

**ADMIRAL BAY RESOURCES INC.
7060 South Tucson Way, Suite B
Centennial, CO USA 80112**

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS:

The 2011 Annual General Meeting of the shareholders of Admiral Bay Resources Inc. (the “**Company**”) will be held at 7060 South Tucson Way, Suite B, Centennial, Colorado, USA 80112, on:

Monday, January 31, 2011

at 10:00 a.m. (Mountain Standard Time) for the following purposes:

1. To receive the Company’s audited consolidated financial statements for the financial year ended July 31, 2010 and the auditor’s report and management’s discussion and analysis thereon;
2. To appoint an auditor for the next year and to authorize the directors to fix the auditor’s remuneration;
3. To determine the number of directors and to elect directors;
4. To consider and, if thought fit, to approve the Company’s 2005 Stock Option Plan; and
5. To transact any other business that may properly come before the meeting and any adjournment thereof.

An Information Circular and a form of Proxy accompany this Notice. The Information Circular provides additional information relating to the matters to be dealt with at the meeting and forms part of this Notice.

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxyholder to attend and vote in his or her place. If you are unable to attend the meeting or any adjournment in person, please read the Notes accompanying the enclosed form of Proxy and then complete, sign, and date the Proxy and return it within the time and to the location set out in the Notes. The Company’s management is soliciting the enclosed form of Proxy but, as set out in the Notes, you may amend the Proxy if you wish by striking out the names listed and inserting in the space provided the name of the person you want to represent you at the meeting.

Please advise the Company of any change in your address.

DATED at Vancouver, British Columbia, this 20th day of December, 2010.

BY ORDER OF THE BOARD OF DIRECTORS

“Steven Tedesco”

President

ADMIRAL BAY RESOURCES INC.

7060 South Tucson Way, Suite B
Centennial, CO, USA 80112

**INFORMATION CIRCULAR
as of December 20, 2010 (unless otherwise noted)**

MANAGEMENT SOLICITATION OF PROXIES

This Information Circular is furnished to you in connection with the solicitation of proxies by management of Admiral Bay Resources Inc. (“we”, “us” or the “Company”) for use at the annual general meeting (the “Meeting”) of shareholders of the Company to be held on Monday, January 31, 2011, and at any adjournment of the Meeting. The Company will conduct the solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

APPOINTMENT OF PROXY HOLDER

The persons named as **proxy holders** in the enclosed form of proxy are the Company’s directors or officers. **As a shareholder, you have the right to appoint a person (who need not be a shareholder) in place of the persons named in the form of proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and deliver another appropriate form of proxy.**

A proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

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 judgment.

RETURN OF PROXY

You must deliver the completed form of proxy to the office of our registrar and transfer agent, Equity Financial Trust Company, by fax to (416) 361-0470 or by hand or mail to 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, or to the Company's head office at the address listed on the cover page of this Information Circular, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment.

ADVICE TO NON-REGISTERED SHAREHOLDERS

Only shareholders whose names appear on our records or validly appointed proxyholders are permitted to vote at the Meeting. Most of our shareholders are "non-registered" shareholders because their shares are registered in the name of 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 Services Inc. (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 the securities regulatory policy, we have distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular, and the form of proxy, directly to the NOBOs and to the Nominees for onward distribution to our non-registered shareholders.

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 shareholder 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 specific instructions noted on the VIF.

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

REVOCAION OF PROXY

If you are a registered shareholder who has returned a proxy, you may revoke your 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; or
- (c) attending the Meeting in person and registering with the scrutineer as a registered shareholder present in person.

The later proxy or the notice of revocation must be delivered to the office of our registrar and transfer agent or to our 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.

If you are a non-registered shareholder who wishes to revoke a proxy authorization form (voting instructions) or to revoke a waiver of your right to receive Meeting materials and to give voting instructions, you must give written instructions to your Nominee at least seven days before the Meeting.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

We are authorized to issue 202,297,707 common shares without par value, of which 5,142,226 common shares were issued and outstanding as of December 20, 2010. There is one class of shares only.

