

REMSTAR RESOURCES LTD.

2012 Notice of Annual General & Special Meeting of Shareholders
ANNUAL Management Information Circular
GENERAL
MEETING

Place: 507 – 700 West Pender Street
Vancouver, British Columbia
V6C 1G8

Time: 10:00 a.m. (Vancouver time)

Date: Thursday, April 26, 2012

REMSTAR RESOURCES LTD.

CORPORATE DATA

Head Office

Suite 507
700 West Pender Street
Vancouver, British Columbia
V6C 1G8

Directors and Officers

Marc Levy, President, Chief Executive Officer and Director
Lawrence W. Talbot, Director
Michael Hunter, Director
Nilda Rivera, Chief Financial Officer
Max Pinsky, Corporate Secretary

Registrar and Transfer Agent

Computershare Investor Services Inc.
510 Burrard Street, 2nd Floor,
Vancouver, B.C.
V6C 3B9

Legal Counsel

Max Pinsky Personal Law Corporation
Suite 1780 - 400 Burrard Street
Vancouver, BC
V6C 3A6

Auditors

Meyers Norris Penny LLP, Chartered Accountants
2300 - 1055 Dunsmuir Street
Vancouver, BC
V7X 1J1

Listing

TSX-V
Symbol "REM"

REMSTAR RESOURCES LTD.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of Shareholders of **REMSTAR RESOURCES LTD.** (the “Company”) will be held at the offices of Remstar Resources Ltd., Suite 507 – 700 West Pender Street, Vancouver, British Columbia, CANADA V6C 1G8, on **Thursday, April 26, 2012**, at the hour of 10:00 a.m. (local time), for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the fiscal year ended July 31, 2011 (with comparative statements relating to the preceding fiscal period) together with the report of the Auditors thereon;
2. To fix the number of directors at three (3);
3. To elect Directors for the ensuing year;
4. To appoint the auditors for the Company for the ensuing financial year;
5. To pass an ordinary resolution providing the required annual re-approval of the Company’s Stock Option Plan;
6. To consider, and if deemed appropriate, to adopt, with or without variation, a special resolution authorizing the Company to file articles of amendment to provide for the consolidation of the Company’s issued and outstanding common shares, as set forth in the Information Circular accompanying this Notice;
7. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

Accompanying this Notice is a Management Information Circular dated March 22, 2012 and a form of proxy. The accompanying Management Information Circular provides information relating to the matters to be addressed at the meeting and is incorporated into this Notice.

Shareholders are entitled to vote at the meeting either in person or by proxy. Those who are unable to attend the meeting are requested to read, complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Management Information Circular accompanying this Notice. Please advise the Company of any change in your mailing address.

DATED at Vancouver, British Columbia, this 22nd day of March, 2012.

BY ORDER OF
THE BOARD OF DIRECTORS

(signed) *Marc Levy*

Marc Levy, President and
Chief Executive Officer

REMSTAR RESOURCES LTD.

MANAGEMENT INFORMATION CIRCULAR

(Containing information as at March 22, 2012 unless indicated otherwise)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of **Remstar Resources Ltd.** (the “Company”) for use at the Annual General and Special Meeting of Shareholders of the Company (and any adjournment thereof) to be held at 10:00 a.m. (Vancouver time) on Thursday, April 26, 2012 (the “Meeting”) at the place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of Proxy are directors or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAME OF THE PERSON NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A proxy will not be valid unless the completed form of proxy is received by Computershare Investor Services Inc., Proxy Dept. 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, on or before 10:00 a.m. (Vancouver time) on Tuesday, April 24, 2012, being 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the meeting or, with respect to any matters occurring after the reconvening of any adjournment of the Meeting, not less than forty-eight (48) hours prior to the time of recommencement of such adjourned meeting.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the Company, at Suite 507 – 700 West Pender Street, Vancouver, British Columbia, Canada V6C 1G8, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the Chair of the Meeting on the day of the Meeting or any adjournment of it. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.**

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

The shares represented by a properly executed proxy in favour of persons designated as proxyholders in the enclosed form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be called for; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL, SUCH SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the meeting or any further or other business is properly brought before the meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter that may be presented to the meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Authorized Capital: An unlimited number of common shares without par value
Issued and Outstanding: 43,474,999 common shares without par value

Only shareholders of record at the close of business on March 22, 2012 (the "Record Date"), who either personally attend the meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the meeting.

On a show of hands, every individual who is present as a shareholder or as a duly appointed representative of one or more registered corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a valid proxy, and every person who is a duly appointed representative of one or more corporate shareholders, will have one vote for each common share registered in the name of the shareholder on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the meeting. Shareholders represented by proxyholders are not entitled to vote on a show of hands.

