

Golden Cariboo Resources Ltd.

NOTICE OF ANNUAL AND SPECIAL MEETING OF
SHAREHOLDERS

TO BE HELD ON JUNE 1, 2011

AND

MANAGEMENT INFORMATION CIRCULAR

GOLDEN CARIBOO RESOURCES LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the Annual and Special Meeting (the "Meeting") of Golden Cariboo Resources Ltd. (the "Company") will be held at 15th Floor – 675 West Hastings Street, Vancouver, BC, on June 1, 2011 at 10:00 a.m. (Vancouver Time) for the following purposes:

1. to receive and consider the audited financial statements of the Company for the year ending September 30, 2010 together with the auditor's report thereon and the related management discussion and analysis;
2. to appoint BDO Canada LLP as auditors for the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditors;
3. to elect directors of the Company for the ensuing year;
4. to consider and if thought fit to pass an ordinary resolution to amend the Stock Option Plan as more particularly described in the accompanying Management Information Circular (the "Circular"); and
5. to transact such other business as may properly come before the Meeting and any adjournment thereof.

The Circular accompanies this Notice. The Circular contains details of the matters to be considered at the Meeting. The Board of Directors of the Company has fixed April 1, 2011 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting.

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of proxy and in the Circular.

Non-registered shareholders who plans to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form and in the Circular to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account you are not a registered shareholder.

DATED at Vancouver, British Columbia, this 1st day of May, 2011.

BY ORDER OF THE BOARD OF DIRECTORS

"J. Frank Callaghan"
J. Frank Callaghan
President and CEO

GOLDEN CARIBOO RESOURCES LTD.

15th Floor - 675 West Hastings Street
Vancouver, BC V6B 1N2
Telephone: (604) 669-6463 / Fax: (604) 669-3041

MANAGEMENT INFORMATION CIRCULAR

As at May 1, 2011 *(unless otherwise indicated)*

This Management Information Circular (“Circular”) is furnished in connection with the solicitation of proxies by the management of Golden Cariboo Resources Ltd. (the “Company”) for use at the Annual and Special Meeting of the holders (the “Shareholders”) of common shares (the “Common Shares”) of the Company to be held at 15th Floor – 675 West Hastings Street, Vancouver, BC, V6B 1N2 on June 1, 2011 at 10:00 a.m. (Vancouver Time) and at any adjournment thereof (the “Meeting”), for the purposes set forth in the notice of the Meeting (the “Notice”) accompanying this Circular.

All dollar amounts referred herein, unless otherwise indicated, are expressed in Canadian dollars. The information contained in this Circular is given as of May 1, 2011 (the “Circular Date”) except where otherwise indicated.

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but may be solicited by way of telephone, facsimile or other means of communication by the directors, officers and regular employees of the Company. Costs associated with the solicitation of proxies will be borne by the Company. 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 persons named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Company (“Management Proxyholders”). **A Shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for him or her on his or her behalf at the Meeting other than Management Proxyholders. To exercise this right the Shareholder must strike out the names of Management Proxyholders and insert the name of his or her nominee in the blank space provided in the Proxy, or complete another suitable form of proxy. If your common shares are held in physical form (i.e. paper form) and are registered in your name, then you are a registered shareholder (“Registered Shareholder”). However, if, like most shareholders, you keep your Common Shares in a brokerage account, then you are a beneficial shareholder (“Beneficial Shareholder”). The manner for voting is different for Registered and Beneficial Shareholders. The instructions below should be read carefully by all Shareholders.**

Signing of Proxy

The instrument of proxy must be executed by the Shareholder or the Shareholder’s duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. An instrument of proxy signed by a person acting as attorney or in some other representative capacity should indicate that person’s capacity (following his or her signature) and should

be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Company).

Revocability of Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any manner permitted by law, an instrument of proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her duly authorized attorney, or, if the Shareholder is a corporation, under its corporate seal by a duly authorized officer or attorney of the corporation and delivered to either the Company's transfer agent, Computershare Investor Services Inc. at 2nd floor 510 Burrard Street, Vancouver, BC V6C 3B9, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the instrument of proxy is to be used, or deposited with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

In addition, a Shareholder, or, if the Shareholder is a corporation, a duly authorized representative of the corporation, may attend the Meeting in person, revoke the instrument of proxy by indicating such intention to the Chairman of the Meeting before the instrument of proxy is exercised, and vote in person.

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

Voting of Proxies and Exercise of Discretion by Proxyholders

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The Management Proxyholders named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing him or her on any ballot that may be called for at the Meeting. In the absence of such direction, such Common Shares will be voted in favour of:

- re-appointing BDO Canada LLP as auditors of the Company for the ensuing year and authorizing the directors to fix the auditor's remuneration;
- electing directors for the ensuing year;
- approving amendments to the existing 10% rolling Option Plan; and
- transacting such further and other business as may properly come before the said meeting or any adjournment or postponement thereof.

If any amendment or variation to the matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, the accompanying instrument of proxy confers discretionary authority to vote on such amendments or variations or such other business according to the best judgment of the appointed proxyholder. As at the Circular Date, the management of the Company knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

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 form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or hand delivery at 2nd floor 510 Burrard Street, Vancouver, BC V6C 3B9;

- (b) using a touch-tone phone to transmit voting choices to a toll free number at 1-888-835-8683 and following the instructions on the voice response system by providing the Holder ID and Holder Code located beside your name on the Proxy form on the lower left hand side. If the Holder ID and Holder Code are not on the Proxy, it will be on the back of the flyer enclosed with this material. Instructions are then conveyed by use of the touchtone selections over the telephone; or
- (c) using the internet through the website of the Company's transfer agent at www.computershare.com/proxy. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the Holder ID and Holder Code 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 time of the Meeting or any adjournment thereof at which the proxy is to be used.

Voting by Non-Registered 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.

There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of National Instrument 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form (VIF) from our transfer agent, Computershare Investor Services Inc. ("Computershare"). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Beneficial Shareholders who are OBOs 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 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 (a) have your Common Shares voted as per your instructions, or (b) to have any alternate representative chosen by you duly appointed to attend and vote your Common Shares at 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.

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.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

None of the directors or officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of 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 on, other than the election of directors, the approval of the existing 10% rolling Option Plan and as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Shares and Record Date

Each Shareholder of record at the close of business on April 1, 2011 (the "Record Date") is entitled to attend and vote and such Shareholders are encouraged to participate in the Meeting and are urged to vote on matters to be considered in person or by proxy.