Persons who are registered shareholders at the close of business on December 20, 2010 will be entitled to receive notice of, attend, and vote at the Meeting. On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each share. In order to approve a motion proposed at the Meeting, a majority of more than 50% of the votes cast will be required to pass an ordinary resolution, and a majority of at least 75% of the votes cast will be required to pass a special resolution.

To the knowledge of our directors and executive officers, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of all voting rights.

ELECTION OF DIRECTORS

Our directors are elected at each annual general meeting and hold office until the next annual general meeting or until that person sooner ceases to be a director. The shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at three for the next year, subject to any increases permitted by the Company's Articles.

Unless you provide other instructions, the enclosed proxy will be voted for the nominees listed below, all of whom are presently members of the Board of Directors. Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the proxy will exercise his or her discretionary authority to vote the shares represented by the proxy for the election of any other person or persons as directors.

Management proposes to nominate the persons named in the table below for election as director. The information concerning the proposed nominees has been furnished by each of them:

Name, Province or State and Country of Residence and Present Office Held	Periods Served as Director	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised ⁽¹⁾	Principal Occupation and, if Not Previously Elected, Principal Occupation during the Past Five Years
Steven Tedesco Colorado, USA President, Chief Executive Officer and Director ⁽²⁾	March 1, 2004 to present	305,355	President and CEO of the Company; Geologist. See detailed description below.
Steven Quoy Colorado, USA Director ⁽²⁾	February 10, 2009 to present	Nil	President of AltaWind Energy. See detailed description below.
Peter Tunkey New York, USA Director ⁽²⁾	September 3, 2010 to present	Nil	Owner And President Buffalo Material Handling Corp. See detailed description below.

(1) As at December 20, 2010.

(2) Denotes a member of our Audit Committee.

Steven Tedesco has over 25 years experience working with coals and coal mining, over 22 years experience in oil and gas exploration and production, and has been working since 1988 in the coal bed methane (CBM) industry. Mr. Tedesco is considered an expert in coal bed methane in North America and Europe with a specific focus on Mid-Continent and Eastern United States coals. Mr. Tedesco has handled projects from cradle to grave and is experienced in all aspects of oil, gas and coal bed methane operations. He has a Masters in Science in Geology from Southern Illinois University, specializing in coal and is presently in the Ph.D. program at the Colorado School of Mines.

Mr. Tedesco is the founder of Atoka Coal Labs, a company specializing in coal analysis for the coal bed methane industry. He has been a CBM consultant for Peabody Coal, Newfield Exploration, Calpine, Berry Petroleum and Wolverine Gas & Oil.

Steven Quoy is the President and co-founder of AltaWind Energy Corporation, a wind energy developer of utility scale electric generation projects in North America. From 1984 to July 2008, prior to establishing AltaWind, he was the Managing Director of Fixed Income and Capital Markets for several Regional and NYSE member firms, specializing in public and private debt financing, structured debt and corporate finance. Mr. Quoy has been a frequent consultant to numerous financial institutions and private trusts, analyzing, evaluating and structuring capital assets to manage interest rate risk and liquidity needs. He received his Bachelor of Science degree in Business Management from Metropolitan State College of Denver.

Peter R. Tunkey is the owner and President of Buffalo Materials Handling Corporation. From 1981 to 1998, Peter Tunkey was the owner and operator of the National Car Rental franchise, representing four locations in Buffalo and Niagara Falls, NY. Peter more than doubled the rental business through innovative marketing programs and strategic pricing. He also developed and successfully launched several other business ventures that were centered on the “National” brand, including National Leasing Company, National Car Sales, National Airport Parking and National Car Care. After selling the company back to the National corporate office in 1998, Peter took the role as Vice President of Operations of Employer Services Corp., a start-up company that rapidly became an INC 500 company. Peter guided the business to profitable, exponential growth, leading technical and operational initiatives that drove sales up from less than \$1 million to \$90+ million. Additionally, he was individually accredited

with saving \$2+ million in labor expenses through cost saving initiatives and process improvements. In 2009, Peter began exploring acquisition opportunities for a business with strong profit and growth potential. In June of 2010, Peter purchased Buffalo Materials Handling Corporation, a fork lift, warehousing and material handling business that has been in business for over 50 years.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