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

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered shareholders or proxyholders duly appointed by registered shareholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as "Beneficial Shareholders") should note that only registered shareholders are entitled to vote at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are

registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers' clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). 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. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.**

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("Objecting Beneficial Owners", or "OBO's") and those who do not object to their identity being made known to the issuers of the securities they own ("Non-Objecting Beneficial Owners", or "NOBO's"). Subject to the provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuers ("NI 54-101") issuers may request and obtain a list of their NOBO's from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Company's OBO's can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy or voting instruction card provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

ELECTION OF DIRECTORS

The Board of Directors presently consists of four directors and the directors have, by resolution, fixed the number of directors of the Company at three. Accordingly, it is intended to elect three directors for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the meeting as management's nominees and the persons named in the accompanying form of proxy intend to 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 General and Special meeting of the Company or until his successor is 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).

In the following table and notes thereto is stated the name of each person proposed to be nominated by management for election as a director, the country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation or employment during the past five years if such nominee is not presently an elected director, the period of time for which he has been a director of the Company, and the number of common shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Position, Province or State and Country of Residence ⁽¹⁾	Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years ⁽¹⁾	Date Elected or Appointed	Number of Shares Held ⁽²⁾
Marc E. Levy ⁽³⁾ British Columbia, Canada President, Chief Executive Officer & Director	President & CEO of Mosam Ventures Inc., October 2004 to present; President & CEO of Prescient Mining Corp., December 2006 to present; Director of Sparrow Ventures Corp., December 2007 to present; President, CEO and director of Lornex Capital Inc., May 2008 to present. President, CEO and director of Metropolitan Energy Corp. September 2011 to present.	August 1, 2006	2,801,500 ⁽⁵⁾
Lawrence W. Talbot ⁽³⁾⁽⁴⁾ British Columbia, Canada Director	Barrister and Solicitor, Lawrence W Talbot Law Corp., July 2006 to present; Director of Cardero Resource Corp., April 2003 to present; Vice-President and General Counsel of Cardero Resource Corp., July 2006 to present; Vice-President and General Counsel of Corvus Gold Inc., April 2010 to present; Director of Balmoral Resources Ltd., April 2010 to present; Director of Pedro Resources Ltd., January 2011 to	January 31, 2001	75,000 ⁽⁴⁾

Name, Position, Province or State and Country of Residence ⁽¹⁾	Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years⁽¹⁾	Date Elected or Appointed	Number of Shares Held ⁽²⁾
Michael Hunter British Columbia, Canada Director	present; Vice President and General Counsel of International Tower Hill Mines Ltd., September 2006 to present; Vice-President and General Counsel of Wealth Minerals Ltd., July 2006 to present. President of Cardero Resource Corp. (formally Coalhunter Mining Corporation), May 2008 to present.	June 2, 2008	Nil

NOTES:

- (1) The information as to the residency and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (3) Denotes member of Audit Committee.
- (4) Of these shares, 15,000 are held by the Talbot Family Trust, of which Mr. Talbot is the sole trustee (but not a beneficiary).
- (5) Of this total, 113,900 shares are held in trust for Samson Levy.

AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees (“NI 52-110”), companies are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor. This information with respect to the Company is provided in Schedule “A”.

STATEMENT OF EXECUTIVE COMPENSATION

The Company is required to disclose the compensation of each of its Named Executive Officers for each of the Company’s three most recently completed financial years. “Named Executive Officers” means (i) each individual who served as Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) of the Company (or acted in a similar capacity) during the most recently completed financial year, regardless of the amount of compensation of such individual, (ii) 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, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation; and (iii) any additional individuals who would have been included under (ii) except that the individual was not serving as an executive officer of the Company, nor acting in a similar capacity for that financial year.

During the fiscal year ended July 31, 2011, the Company had two Named Executive Officers, namely, Marc Levy, President and CEO, since April 16, 2008 and Nilda Rivera, CFO, since June 23, 2010.

Compensation Discussion and Analysis

The Company's executive compensation program is comprised of base salary, annual cash bonuses, indirect compensation (benefits) and long-term incentives in the form of stock options. The Company's executive compensation practices are designed to attract and retain talented personnel capable of achieving the Company's objectives. The Company also utilizes compensation programs to motivate and reward the Company's executives for the ultimate achievement of the Company's goals. The Company makes use of complementary short-term and long-term incentive programs intended to provide fair, competitive and motivational rewards in the short-term while ensuring that executive's long-term objectives remain aligned with those of the shareholders.