The authorized share capital of the Company consists of an unlimited number of Common Shares. As at the Record Date, the Company had 7,085,969 Common Shares issued and outstanding. The holders of Common Shares are entitled to receive notice of any meetings of the shareholders and to attend and cast one vote per Common Share at all such meetings. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

The quorum for the transaction of business at the Meeting is two Shareholders, or one or more proxyholders representing two Shareholders, or one Shareholder and a proxyholder representing another Shareholder.

Principal Holders of Voting Securities

To the knowledge of the directors and executive officers of the Company, as at the Circular Date, the following Shareholders beneficially own or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company.

| Name and Municipality of Residence of Shareholder | Number of Common Shares Owned or Controlled | Percentage of Common Shares Owned or Controlled | Type of Ownership |
|---|---|---|---------------------|
| Bootleg Exploration Inc. | 971,066 | 13.70% | Direct |
| J. Frank Callaghan | 934,998 ⁽¹⁾ | 13.20% | Direct and Indirect |

Notes:

1. Mr. Callaghan holds 674,473 of these shares directly and exercises control over 98,475 shares held by his wife Elaine Callaghan and 162,050 shares are held by Standard Drilling and Engineering Ltd, a company controlled by Mr. Callaghan who is the sole director and shareholder.

VOTES NECESSARY TO ELECT DIRECTORS AND PASS RESOLUTIONS

With respect to the election of directors, there are four director positions to be filled. If there are more nominees for election as directors than there are vacancies to fill, the four nominees receiving the greatest number of votes will be elected. If the number of nominees for election is equal to the number of vacancies to be filled, all such nominees will be declared elected by acclamation. Subject to the majority vote policy described below, the four nominees receiving the highest number of votes are elected, even if a director gets fewer "for" votes than "withhold" votes. Similarly, unless there is a nomination from the floor for an alternative auditor, the auditor proposed by management will be elected.

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. Approval of the existing 10% rolling Option Plan, the amended and restated Shareholders Rights Plan, and the amendment of the Company's Articles must be done by ordinary (simple majority) resolution.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the fiscal period ended September 30, 2010, report of the auditor thereon and the related management discussion and analysis will be placed before the Meeting. These documents have been filed with the securities commissions or similar regulatory authorities in British Columbia and Alberta. Copies of the documents may be obtained by a Shareholder upon request without charge from the Company at 15th Floor – 675 West Hastings Street, Vancouver, British Columbia V6B 1N2, or by telephone: (604) 669-6463. These documents are also available through the Internet on SEDAR at www.sedar.com.

APPOINTMENT OF AUDITOR

BDO Canada LLP, of 600 – 925 West Georgia Street, Vancouver, British Columbia V6C 3L2 will be nominated at the Meeting for reappointment as auditor of the Company. BDO Canada LLP has been the auditor of the Company since September 26, 2008. Unless otherwise instructed, the instruments of proxy accompanying this Circular will be voted for the re-appointment of BDO Canada LLP as the auditors of the Company to hold office for the ensuing year at remuneration to be fixed by the Board of Directors.

ELECTION OF DIRECTORS

The term of office of each of the present four directors will expire at the Meeting. **The four persons named below will be presented for election at the Meeting as management's nominees and unless otherwise directed, the Management Proxyholders, if named as proxyholder for Shareholders, will vote for the election of these nominees.** Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual meeting of the Company or until a successor is duly elected or appointed unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia). No class of shareholders of the Company has the right to elect a specified number of directors or to cumulate their votes for directors.

Summary of Director Biographical Information and Security Holdings

The following table sets forth the name of each person nominated for election as a director, the province of residence for each nominee, the period during which any such person has been a director of the Company, the principal occupation at the present time and during the preceding five years of such nominee, and the number and percentage of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the nominee, as at the Circular Date.

| Name of Nominee, Current Position with the Company and Province and Country of Residence ⁽¹⁾ | Period as a Director of the Company | Principal Occupation During Past 5 Years | Number and Percentage of Common Shares Beneficially Owned or Controlled ⁽¹⁾ |
|---|-------------------------------------|--|--|
| J. Frank Callaghan ⁽²⁾ President, CEO and Director (BC, Canada) | January, 1999 | President and CEO of Barkerville Gold Mines Ltd. President and CEO of Blind Creek Resources Ltd. President and CEO of Lions Gate Energy Inc. President and CEO of Golden Cariboo Resources Ltd. President and Director of Standard Drilling & Engineering Ltd. | 934,998 13.20% |

| | | | |
|---|-------------------|--|-----|
| Glen MacDonald ⁽²⁾⁽³⁾ Director British Columbia, Canada | December, 2000 | Self-employed consulting Geologist since 1982; Director of numerous other reporting issuers | Nil |
| Andrew H. Rees ⁽²⁾ Director (BC, Canada) | March, 2000 | President and CEO of Wellstar Energy Corp. President and CEO of Big North Capital Inc. | Nil |

Notes:

1. The information as to country of residence, principal occupation and Shares beneficially owned or over which a director exercises control or direction has been confirmed by the respective directors individually.
2. Member of the Audit Committee.
3. Glen Macdonald was a director of Corniche Capital Ltd. ("Corniche") when it was halted on August 4, 1999 and on October 5, 1999 for failure to complete a major transaction within a specified time. Corniche was reorganized as Printlux.com, Inc. and on August 23, 2001 it completed its major transaction. Mr. Macdonald resigned as a director in August 2001 as part of this reorganization; he has been a director of AVC Venture Corp. ("AVC") since November 1999. On November 25, 2002, AVC was halted for failure to complete a major transaction within a specified time. Trading was reinstated on December 15, 2003. AVC was again halted on June 6, 2006 for failure to complete a major transaction. This halt was lifted in October of 2009; he has been a director of Dynamic Resources Corp. ("Dynamic") since September 1993. On May 1, 2009, a management cease trade order was issued against the securities of Dynamic held by Glen Macdonald for failure to file financial statements. The financial statements had been filed, and the cease trade order expired as of July 10, 2009; he has been a director of Maxim Resources Inc. ("Maxim") since May 2002. On May 4, 2009, a cease trade order was issued against Maxim for failure to file financial statements. The financial statements had been filed, and the cease trade order expired as of August 4, 2009; he was a director of SRR Mercantile Inc. ("SRR") when a cease trade order was issued against it by the British Columbia Securities Commission on February 16, 2000 for failure to file required financial information. Trading was reinstated on May 23, 2000; he was a director of Wind River Resources Ltd. ("Wind") and on May 1, 2009, Mr. Macdonald was subject to a management cease trade order issued by the Alberta Securities Commission as a result of the failure of the company to make required filings. The order expired on July 10, 2009; he was a director of Global Net Entertainment Corp. ("Global") when a cease trade order was issued against it by the British Columbia Securities Commission on September 29, 2003 for failure to file required financial information. A similar order was issued by the Alberta Securities Commission on October 10, 2003. Trading was reinstated on November 17, 2006.