- (a) is, as at the date of the Information Circular, or has been within 10 years before the date of the Information Circular, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Company) that:
 - (i) was subject to 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 while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) was subject to 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 the 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.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Board of Directors has responsibility for reviewing our overall compensation strategy, objectives and policies; annually reviewing and assessing the performance of our executive officers; determining the compensation of the executive officers; reviewing executive appointments; and determining the adequacy and form of directors' compensation.

The main objectives we hope to achieve through our compensation are:

- to attract and retain executives critical to our success, who will be key in helping us achieve our corporate objectives and increase shareholder value;
- to motivate our management team to meet or exceed objectives and targets;
- to recognize the contribution of our executive officers to our overall success and strategic growth; and
- to align the interests of management and our shareholders by providing performance-based compensation in addition to salary.

Due to our small size, our process for setting executive and director compensation is fairly simple. The Board of Directors reviews compensation paid for directors and CEOs of companies of similar size and stage of development in the oil and gas industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and our executive officers while taking into account our financial and other resources. In setting the compensation, the Board of Directors annually reviews the performance of the CEO in light of our objectives and considers other factors that may have impacted our success in achieving our objectives. Compensation of our executive officers is comprised of a base salary and typically, the grant of options to purchase our common shares pursuant to our stock option plan. A cash bonus may be paid, solely at the discretion of the Board, to recognize exceptional performance or results that the Board feels are accretive to shareholder value. Presently, the Board of Directors does not set specific performance goals for the executive officers but it does discuss our short-term and long-term focus with the executive officers.

The grant of stock options to purchase our common shares is a method of compensation which is used to attract and retain personnel and to provide an incentive to participate in our long-term focus and development, with specific emphasis on increasing shareholder value. The CEO typically puts forth a proposal for stock option grants for directors, officers and employees, which is reviewed and discussed by the Board of Directors and ultimately approved by the Board. The following factors are taken into consideration when new stock option grants are proposed: the optionee's length of service and responsibility level; past performance and expected future performance; prior option grants and the number of our issued and outstanding shares. Specific target levels for stock options grants have not been established at the present time.

Compensation of Named Executive Officers

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

- (a) our CEO;
- (b) our CFO;
- (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 financial year ended July 31, 2010 whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 52-102F6, for that financial year; and

- (d) each individual who would be a Named Executive Officer under paragraph c) above 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.

Under the definitions described above, we had two “Named Executive Officers” during our financial year ended July 31, 2010, being Steven Tedesco, who is currently our CEO, and Robert Carington, who is our former CFO..

The table below sets out particulars of compensation paid to the Named Executive Officers for services to the Company during the three most recently completed financial years.

Summary Compensation Table

Name and principal position	Year ⁽¹⁾	Salary (US\$)	Share-based awards (US\$)	Option-based awards ⁽²⁾⁽³⁾ (US\$)	Non-equity incentive plan compensation (\$)		Pension value (US\$)	All other compensation (US\$)	Total compensation ⁽³⁾ (US\$)
					Annual incentive plans	Long term incentive plans			
Steven Tedesco President and CEO	2010	128,000	N/A	Nil	Nil	N/A	N/A	Nil	128,000
	2009	160,000	N/A	Nil	Nil	N/A	N/A	Nil	160,000
	2008	240,000	N/A	315,000	Nil	N/A	N/A	Nil	555,000
Robert Carington Former CFO	2010	220,000	N/A	Nil	Nil	N/A	N/A	Nil	220,000
	2009	250,800	N/A	Nil	Nil	N/A	N/A	Nil	250,800
	2008	264,000	N/A	350,000	Nil	N/A	N/A	Nil	614,000

(1) July 31

(2) The “grant date fair value” has been determined by using the Black-Scholes option pricing model. See discussions below.

