting. The audited financial statements of the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### B. Stock Option Plan

#### (a) Ratification of Stock Option Plan

The Company received shareholder approval at its Annual General Meeting held on July 28, 2010 to a “rolling” stock option plan (the “Plan”) whereby a maximum of 10% of the issued shares of the Company, from time to time, may be reserved for issuance pursuant to the exercise of options. The TSX-V requires listed companies that have “rolling” stock option plans in place to receive shareholder approval to such plan on a yearly basis at the Company’s annual general meeting. Accordingly, the shareholders of the Company will be asked at the Meeting to ratify and approve the Plan, which contains terms identical to the Plan previously approved by shareholders and the TSX-V.

The purpose of the Plan is to attract, retain and motivate management, directors, employees and other service providers by providing them with an opportunity, through share options, to acquire an interest in the Corporation and benefit from its growth.

The material terms of the Plan are as follows:

1. The term of any options granted under the Plan will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of five years (or ten years if the Company is reclassified by the TSX-V as a Tier 1 Issuer).
2. The exercise price of any options granted under the Plan will be determined by the board of directors, in its sole discretion, but shall not be less than the minimum price of options permitted by the TSX-V.
3. No vesting requirements will apply to options granted thereunder other than as required by TSX-V policies or as may be determined by the board of directors, in its sole discretion; however, a four-month hold period will apply to all shares issued under each option, commencing from the date of grant.
4. All options will be non-assignable and non-transferable.
5. No more than (i) 5% of the issued shares may be granted to any one individual in any 12 month period; and (ii) 2% of the issued shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period.
6. If the option holder ceases to be a director of the Company or ceases to be employed by the Company (other than by reason of death), as the case may be, then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director or ceases to be employed by the Company, subject to the terms and conditions set out in the Plan. However, if the option holder is an employee or is engaged in investor relations activities the options must expire within 30 days after the option holder ceases to be employed by the Company to provide investor relations activities, in accordance with the policies of the TSX-V.
7. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12 month period, exceeding 10% of the Company’s issued shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company’s issued shares.
8. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company’s common shares.

9. The Company may implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

The Plan is subject to receipt of annual TSX-V acceptance to its filing. Shareholders will be asked at the Meeting to consider, and if thought fit, to approve an ordinary resolution ratifying and approving the Company's existing Plan.

Reference should be made to the full text of the Plan which will be made available at the offices of Expedition Mining Inc., Suite 600 – 595 Howe Street, Vancouver, British Columbia, V6C 2T5, until 3:30 p.m. on the business day immediately preceding the date of the Meeting, and at the Meeting.

Accordingly, shareholders will be asked to approve the following resolutions:

“BE IT RESOLVED, as an ordinary resolution, that the continuation of the Company's rolling 10% Stock Option Plan, as described in the Company's information circular dated April 11, 2011 be and is hereby approved.”

**(b) Ancillary Matters**

In addition, as noted above, under the terms of the Plan and the policies of the Exchange, the Company must obtain “disinterested shareholder approval” (such that no insider or proposed insider (or their associates) will be entitled to vote on such resolutions) to:

- (a) a decrease in the exercise price of stock options previously granted to insiders;
- (b) if and only if the Company becomes a Tier 1 issuer (as defined by the policies of the TSX-V), the issuance to any one optionee, within any 12 month period, of a number of options exceeding 5% of the issued shares; and
- (c) the grant to insiders, within a 12 month period, of a number of options exceeding 10% of the number of issued shares.

Although at no one time will options granted under the plan entitle insiders to purchase more than 10% of the outstanding shares of the Company, the Company may, over the next 12 months, grant stock options to insiders pursuant to the Plan that in aggregate (after taking into account exercises of options and new grants) exceed 10% of the Company's issued shares. In addition, the Company may determine to renegotiate options granted to insiders, and may, if it becomes a Tier 1 issuer, seek to grant options exceeding 5% of the outstanding shares to one optionee. Accordingly, disinterested shareholders will be asked at the Meeting to pass an ordinary resolution authorizing the directors to implement the above. As of the date of this Information Circular 2,927,500 Common Shares of the Company are held by insiders and their associates. These shares will be excluded from voting on the resolution. **Granting directors the right to issue options in excess of the limitations set out in the plan does not mean that same will occur.** Rather it allows the directors the flexibility to undertake the same should the circumstances warrant, without the expense of calling another shareholder meeting to specifically approve each issuance or renegotiation of price.

In connection with the foregoing, all of the disinterested shareholders of the Company will be asked to approve the following resolution, with or without variation, to authorize the directors of the Company to grant to individual optionees, within any 12 month period, a number of shares exceeding 5% of the issued shares of the Company, and to grant to insiders, within a 12 month period, a number of options exceeding 10% of the number of issued shares of the Company:

“BE IT RESOLVED, as an ordinary resolution of the disinterested shareholders of Expedition Mining Inc. (the “Company”), that in connection with the Company's stock option plan the directors of the Company be and are hereby authorized without further approval to, from time to time, grant to insiders, within a 12 month period, a number of options exceeding 10% of the number of issued shares.”

The persons named in the enclosed form of proxy, if named as proxy, intend to vote on any ballot that may be called for in favour of the foregoing resolutions regarding the stock option plan of the Company.

## **OTHER MATTERS**

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Instrument of Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information relating to Expedition Mining Inc. is provided in the Company's comparative financial statements and management discussion and analysis ("MD&A") for the fiscal year ended September 30, 2010. Shareholders may contact the Company to request copies of the financial statements and MD&A by: (i) mail to Suite 600, 595 Howe Street, Vancouver, B.C. V6C 2T5; or (ii) fax to (604) 662-3904.

## **APPROVAL**

The content and sending of this Information Circular has been approved by the Company's board of directors.

**DATED** at Vancouver, British Columbia, the 11<sup>th</sup> day of April, 2011.

## **BY ORDER OF THE BOARD**

(sgd.) "*Ronald Atlas*"

President and Chairman of the Board