Other than as disclosed above, no proposed director:

- (a) is, as at the Circular Date, or has been, within 10 years before the Circular Date, a director, chief executive officer or chief financial officer of any company (including the Company) that,
 - (i) while that person was acting in that capacity, 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; or
 - (ii) after that person had ceased to act in that capacity, but in respect of an event that occurred while the proposed director was so acting, resulted 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
 - (iii) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the Circular Date, 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

- (c) has been subject to (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonably investor in making an investment decision.

Several directors of the Company also serve as directors of one or more other resource companies involved in mineral exploration and/or development. It may occur from time to time that as a consequence of his activity in the mineral industry and serving on such other boards that a director may become aware of potential resource property opportunities which are of interest to more than one of the companies on whose boards that person serves. Furthermore, it is possible that the directors of the Company and the directors of one or more such other companies (many of which are described herein) may also agree to allow joint participation on the Company's properties or the properties of that other company. Accordingly, situations may arise in the ordinary course which involve a director in an actual or potential conflict of interest as well as issues in connection with the general obligation of a director to make corporate opportunities available to the company on which the director serves. In all such events, any director is required to disclose a financial interest in a contract or transaction by virtue of office, employment or security holdings or other such interest in another company or in a property interest under consideration by the Board of Directors, and is obliged to abstain from voting as a director of the Company in respect of any transaction involving that other company or in respect of any property in which an interest is held by him. The directors will use their best business judgment to help avoid situations where conflicts or corporate opportunity issues might arise and they must at all times fulfil their duties to act honestly and in the best interests of the Company.

Biographies of Directors

The following information as to principal occupation, business or employment, within the past five years is not within the knowledge of the Company's management and has been furnished by the respective nominees.

James Francis (Frank) Gerard Callaghan (57) - President, CEO and Director

Mr. Callaghan is an independent mining consultant with extensive experience in the junior and senior resource business. Mr. Callaghan is currently a director and/or officer of the following public companies: Lions Gate Energy Inc. (TSX-V) (President, CEO and director: since January 1999); and Barkerville Gold Mines Ltd. (TSX-V) (President, CEO and director: since February 1991). In the past five years, Mr. Callaghan has also been a director, officer and/or consultant to the following public companies: Big North Capital Inc. (TSX-V) (director: July 2008 – May 2010), Eaglecrest Explorations Ltd. (TSX-V and Frankfurt) (director: February 2005 – April 2009); Hemisphere Energy Corporation (formerly Northern Hemisphere Development Corp.) (TSX-V) (President, CEO: March 2000 – November 2006; director: March 2000 – May 2007); Northern Continental Resources Inc. (TSX-V) (President, CEO: March 2000 – November 2006; director: March 2000 – May 2007); and Canada Gold Corporation (formerly Metalquest Minerals Inc. and Sonora Gold Corp.) (TSX-V) (director: September 2005 – May 2007). Mr. Callaghan is also currently the President, manager and a director of Standard Drilling & Engineering Ltd. (since January 1989), a private exploration services company, and President, CEO and a director of Blind Creek Resources Ltd., a private mineral exploration company.

Andrew Hutchinson Rees (33) - Director

Mr. Rees received his Bachelor of Commerce Degree from Royal Roads University, in Victoria, British Columbia, in 2008. Mr. Rees has been involved with public resource companies since 1998 and is currently a director, officer and/or consultant of the following public companies: Barkerville Gold Mines Ltd. (TSX-V) (director: since August 2006); WellStar Energy Corp. (TSX-V and Frankfurt) (President, CEO and director: since March 2005); Lions Gate Energy Inc. (TSX-V) (director: since February 2008);

and Big North Capital Inc. (TSX-V) (director: since November 2007, President and CEO: since May 2010). In the past five years, Mr. Rees has also been a director of Batero Gold Corp. (TSX-V) (director: August 2008 to October 2009). Mr. Rees is also currently a director of and providing consulting services to Blind Creek Resources Ltd., a private mineral exploration company.

Glen MacDonald (62) – Director

Glen MacDonald is a professional geologist with a BSc. (1973) from the University of British Columbia. He has been a member of the Alberta Professional Engineers, Geologists and Geophysicists Association since 1982 and of the British Columbia Association of Professional Engineers and Geoscientists since 1993. He consults and manages exploration and mining development projects for major and junior mining companies. He currently holds positions as director and/or Senior Manager (finance and project analysis) with numerous junior mining companies including: Dynamic Resources Corp. (CNSX) (director since September 1993), Thelon Capital Ltd. (TSX-V) (director since April 2002), Maxim Resources Inc. (TSX-V) (director since May 2002); Teslin River Resources Ltd. (TSX-V) (director since May 2004), Westminster Resources Ltd. (TSX-V) (director since June 2008), Westridge Resources Inc. (TSX-V) (director since July 2009).

STATEMENT OF EXECUTIVE COMPENSATION

In this section, Named Executive Officer (“NEO”) means the Chief Executive Officer of the Company (“CEO”), the Chief Financial Officer of the Company (“CFO”), each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, who were serving as executive officers at September 30, 2010 and whose total compensation exceeded \$150,000, as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as a NEO of the Company at September 30, 2010.

For the most recently completed financial year, the Company had two NEOs: J. Frank Callaghan, President and Chief Executive Officer and Minaz Dhanani, Chief Financial Officer.

Compensation Discussion and Analysis

The Company’s executive compensation program is administered by the Company’s Compensation and Nominating Committee (the “Compensation Committee”). The Compensation Committee is composed of three members of the Board of Directors, one of whom is a member of management, one of whom is a non-management director and one of whom is considered to be independent. The Compensation Committee is responsible for ensuring that the Company has in place an appropriate plan for executive compensation. The plan must be competitive and rewarding so as to attract, retain and motivate executives who will provide the leadership required to enhance the growth and profitability of the Company.

The Compensation Committee’s overall policy for determining executive compensation is based on the following fundamental principles: (i) management’s fundamental objective is to maximize long term shareholder value, (ii) performance is the key determinant of pay for executive officers, and (iii) the executive officers have clear management accountabilities.

Overall executive compensation is comprised of several components: (i) of base salary or management fee arrangement and benefits; (ii) performance based cash bonuses; and (iii) long-term, equity-based compensation through the Company’s existing 10% rolling Option Plan. Each component of the executive compensation program is addressed below. To date, no specific formulae have been developed to assign a specific weighting to each of these components. The Company’s compensation philosophy is to foster entrepreneurship at all levels of the organization by making long term equity-based incentives,

through the granting of stock options, a significant component of executive compensation assuming the Company's Common Share price achieves good long term performance. The Compensation Committee used third party compensation data to help determine competitiveness. The Compensation Committee reviews each component of executive compensation and, in addition, reviews total compensation for overall competitiveness.