(3) All options shown were granted with an exercise price equal to or in excess of the market price of the Company’s common shares on the date of grant. Accordingly, the values shown for these options are not the “in-the money” value at the time of grant, but the theoretical value of the options at that time based on the Black-Scholes-option pricing formula. Notwithstanding the theoretical value of these options, all of the options had a nil “in-the-money” value on July 31, 2010. Please see the table under “outstanding option-based awards” for the in-the money value of these options on July 31, 2010.

The Company has calculated the “grant date fair value” amounts in column (e) using the Black-Scholes option pricing model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors, including the exercise price of the option, the price of the underlying security on the date that the option was granted, and assumptions related to the volatility of the price of the underlying security and the risk-free rate of return.

The estimated fair value of each stock option grant that is calculated using this methodology is quite different from a simple “in-the-money” value calculation. Stock options that are well out-of-the-money can still have a significant “grant date fair value” based on the Black-Scholes valuation, especially where, as is the case for the Company, the price of the share underlying the option is highly volatile. Accordingly, readers of this information should exercise caution when comparing the estimated grant date fair amounts reported in the table with the Named Executive Officer’s cash compensation or an “in-the-money” option value calculation. The same caution should be exercised when reviewing the total compensation amounts in column (i) above, which are based, in part, on the grant date fair value amounts set out in column (e) above. The total cash compensation paid to each Named Executive Officer is included in the table above.

Incentive Plan Awards

Outstanding Share-Based and Option-Based Awards

The following table sets out, for each Name Executive Officer, the awards outstanding at July 31, 2010.

Outstanding share-based awards and option-based awards

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of share or units of shares that have not vested (#)	Market of payout value of share-based awards that have not vested (\$)
Steven Tedesco President and CEO	150,000	1.00	01/23/11	Nil	N/A	N/A
	669,000	1.10	05/16/11	Nil	N/A	N/A
	350,000	0.52	05/09/12	Nil	N/A	N/A
	215,000	0.23	09/06/12	Nil	N/A	N/A
	100,000	0.29	06/03/13	Nil	N/A	N/A
Robert Carington Former CFO	535,000	1.10	05/16/11	Nil	N/A	N/A
	125,000	0.52	05/16/12	Nil	N/A	N/A
	250,000	0.23	09/06/12	Nil	N/A	N/A
	100,000	0.29	06/03/13	Nil	N/A	N/A

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out, for each Named Executive Officer, the value of all incentive plan awards issued during the financial year ended July 31, 2010.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Steven Tedesco	Nil	Nil	Nil
Robert Carington	Nil	Nil	Nil

Long-Term Incentive Plan – Awards

We currently have no long-term incentive plans intended to serve as incentive for performance to occur over a period longer than one year.

Incentive Stock Options to Named Executive Officers

We did not grant an option to any Named Executive Officer during the financial year ended July 31, 2010.

Pension Plan Benefits

We do not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement of Named Executive Officers.

Termination and Change of Control Benefits

By written agreement, the Company employs Steven Tedesco as President and CEO, under which Mr. Tedesco provides management services to the Company at the discretion of the Board of Directors. Mr. Tedesco receives US\$10,666.68 per month as compensation for his services. Mr. Tedesco will be acting CFO until the Company reviews its strategic alternatives.

By written agreement, the Company employed Robert Carington as CFO, under which Mr. Carington provided management services to the Company at the discretion of the Board. Mr. Carington received US\$17,600.00 per month as compensation for his services. Mr. Carington resigned as CFO on September 3, 2010 and his employment agreement terminated on September 3, 2010 .

The Summary Compensation Table above summarizes the compensation we paid to Named Executive Officers during the last financial year.

If there is a ‘change in control’ of the Company (as defined in the employment agreement with the current Named Executive Officer) and afterward Steven Tedesco is terminated other than by death or retirement or for cause or disability, then Steven Tedesco will be entitled to receive a lump sum payment equal to two times his annual base salary.