Base Salaries or Management Fee Arrangements and Benefits

The base salary or management fee provides compensation for discharging job duties and recognizes the skill sets and capabilities of NEOs. Salaries for the NEOs are reviewed annually based on corporate and personal performance, individual levels of responsibility and the Company's budget and financial strength. Salaries of the NEO's are not determined based on a specific formula. The compensation of the Company's CEO is determined primarily by comparison of the remuneration paid by the Company to the remuneration paid by other reporting issuers in the Canadian junior mining sector that the Board of Directors believe are similar to the Company in terms of size and stage of development. To date, the Board of Directors has not adopted any policies to determine the compensation of the CFO of the Company. The CFO's compensation is currently based solely on the Board of Directors' discussions without any formal objectives, criteria and analysis. The Board of Directors will consider implementing formal compensation policies, objectives and criteria in the future should circumstances warrant. The Compensation Committee submits its recommendation to the full Board as to salary of each NEO. In making its recommendations, the Compensation Committee considers recommendations by the President and CEO for the other NEOs of the Company. As stated above, base salaries and management fee arrangements are set with the object of attracting and retaining highly qualified executives.

Other components of compensation may include personal benefits as determined by the Compensation Committee that are consistent with the compensation strategy. The Company does not use a formula for determining how personal benefits are utilized in the total compensation package. The Company does not provide any pension or retirement benefits to the NEOs.

Cash Bonuses

The Board of Directors has the authority to issue cash bonuses to NEOs based on performance. The Compensation Committee submits its recommendation to the full Board of Directors as to cash bonuses for each NEO. The amount of any bonus is discretionary and may be affected substantially by the monetary position of the Company at the time the bonuses are considered.

Long Term Incentives and Stock Option Plan

The long-term equity compensation component consists of granting stock options under the Option Plan which is administered by the Board of Directors and is designed to provide long-term incentives that are linked to shareholder value. The Compensation Committee determines a recommended number of options to be granted to each NEO based on the level of responsibility and experience required for the position and with the objective of attracting and retaining qualified and talented employees. The Board of Directors ultimately decides the number of options to be granted to each NEO. In making this decision, the Compensation Committee and Board of Directors take into account the Company's contractual obligations, the Company's budget and financial strength, and the award history for all participants in the Option Plan. The allocation of stock options is regarded as an important element to attract and retain NEOs for the long term and to align their interests with the interests of shareholders.

The Company does not have a share-based award incentive plan.

Option-based Awards

The Company established the Option Plan in order to attract and retain directors, executive officers and employees, who will be motivated to work towards ensuring the success of the Company. The Board of Directors has full and complete authority to interpret the Option Plan, to establish applicable rules and regulation applying to it and to make all other determinations necessary or useful for the administration of the Option Plan, provided that such interpretation, rules, regulations and determinations are consistent with the rules of all stock exchanges on which the Company's securities are then traded and with all relevant securities legislation. See "Approval of Stock Option Plan" below for a description of the material terms of the Option Plan.

Individuals eligible to participate under the Option Plan will be determined by the Board of Directors in accordance with the rules of the stock exchanges on which the Company's securities are then traded and with applicable securities laws. Stock options may be granted to any director, officer, employee, management company employee or consultant of the Company, taking into consideration their contribution to the success of the Company and any other factor which the Board of Directors may deem proper and relevant. The exercise price of any options must be set in accordance with applicable stock exchange policies and the term of any option may not exceed ten years so long as the Company is listed on the TSX Venture Exchange ("TSX-V"). The Board of Directors designates, at its discretion, the individuals to whom stock options are granted under the Option Plan and determines the number of Common Shares covered by each of such options, the grant date, the exercise price of each option, the expiry date, the vesting schedule and any other matter relating thereto, in each case in accordance with the applicable rules and regulations of the regulatory authorities. The Board of Directors takes into account previous grants of options when considering new grants.

Summary Compensation Table

The following table and notes thereto set out information concerning the compensation paid to NEOs of the Company during the financial year ended September 30, 2010.

| Name and Principal Position | Year | Annual Compensation | | | Total Compensation (\$) |
|--|------|---------------------|---|--------------------------|-------------------------|
| | | Salary (\$) | Option-based Awards ⁽³⁾ (\$) | Other Compensation (\$) | |
| J. Frank Callaghan ⁽¹⁾ CEO | 2010 | Nil | Nil | 90,000 ⁽⁵⁾ | 90,000 |
| | 2009 | Nil | Nil | 90,000 ⁽⁵⁾ | 90,000 |
| | 2008 | Nil | Nil | 60,000 ⁽⁴⁾⁽⁵⁾ | 60,000 |
| Minaz Dhanani CFO ⁽²⁾ | 2010 | Nil | Nil | 18,050 | 18,050 |
| | 2009 | Nil | Nil | 9,999 | 9,999 |

Notes:

1. J. Frank Callaghan is also a director of the Company.
2. Minaz Dhanani became Chief Financial Officer of the Company on February 2, 2009.
3. The grant date fair value of these options would have been calculated in accordance with Section 3870 of the CICA Handbook (accounting fair value) using the Black-Scholes model. The Black-Scholes option valuation is determined using the expected life of the stock option, expected volatility of the Company's common share price, expected dividend yield, and risk-free interest rate.
4. This amount represents a management fee of \$5,000 per month
5. These amounts were paid pursuant to a Consulting Agreement dated as of October 1, 2008, as amended from time to time, between the Company and Mr. Callaghan.

J. Frank Callaghan, President, CEO and a current director of the Company, provides management and administrative services to the Company pursuant to a five-year consulting agreement dated as of October 1, 2008 as amended from time to time (the "Consulting Agreement"). Pursuant to the Consulting Agreement, Mr. Callaghan received remuneration for the fiscal year ended September 30, 2010 of

\$90,000. As of October 1, 2010, Mr. Callaghan's fee was increased to \$120,000 per year, which salary increases were approved by the Board of Directors. Pursuant to the Consulting Agreement, Mr. Callaghan is entitled to receive an incentive bonus, the amount of which will be determined by the Board of Directors upon recommendation by the Compensation Committee. In addition, Mr. Callaghan is entitled to receive stock options, as determined by the Board of Directors, from time to time. All reasonable expenses incurred by Mr. Callaghan in connection with his duties will be reimbursed by the Company. Upon expiry of the initial term of the Consulting Agreement on September 30, 2013, the Consulting Agreement will be automatically renewed for subsequent one year terms unless the Company or Mr. Callaghan gives the other party written notice of non-renewal at least 60 days prior to expiration.