Director Compensation

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

During the most recently completed financial year, we paid or granted to our directors, other than Named Executive Officers, the compensation described in the following table:

Name	Fees earned (US\$)	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)	Pension value (US\$)	All other compensation (US\$)	Total (US\$)
Steven Quoy	N/A	N/A	Nil	N/A	N/A	Nil	Nil

Incentive Plan Awards

Outstanding Share-based and Option-Based Awards to Directors

The following table sets out, for each director who is not also a Named Executive Officer, the awards outstanding as at July 31, 2010.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of share or units of shares that have not vested (#)	Market of payout value of share-based awards that have not vested (\$)
Steven Quoy	200,000	0.10	02/10/14	Nil	Nil	Nil

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each director who is not also a Named Executive Officer, the value of all incentive plan awards issued during the year ended July 31, 2010.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Steven Quoy	Nil	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the end of the financial year ended July 31, 2010.

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 ¹⁾	180,150	\$13.10	334,073
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	180,150	\$13.10	334,073

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to the Company or our subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the commencement of our last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of our subsidiaries, other than as disclosed under the headings “Executive Compensation” and “Particulars of Matters to be Acted On”.

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, our voting securities or who exercises control or direction over our voting securities or a combination of both carrying more than 10 percent of the voting rights attached to all our outstanding voting securities other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if we have purchased, redeemed or otherwise acquired any of our securities, so long as we hold any of our securities.

AUDIT COMMITTEE

Under Section 224(1) of the *Business Corporations Act* (British Columbia) and the Policies of the Exchange, we are required to have an Audit Committee.

The Audit Committee met four times during the financial year ended July 31, 2010.

Audit Committee Charter

The Audit Committee Charter, the text of which is attached as Schedule “A” to this Information Circular, was adopted by our Audit Committee and the Board of Directors.

Composition of the Audit Committee

As of December 20, 2010, the following are the members of the Audit Committee:

Steven Tedesco	Not Independent	Financially Literate
Steven Quoy	Independent	Financially Literate
Peter Tunkey	Independent	Financially Literate

(1) As defined by National Instrument 52-110 (“NI 52-110”) *Audit Committees*.

Relevant Education and Experience

The educational background or experience of the audit committee members has enabled each to perform his responsibilities as an audit committee member and has provided the member with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the

general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting.

See "Election of Directors" in this Information Circular for details of the relevant education and experience of the audit committee members, Mssrs. Tedesco, Quoy and Tunkey.

Each member of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financial statements and will seek clarification from the Company's auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in supervising one or more individuals engaged in the accounting for estimates, accruals and reserves and experience in preparing, auditing, analyzing or evaluating financial statements similar to those of the Company.

Audit Committee Oversight

At no time since the beginning of our most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by our Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of our most recently completed financial year have we relied on the exemption in section 2.4 of National Instrument 52-110 *Audit Committees (De Minimis Non-Audit Services)* or an exemption from National Instrument 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of that Instrument.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for engaging of non-audit services as described in the Audit Committee Charter set out in Schedule "A" to this Information Circular.

External Auditor Service Fees (By Category)

The table below sets out all fees billed by our external auditor in each of the last two financial years. In the table "Audit Fees" are fees billed by our external auditor for services provided in auditing our financial statements for the financial 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 performing the audit or reviewing our 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 previous categories.

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
July 31, 2010	\$49,500	\$Nil	\$Nil	\$Nil
July 31, 2009	\$50,000	\$1,600 ⁽¹⁾	\$3,340	\$Nil

(1) Services performed included proofreading of unaudited financial statements for the first two quarters of the financial year.

Exemption

We are relying upon the exemption in section 6.1 of National Instrument 52-110, which exempts issuers whose shares are listed only on the Exchange from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*).

APPOINTMENT OF AUDITOR

Unless otherwise instructed, the proxies given in this solicitation will be voted for the re-appointment of McGovern, Hurley, Cunningham, LLP, Chartered Accountants, of Vancouver, British Columbia, as our auditor to hold office until the next annual general meeting. We propose that the Board of Directors be authorized to set the remuneration to be paid to the auditor. McGovern, Hurley, Cunningham, LLP was first appointed our auditor on August 1, 2003.