Incentive Plan Awards – Outstanding Option-based Awards

The following table sets out the stock options (option-based awards) outstanding as at the year ended September 30, 2010 for each of the NEOs. On that date, the closing price of the Company's Common Shares on the TSX-V was \$0.13. The Company has no share-based compensation arrangements.

| Name | Number of securities underlying unexercised options | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) |
|--|---|----------------------------|------------------------|--|
| J. Frank Callaghan ⁽¹⁾ CEO | Nil | Nil | Nil | Nil |
| Minaz Dhanani ⁽²⁾ CFO | Nil | Nil | Nil | Nil |

Notes:

- Subsequent to September 30, 2010, options to purchase 428,597 common shares at an exercise price of \$0.285 expiring February 15, 2016 were granted to Mr. Callaghan.
- Subsequent to September 30, 2010, options to purchase 25,000 common shares at an exercise price of \$0.285 expiring February 15, 2016 were granted to Mr. Dhanani.

Incentive Plan Awards – Value vested or earned during the year

The following table shows the incentive plan awards value vested (or earned) during the year ended February 28, 2010 for each NEO:

| Name | Option-based awards – Value vested during the year ⁽¹⁾ (\$) |
|-------------------------|--|
| J. Frank Callaghan, CEO | Nil |
| Minaz Dhanani, CFO | Nil |

Notes:

- These amounts represent the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. The value of each amount has been determined by taking the difference between the market price of the shares at the date of exercise and the exercise or base price of the option under the option-based award on the vest date.

All options granted to NEOs have been granted under the Option Plan, the terms of which are described under "Approval of the Stock Option Plan" below.

Pension Plan Benefits

The Company does not have a pension plan, retirement plan or deferred compensation plan.

Termination and Change of Control Benefits

The Company may, at any time, terminate the Consulting Agreement with J. Frank Callaghan for cause, without notice and without liability for any claim, action or demand. Pursuant to the terms of the Consulting Agreement, Mr. Callaghan has 12 months after a change in control of the Company to elect to terminate the Consulting Agreement. In the event of: (a) an election to terminate the Consulting Agreement after a change of control; (b) termination without cause; or (c) circumstances in which the Mr. Callaghan is induced by actions of the Company to terminate his engagement other than on a purely voluntary basis, Mr. Callaghan would be entitled to receive the following benefits from the Company: (i) payment of two year's fees; (ii) payment of all bonuses to which he would have been entitled or becomes entitled to; (iii) if applicable, the maintenance or payment in lieu of the Mr. Callaghan's benefits for a period two years after termination; (iv) immediate vesting of all unvested stock options previously granted; and (v) release of all shares held in escrow. If the Company terminates Mr. Callaghan because of disability or illness that leaves him unable to render his services for an aggregate of 120 days in a 12 month period, Mr. Callaghan will receive compensation for 150 days, which at Mr. Callaghan's current fees would be approximately \$49,315.

Mr. Callaghan's yearly fees are currently \$120,000. Upon termination in a manner listed in (a) to (c) in the paragraph above, Mr. Callaghan would be entitled to receive approximately \$240,000 from the Company.

Except as outlined above, there are no contracts, agreements, plans or arrangements that provide for payments to an NEO following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company, or a change in an NEO's responsibilities.

Director Compensation

The following table sets out, for each director that is not a NEO, compensation earned for the fiscal year ended September 30, 2010.

| Name | Fees Earned (\$) | Option-based awards (\$) ⁽¹⁾ | All other compensation (\$) | Total Compensation (\$) |
|----------------|------------------|---|-----------------------------|-------------------------|
| Glen MacDonald | Nil | Nil | Nil | Nil |
| Andrew H. Rees | Nil | Nil | Nil | Nil |

Notes:

- The grant date fair value of these options would have been calculated in accordance with Section 3870 of the CICA Handbook (accounting fair value) using the Black-Scholes model. The Black-Scholes option valuation is determined using the expected life of the stock option, expected volatility of the Company's common share price, expected dividend yield, and risk-free interest rate.

Directors Incentive Plan Awards - Outstanding Option-based Awards

The following table sets out, for each director that is not a NEO, the stock options (option-based awards) outstanding as at the year ended September 30, 2010. On that date, the closing price of the Company's Common Shares on the TSX-V was \$0.13. The Company has no share-based compensation arrangements.

| Option-based Awards | | | | |
|-------------------------------|---|----------------------------|------------------------|--|
| Name | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) |
| Glen MacDonald ⁽¹⁾ | Nil | Nil | Nil | Nil |
| Andrew H. Rees ⁽¹⁾ | Nil | Nil | Nil | Nil |

Notes:

- Subsequent to September 30, 2010, options to purchase 100,000 common shares at an exercise price of \$0.285 expiring February 15, 2016 were granted to each of Mr. MacDonald, and Mr. Rees.

Directors Incentive Plan Awards - Value vested or earned during the year

The following table shows the incentive plan awards value vested (or earned) during the year ended February 28, 2010 for each director that is not a NEO:

| Name | Option-based awards – Value vested during the year ⁽¹⁾ (\$) |
|----------------|--|
| Glen MacDonald | Nil |
| Andrew H. Rees | Nil |

Notes:

- These amounts represent the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. The value of each amount has been determined by taking the difference between the market price of the shares at the date of exercise and the exercise or base price of the option under the option-based award on the vest date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is the existing Option Plan which was previously approved by the TSX-V and last approved by the shareholders of the Company at the previous annual and special meeting held on June 21, 2010. The Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continued association with the Company. The Option Plan is administered by the Board of Directors with assistance from the Compensation and Nominating Committee and provides that options will be issued to directors, officers, employees, consultants and other Service Providers (as defined in the Option Plan) of the Company. The Option Plan also provides that the number of Common Shares issuable under the Option Plan, may not exceed 10% of the issued and outstanding Common Shares at any time. All options granted under the Option Plan expire on a date not later than ten years after the date of grant of such option, and are exercisable at an exercise price set by the Board of Directors in its sole discretion which price may not be less than the Discounted Market Price (as defined in the Option Plan). See "Approval of the Stock Option Plan" below for a description of the Option Plan.

As at the end of the most recently completed financial year of the Company ended September 30, 2010 there were no stock options granted or outstanding under the Option Plan.

| | Number of securities to be issued upon exercise of outstanding options, warrants and rights as at September 30, 2010 | Weighted average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under the Option Plan |
|--|--|---|--|
| Plan Category | (a) | (b) | (c) |
| Plans approved by security holders | Nil | Nil | 708,597 |
| Plans not approved by security holders | Nil | N/A | Nil |
| Total | Nil | Nil | 708,597 |

Notes:

- Subsequent to September 30, 2010, the Company granted 708,597 options to directors, officers and consultants of the company at a price of \$0.285 per share expiring on February 15, 2016.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and officers of the Company, any proposed management nominee for election as a director of the Company or any associate of any director, officer or proposed management nominee is or has been indebted to the Company at any time during the Company's most recently completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, no director or officer of the Company, nor any proposed nominee for election as a director of the Company, nor any other insider of the Company, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Company and none of such persons has any material interest in any transaction proposed to be undertaken by the Company that will materially affect the Company.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

CORPORATE GOVERNANCE

Corporate governance is related to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day to day management of the Company. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to *National Instrument 58-101 – Disclosure of Corporate Governance Practices* ("NI 58-101"), which came into effect for financial years ending on or after June 30, 2005, the Company is required to disclose its corporate governance practices as summarized below.

Board of Directors

The Board of Directors facilitates its exercising of independent supervision over the Company's management through meetings of the Board of Directors and both directly and indirectly through its committees and independent member. Meetings of the independent director and committees are not regularly scheduled but communication among this group occurs on an ongoing basis as needs arise from regularly scheduled meetings of the Board of Directors. The number of these informal meetings has not been recorded, but it would not be less than four in the case of the Audit Committee in the fiscal year that commenced on October 1, 2010. The Board of Directors believes that adequate structures and processes are in place to facilitate the functioning of the Board of Directors with a level of independence of the Company's management.

The Board of Directors currently consists of three directors: J. Frank Callaghan, Glen MacDonald and Andrew H. Rees. Messrs. MacDonald and Rees are the independent members of the Board of Directors within the meaning of NI 52-110 in that they are independent and free from an interest, and any business or other relationship which could reasonably be perceived to, materially interfere with the his ability to act with the best interests of the Company, other than interests and relationships arising from shareholders. The other member of the Board of Directors is not considered independent as Mr. Callaghan is the President and Chief Executive Officer of the Company.

Directorships

The following directors, or proposed directors, of the Company are also directors of other reporting issuers (or the equivalent) as set out below:

| Name of Director or Proposed Director | Name of Reporting Issuer |
|---------------------------------------|---|
| J. Frank Callaghan | Lions Gate Energy Inc. Barkerville Gold Mines Ltd. |
| Glen MacDonald | Encore Renaissance Ventures Inc. Dynamic Resources Corp. Firebird Resources Inc. Firebird Capital Inc. Maxim Resources Inc. Mystique Energy Corp. Solitaire Minerals Corp. Teslin River Resources Corp. Thelon Capital Ltd. Westminster Resources Ltd. Westridge Resources Inc. WPC Resources Inc. |
| Andrew H. Rees | Lions Gate Energy Inc. Wellstar Energy Corp. Barkerville Gold Mines Ltd. Big North Capital Inc. |

Board Responsibilities

The Board has overall responsibility for the stewardship of the Company. The Company's Board of Directors is empowered by governing corporate law and the Company's Articles to manage, or supervise the management of, the affairs and business of the Company.

The Board of Directors performs its functions through quarterly and special meetings and has delegated certain of its responsibilities to those committees described below. In addition, the Board of Directors has established policies and procedures that limit the ability of management to carry out certain specific activities without the prior approval of the Board of Directors.

Long-term strategies and annual operating and capital plans with respect to the Company's operations are developed by senior management and reviewed and approved by the Board of Directors.

The Board of Directors, through the Audit Committee, has the responsibility to identify the principal risks of the Company's business. It works with management to implement policies to identify the risks and to establish systems and procedures to ensure that these risks are monitored.

The Board of Directors has delegated responsibility for the integrity of internal controls and management information systems to the Audit Committee. The Company's external auditors report directly to the Audit Committee. In its regular meetings with the external auditors, the Audit Committee discusses, among other things, the Company's financial statements and the adequacy and effectiveness of the Company's internal controls and management information systems.

Orientation and Continuing Education

Each new director brings a different skill set and professional background, and with this information, the Board of Directors 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. New members of the Board of Directors are provided with pertinent information about the Company and have full access to the Company's records. The Company provides continuing education to its directors as such need arises and encourages open discussion at all meetings which format encourages learning by the directors. Members of the Board of Directors are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation; and to attend related industry seminars and visit the Company's operations.

Ethical Business Conduct

The Company does not currently have a written code for ethical business conduct.

The Board of Directors encourages and promotes a culture of ethical business conduct by actively overseeing the management of the business. The Company endeavours to select only people of high personal moral stature and expects them to follow a high ethical standard when exercising their authority or discretion in all of the Company's business dealings.

The Company is established under and is therefore governed by the provisions of the *Business Corporations Act* (British Columbia) (the "BCA"). Pursuant to the BCA, a director or officer of the Company must disclose to the Company in writing or by requesting that it be entered in the minutes of meetings of the Board of Directors, the nature and extent of any interest that he or she has in material contract or material transaction, whether made or proposed, with the Company, if the director or officer: (a) is a party to the contract or transaction; (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (c) has a material interest in a party to the contract or transaction. The interested director cannot vote on any resolution to approve such contract or transaction.

While there is no formal policy on ethical business conduct, the Company carries out its business in accordance with the rules and regulations of all regulatory agencies to which it is subject. This culture of compliance is stressed to all levels of management of the Company to ensure that business is conducted in an ethical and proper manner at all times.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Other Board Committees

The Board has no other committees other than the Audit Committee.

Assessments

Neither the Company nor the Board of Directors has determined formal means or methods to regularly assess the Board of Directors, its Committees or individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board of Directors.

AUDIT COMMITTEE

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

Audit Committee Charter

The Charter of the Company's audit committee (the "Audit Committee") is attached to this Circular as Schedule "A".

Composition of the Audit Committee

Members of the Audit Committee are: J. Frank Callaghan, Glen MacDonald and Andrew H. Rees. Mr. Callaghan (President of the Company) is not independent and Messrs. MacDonald and Rees are both independent as defined in NI 52-110. Each member of the Audit Committee is financially literate.

A member of the Audit Committee is *independent* if the member has no director or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered *financially literate* if he or she 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 issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

Based on their business and educational experiences, each Audit Committee member has a reasonable understanding of the accounting principles used by the Company; an ability to assess the general application of such principles in connection of the accounting for estimates, accruals and reserves;

experience analyzing and evaluating financial statements that present a breadth and level of 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.

J. Frank Callaghan has gained financial literacy by overseeing preparation and review of the Company's audited financial statements since 1991. Andrew Rees has gained financial literacy by serving as President of Wellstar Energy since 2009 and as a director of the Company and other publicly-traded companies. Glen MacDonald has gained financial literacy by serving as a director and audit committee member of a number of publicly-traded companies.