MANAGEMENT CONTRACTS

No management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the Directors or executive officers of the Company or subsidiary.

CORPORATE GOVERNANCE

The following is the disclosure we are required to provide under National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

Board of Directors

The Board of Directors facilitates its independent supervision over management through regular meetings of the Board, both with and without members of the Company's management (including members of management who are also directors) being in attendance..

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

The independent members of the Board of Directors are Steven Quoy, and Peter Tunkey.

The non-independent directors are Steven Tedesco, our President and Chief Executive Officer.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise management of our business and affairs and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of our affairs directly and through its committees.

Independence of Members of Board

The Company's present Board consists of three (3) directors, two (2) of whom are independent based upon the tests for independence set forth in NI 52-110. Steven Quoy and Peter Tunkey are independent. Steven Tedesco is not independent as he is our President and CEO.

Management Supervision by Board

The size of the Company is such that all our operations are conducted by a small management team, which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis, as the independent directors are actively and regularly involved in reviewing and supervising our operations and have regular and full access to management. The independent directors are however able to meet at any time without any members of management including the non-independent directors being present. Further supervision is performed through the Audit Committee, which is composed entirely of independent directors who meet from time-to-time with our auditors without management being in attendance.

Participation of Directors in Other Reporting Issuers

None of the Company's directors are also directors or officers of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction.

Orientation and Continuing Education

The Board of Directors is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director. We provide continuing education for our directors as the need arises and encourages open discussion at all meetings, which format encourages learning by the directors.

Ethical Business Conduct

The Board of Directors relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board of Directors has found that these, combined with 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.

Nomination of Directors

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

The Board of Directors does not have a nominating committee. The Board of Directors is responsible for recruiting new members to the Board and planning for the succession of Board members.

Compensation

The Board of Directors is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the Chief Executive Officer of the Company and the directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: i) recruiting and retaining executives critical to the Company's success and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; iv) rewarding performance, both on an individual basis and with respect to

operations in general; and v) permitted compensation under Exchange rules so long as the Company is a capital pool company.

Other Board Committees

The Board of Directors does not have any committees other than the Audit Committee.

Assessments

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. Neither the Company nor the Board has adopted formal procedures to regularly assess the Board, the Audit Committee or the individual directors as to their effectiveness and contribution. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board of Directors monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given our size and operations. Our corporate governance practices allows the Company to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

No informed person of the Company, proposed nominee for election as a director of the Company, or associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the beginning of our last financial year or in any proposed transaction, which has materially affected or will materially affect the Company or any of our subsidiaries, other than as disclosed under the headings “Executive Compensation” and “Particulars of Matters to be Acted On”.

PARTICULARS OF MATTERS TO BE ACTED ON

A. Annual Approval of Stock Option Plan

At the Meeting, the shareholders will be asked to approve our 2005 stock option plan (the “**Plan**”). The Exchange’s policies require that the Company’s approve the Plan each year because the number of shares reserved for issuance under the Plan is 10% of our issued common shares on the date on which an option is granted under the Plan. The Plan’s terms comply with the Exchange’s policies and the Exchange and the Company’s shareholders originally approved the Plan in 2005 and have approved it each year thereafter in accordance with the Exchange’s policies. At the Meeting, the Company’s shareholders will be asked to pass an ordinary resolution approving the Plan.

The purpose of the Plan is to provide certain directors, officers, employees, and consultants of the Company and our subsidiaries with an opportunity to purchase our common shares and benefit from any appreciation in the value of those shares. The Plan will provide an increased incentive for those individuals to contribute to our future growth, success, and prosperity, thus enhancing the value of the shares for the benefit of all shareholders and increasing our ability to attract and retain skilled and motivated individuals to serve the Company and our subsidiaries.

The Plan contains certain modifications from the Plan as originally adopted in 2005 to adjust to some recent changes in Exchange policy in December 2008 related to incentive stock options and stock option plans. A copy of the Plan will be available for inspection at the Meeting. Our directors believe that the Plan is in the Company's best interests and recommend that the shareholders approve the Plan.