Audit Committee Oversight

At no time during the Company's fiscal year ended September 30, 2010 and at no time since the commencement of the Company's most recently completed financial year were any Audit Committee's recommendations to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time during the Company's fiscal year ended September 30, 2010 and at no time since the commencement of the Company's most recently completed financial year has the Company relied on any exemption under Part 8 of *National Instrument 52-110 – Audit Committees*.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years are:

| Financial Year Ending | Audit Fees | Audit Related Fees | Tax Fees | All Other Fees |
|-----------------------|------------|--------------------|----------|----------------|
| September 30, 2010 | \$41,600 | Nil | Nil | Nil |
| September 30, 2009 | \$41,600 | Nil | \$4,004 | Nil |

Venture Issuer Exemption

The Company, as a "Venture Issuer", is relying upon section 6.1 of *National Instrument 52-110 – Audit Committees* exempting the Company from certain requirements relating to the composition of the Audit Committee and reporting obligations.

APPROVAL OF STOCK OPTION PLAN

Annual Approval of Stock Option Plan

Due to changes in the *Income Tax Act* (Canada) (the "Act"), the Company must now withhold and remit income tax payable under the Act for incentive stock options exercised after January 1, 2011 on those options granted without mandatory hold periods before March 4, 2010 and all incentive stock options granted after March 4, 2010. As the current Stock Option Plan (the "Plan") does not have adequate provision for withholding income taxes, the Board considers it necessary to amend the Plan to comply with the law.

The Board also considers it necessary to make three other minor amendments to the Plan. One such amendment clarifies the powers of the Board to make amendments to the Plan; and two other

amendments clarify the powers of the Board to specify the expiration period on individual options, in the event that optionees cease to be employed by or provide services to the Company.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, vote in favour of a resolution approving the amendments to the stock option plan for the Company. The Plan is a “rolling” stock option plan whereby a maximum of 10% of the issued Common Shares of the Company, from time to time, may be reserved for issuance under the Plan. As the Plan is a “rolling” plan, the policies of the TSX-V require that the Company seek shareholder approval of the Plan annually. The Plan was ratified by shareholders at the last annual and special Meeting held on June 21, 2010.

At the Circular Date, there were 7,085,969 Common Shares issued and outstanding, 10% of which is 708,597 Common Shares. At the Circular Date, there are options outstanding to purchase an aggregate of 708,597 Common Shares, and accordingly there are no remaining options available for granting under the Plan.

In order to increase the flexibility of the Company to provide incentives to directors, officers, employees, management and others who provide services to the Company and to bring the Company’s share option plan in line with the current regulatory regime, the Board approved the amendments to the Plan in April 2011. Pursuant to the policies of the TSXV, the Plan requires shareholder approval for continuation at every annual meeting of the Company by ordinary resolution.

Material Terms of the Stock Option Plan

The Plan is subject to the following restrictions:

- (a) the Company must not grant an option to a director, officer, employee, management company employee, consultant, or consultant company (the “Service Provider”) in any 12 month period that exceeds 5% of the outstanding Shares, unless the Company has obtained by a majority of the votes cast by the Shareholders eligible to vote at a shareholders’ meeting, excluding votes attaching to Shares beneficially owned by Insiders and their Associates (“Disinterested Shareholder Approval”);
- (b) the Company must not grant an option where the aggregate number of Shares reserved for issuance under options granted to insiders may exceed 10% of the outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (c) the Company must not grant an option where the number of optioned Shares issued to insiders in any 12 month period exceeds 10% of the outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (d) the aggregate number of options granted to all persons conducting Investor Relations Activities in any 12 month period must not exceed 2% of the outstanding Shares calculated at the date of the grant, without the prior consent of the TSXV;
- (e) the Company must not grant aggregate options to any one consultant in any 12 month period that exceeds 2% of the outstanding Shares calculated at the date of the grant of the option, without the prior consent of the TSXV; and
- (f) the exercise price of an option previously granted to an insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

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

- (a) persons who are Service Providers to the Company or its affiliates are eligible to receive grants of options under the Plan;
- (b) options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years;
- (c) where a grant is made to an Optionee who is an employee, consultant, consultant company or management company employee, the Company represents that the Optionee is a bona fide employee, consultant, consultant company or management company employee, as the case may be, of the Company or its affiliates;
- (d) any Option granted to an Optionee other than a director or officer of the Corporation, will expire within 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee ceases to be employed by or provide services to the Corporation, but only to the extent that such Option has vested at the date the Optionee ceased to be so employed by or to provide services to the Corporation;
- (e) any Option granted to an Optionee that is a director or officer of the Corporation, will expire within the earlier of: (i) three (3) years after the date the Optionee ceased to be a director or officer of the Corporation, (ii) the date of expiration of the term otherwise applicable to such Option, and (iii) such shorter period as the Corporation determines is reasonable, and only to the extent that such Option has vested at the date the Optionee ceased to be so employed by or to provide services to the Corporation
- (f) if an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to the option;
- (g) in the case of an Optionee being dismissed from employment or service for cause, the Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without any right of exercise;
- (h) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the policies of the TSXV);
- (i) vesting of options shall be at the discretion of the Board, subject to the requirements of the policies of the TSXV (including any vesting requirements for persons performing Investor Relations Activities (as defined in the policies of the TSXV)), and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a director of the Company or its affiliates during the vesting period;
- (j) the Company may withhold and remit income tax payable upon the exercise of stock options to comply with the *Income Tax Act* (Canada);

- (k) the Company, may from time to time, 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; and
- (l) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Shares in respect of options which have not yet been granted under the Plan.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Plan may be made by the Board without further shareholder approval. Accordingly, the Board proposes that the Plan also provide the following:

The Board may, without shareholder approval:

- (i) amend the Plan or an option to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the Plan, subject to prior written approval of the TSXV, if applicable;
- (iii) change the termination provision of an option granted under the Plan if it does not entail an extension beyond the original expiry date of the option;
- (iv) make such amendments to the Plan as are necessary or desirable to reflect changes to securities and other laws applicable to the Company;
- (v) make such amendments as may otherwise be permitted by the TSXV Policies;
- (vi) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSXV, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the Plan to reduce the benefits that may be granted to Service Providers.

A copy of the Plan will be available for inspection at the Meeting.

Shareholder Approval

At the Meeting, the Shareholders will be asked to consider and vote on the ordinary resolution to approve the amendments to the Plan, with or without variation, as follows:

“Resolved, that:

- (a) the amendments to the Plan, approved by the Board of Directors in April 2011, as more particularly described above, be ratified and approved;
- (b) to the extent permitted by law, the Company be authorized to abandon all or any part of the Plan if the Board deems it appropriate and in the best interests of the Company to do so; and

- (c) any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give effect to this resolution.”

The Board recommends that the Shareholders vote in favour of the amendments to the Plan.

Unless otherwise directed, the persons named in the enclosed Proxy intend to vote FOR approval of the Plan.

ADDITIONAL INFORMATION

Additional information relating to the Company is included in the Company’s audited financial statements for the year ended September 30, 2010, the auditor’s report thereon and related management discussion and analysis filed on www.sedar.com. Copies of the Company’s most current interim financial statements and related management discussion and analysis, and additional information may be obtained from www.sedar.com and upon request from the Company by telephone at (604) 669-6463, or by fax at (604) 669-3041.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

The contents of this Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, May 1, 2011.

BY ORDER OF THE BOARD OF DIRECTORS

“J. Frank Callaghan”
J. Frank Callaghan
President and CEO

SCHEDULE "A"**GOLDEN CARIBOO RESOURCES LTD.****AUDIT COMMITTEE CHARTER****1. MANDATE**

1.1 The primary function of the audit committee (the "Committee") of Golden Cariboo Resources Ltd. (the "Company") is to assist the Board of Directors of the Company (the "Board of Directors") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors (the "Auditor"); and
- provide an open avenue of communication among the Company's auditors, management and the Board of Directors.

2. COMPOSITION, PROCEDURES AND ORGANIZATION

2.1 The Committee shall be governed by the Terms of Reference for Committees adopted by the Board.

2.2 The Committee shall consist of at least three members (collectively referred to as "Members" and individually referred to as "Member"). Each Member must be a director of the Company. A majority of the Members shall not be officers or employees of the Company or of an affiliate of the Company. At least one (1) member of the Committee shall be financially literate. All Members who are not financially literate will work towards becoming financially literate to obtain working familiarity with basic finance and accounting practices. For the purposes of this Charter, the term "financially literate" means 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 issues that can reasonably be expected to be raised by the Company's financial statements.

2.3 The Members shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting. The responsibilities of a Member shall be in addition to such Member's duties as a director of the Company. Unless a chairperson of the Committee (the "Chair") is elected by the full Board of Directors, the Members may designate a Chair by a majority vote of the full Committee membership. The Chair shall be financially literate.

2.4 The Committee shall be accountable to the Board of Directors, and the Board of Directors may at any time remove or replace any Member and may fill any vacancy in the Committee.

3. MEETINGS OF THE COMMITTEE

3.1 Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all Members are present and waive notice, or those absent waive notice before or after a meeting, the Chair will give the Members 24 hours' advance notice of each

meeting and the matters to be discussed at such meeting. Notice may be given personally, by telephone, by facsimile or e-mail.

3.2 The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee determines it to be necessary or appropriate, at any other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board of Directors or the shareholders of the Company.

3.3 At each meeting of the Committee, a quorum shall consist of a majority of Members that are not officers or employees of the Company or of an affiliate of the Company. A Member may participate in a meeting of the Committee in person or by telephone if all Members participating in the meeting, whether in person or by telephone or other communications medium other than telephone are able to communicate with each other and if all Members who wish to participate in the meeting agree to such participation.

3.4 The Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements.

3.5 The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. At each meeting, the Chair shall appoint a secretary to keep minutes of the meeting. Minutes of all Committee meetings must be signed by the chair of the meeting or by the chair of the next succeeding meeting.

4. RESPONSIBILITIES AND DUTIES

4.1 Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board. To fulfill its responsibilities and duties, the Committee shall:

- (a) review the annual financial statements of the Company and the auditor's report thereon and report to the Board of Directors prior to publishing;
- (b) review the Company's financial statements, including any certification, report, opinion, or review rendered by the Auditor, MD&A and any annual and interim earnings press releases before the Company publicly discloses such information;
- (c) review and satisfy itself that adequate procedures are in place and review the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures;
- (d) be directly responsible for overseeing the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit review services for the Company;
- (e) review and refer to appropriate persons concerns or complaints relating to accounting or audit matters under the Whistleblower Policy and oversee and give direction to such appropriate persons;

- (f) take prompt and appropriate corrective action when and as warranted its judgment in response to a concern or complaint relating to accounting or audit matters under the Whistleblower Policy;
- (g) require the Auditor to report directly to the Committee;
- (h) review annually the performance of the Auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company;
- (i) review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor;
- (j) take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the Auditor;
- (k) recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment and the Auditor for the ensuing year and the compensation for the Auditors, or, if applicable, the replacement of the Auditor;
- (l) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditors of the Company;
- (m) review with management and the Auditor the audit plan for the annual financial statements;
- (n) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services provided by the Auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Company and its subsidiary entities to the Auditor during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more Members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the pre-approval requirement set forth in this section provided the pre-approval of non-audit services by any Member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval;

- (o) in consultation with the Auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (p) consider the Auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (q) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the Auditor and management;
- (r) review significant judgments made by management in the preparation of the financial statements and the view of the Auditor as to the appropriateness of such judgments;
- (s) following completion of the annual audit, review separately with management and the Auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to required information;
- (t) review any significant disagreement among management and the Auditor in connection with the preparation of the financial statements;
- (u) review with the Auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (v) discuss with the Auditor the Auditor's perception of the Company's financial and accounting personnel, any material recommendations which the Auditor may have, the level of co-operation which the Auditor received during the course of their review and the adequacy of their access to records, data or other requested information;
- (w) review with the Auditor their assessment of internal controls, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weakness;
- (x) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (y) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (z) perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation;
- (aa) report regularly and on a timely basis to the Board of Directors on the matters coming before the Committee; and
- (bb) review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

4.2 In addition to the duties required of the Chair by the Terms of Reference for Committees, the Chair shall determine whether a concern or complaint made under the Whistleblower Policy pertains to accounting matters; and when and / or where possible, acknowledge receipt of the concern or complaint to the submitter. The Chair shall also maintain a log of all concerns or complaints, tracking their receipt and treatment and shall prepare a periodic summary report thereof for the Committee

5. OVERSIGHT FUNCTION

5.1 While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in accordance with GAAP or IFRS, as applicable, and applicable rules and regulations. These are the responsibilities of management and the external auditors. The Committee, the Chair and any Members of the Committee identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board of Directors in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

6. AUTHORITY

6.1 The Committee is authorized to:

- (a) to seek any information it requires from any employee of the Company in order to perform its duties;
- (b) to engage, at the Company's expense, independent legal counsel or other professional advisors in any matter within the scope of the role and duties of the Committee under this Charter;
- (c) to set and pay compensation for any advisors engaged by the Committee; and
- (d) to communicate directly with the internal and external auditors of the Company.

6.2 This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.