ADDITIONAL INFORMATION

Additional information about the Company is located on SEDAR at www.sedar.com. Shareholders may request copies of our financial statements and Management's Discussion and Analysis by contacting the Company at telephone: (303) 350-1255, e-mail: info@admiralbay.com. The financial statements and Management's Discussion and Analysis are also available on SEDAR and on our website at www.admiralbay.com.

Financial information is provided in our comparative financial statements and Management's Discussion and Analysis for our most recently completed financial year ended July 31, 2010.

DIRECTORS' APPROVAL

The contents of this Information Circular and the sending of it to the shareholders have been approved by the Company's Board of Directors.

BY ORDER OF THE BOARD OF DIRECTORS

"Steven Tedesco"

Steven Tedesco
President and Chief Executive Officer

SCHEDULE “A”

ADMIRAL BAY RESOURCES INC. (the “Corporation”)

AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee’s mandate is to ensure that appropriate due diligence is directed towards the control, accountability and reporting functions of the Corporation, including its interim and annual financial statements.

Within this mandate, the Audit Committee’s role is to:

- (e) support the Board of Directors in meeting its responsibilities to shareholders;
- (f) enhance the independence of the external auditor;
- (g) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
- (h) increase the credibility and objectivity of the Corporation’s financial reports and public disclosure.

The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee’s responsibilities as described in this Charter.

The Audit Committee will undertake the specific duties and responsibilities listed below and any other duties the Board of Directors may prescribe.

Membership

The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

The Audit Committee must be comprised of at least three directors. A majority of the members may not be employees, Control Persons or Officers of the Corporation or any of its associates or affiliates (as those terms are defined in the TSX Venture Exchange Corporate Finance Manual).

The members of the Audit Committee must be, or become within a reasonable time, financially literate. “**Financially literate**” means the member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Authority

In addition to all authority required to carry out the duties and responsibilities included in this Charter, the Audit Committee has the authority to:

- (a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities;
- (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- (c) approve interim financial statements and related management's discussion and analysis ("MD&A") on behalf of the Board of Directors.

Duties and Responsibilities

The duties and responsibilities of the Audit Committee include:

- (d) recommending to the Board of Directors any external auditor to be nominated by the Board of Directors and the compensation of the external auditor;
- (e) overseeing the work of the external auditor, including resolving disputes between management and the external auditor regarding financial reporting;
- (f) pre-approving all non-audit services to be provided to the Corporation or any subsidiaries by the Corporation's external auditor;
- (g) reviewing the Corporation's interim and annual financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses the information and reporting to the Board of Directors on the annual financial statements and auditor's report on those statements before they are published;
- (h) ensuring adequate procedures are in place for review of all public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in paragraph (d) and periodically assess the adequacy of the procedures;
- (i) establishing procedures for:
 - (i) the receipt, retention and treatment of complains received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (j) pre-approving all non-audit services to be provided to the Corporation or any subsidiaries by the Corporation's external auditor;
- (k) reviewing and approving the Corporation's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (l) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
- (m) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board (CPAB) and will enquire if there are any sanctions imposed by the CPAB on the external auditor;

- (n) ensuring that the external auditor meets the rotation requirements for partners and staff on the Corporation's audits;
- (o) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
- (p) overseeing the adequacy of the Corporation's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
- (q) ensuring the integrity of disclosure controls and internal controls over financial reporting; and
- (r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and the Audit Committee's activities.

The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

Delegation

The Audit Committee may delegate its authority and responsibility to pre-approve non-audit services to one or more of its independent members. If a member pre-approves non-audit services under this delegation, the member must present the pre-approval to the Committee at its next scheduled meeting.

Meetings

The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Corporation or of an affiliate of the Corporation.

The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.

The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.

The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.

A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.

The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Corporation at least annually to review the financial affairs of the Corporation.

The Audit Committee will meet with the external auditor of the Corporation at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

Reports

The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

Minutes

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