The base salaries for all executives are paid within salary ranges established for each position based on scope and level of responsibility. Individual salaries within the range are determined by that executive's competence, skill level, and experience and market influences. Annual cash bonuses may be given based on subjective criteria, including the Company's ability to pay such bonuses, individual performance, the executive's contributions to achieving the Company's objectives, and other competitive considerations.

Option-Based Awards

Stock options are granted pursuant to the Company's Stock Option Plan (the "Plan") to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation of a new incentive stock option plan and amendments to the existing stock option plan are the responsibility of the Company's Board of Directors.

Summary of Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers during Company's financial year ended July 31, 2011, in accordance with National Instrument 51-102, Continuous Disclosure Obligations ("NI 51-102"):

Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers during the Company's financial year ended July 31, 2011:

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
MARC LEVY PRESIDENT & CEO	2011	\$64,800	Nil	\$21,236 ⁽¹⁾	N/A	N/A	N/A	Nil	\$64,800
	2010	\$66,184	Nil	Nil	N/A	N/A	N/A	Nil	\$66,184
NILDA RIVERA CFO	2011	\$16,800	Nil	\$6,662 ⁽¹⁾	N/A	N/A	N/A	Nil	\$23,462
	2010	\$83,000	Nil	Nil	N/A	N/A	N/A	Nil	\$83,000

⁽¹⁾ The fair value of option-based awards is calculated using a Black-Scholes option pricing model with the following assumptions:

	2011	2010
Risk-free rate	1.69%	1.02%
Expected dividend yield	0%	0%
Expected stock price volatility	121%	136%
Expected life of options	5 years	3 years

Option pricing models require the input of highly subjective assumptions, particularly as to the expected volatility of the stock. Changes in these assumptions can materially affect the fair value estimate, and therefore it is management's view that the existing models may not provide a single reliable measure of the fair value of the Company's stock option grants. The Company uses an option-pricing model because there is no market for which employee options may be freely traded. Readers are cautioned not to assume that the value derived from the model is the value that an employee might receive if the options were freely traded, nor assume that these amounts are the same as those reported for income tax purposes.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets out the outstanding share-based awards and option-based awards held by the Named Executive Officers as at July 31, 2011:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of share that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
MARC LEVY PRESIDENT & CEO	380,000	\$0.10	May 20, 2018	\$3,800 ⁽¹⁾	N/A	N/A
	200,000	\$0.10	Feb. 4, 2019	\$2,000 ⁽¹⁾	N/A	N/A
	200,000	\$0.10	Feb. 18, 2019	\$2,000 ⁽¹⁾	N/A	N/A
	255,000	\$0.10	Oct. 12, 2020	\$2,550 ⁽¹⁾	N/A	N/A
NILDA RIVERA CFO	50,000	\$0.10	Aug. 9, 2016	\$500 ⁽¹⁾	N/A	N/A
	50,000	\$0.10	Apr. 27, 2017	\$500 ⁽¹⁾	N/A	N/A
	60,000	\$0.10	Apr. 17, 2018	\$600 ⁽¹⁾	N/A	N/A
	80,000	\$0.10	Oct. 12, 2020	\$800 ⁽¹⁾	N/A	N/A

(1) The closing market price of the Company's common shares on July 31, 2011 was \$0.11.

Incentive plan awards – value vested or earned during the year

The following table sets out the value vested or earned in incentive plan awards held by the Named Executive Officers during the financial year ended July 31, 2011:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
MARC LEVY PRESIDENT & CEO	\$1,594 ⁽¹⁾	N/A	N/A
NILDA RIVERA CFO	\$500 ⁽¹⁾	N/A	N/A

(1) This value was determined by calculating the difference between the market price of the underlying common shares on the vesting dates and the exercise price of the options on the vesting dates.

See “Particulars of Matters to be Acted Upon – Annual Re-approval of Incentive Stock Option Plan” for a summary of the terms of the Company’s stock option plan.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Company has no plans or arrangements in respect of remuneration received or that may be received by the Named Executive Officers in the Company’s most recently completed financial year or current financial year in respect of compensating such officer in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control.

Compensation of Directors

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the financial year ended July 31, 2011 or subsequently, up to and including the date of this Information Circular:

The following table sets forth the details of compensation provided to the directors of the Company, other than the Named Executive Officers, during the Company’s most recently completed financial year ended July 31, 2011:

Director compensation table

The following table sets out the compensation provided to all directors of the Company, who are not Named Executive Officers, for the Company’s financial year ended July 31, 2011:

Name	Year	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
LAWRENCE TALBOT	2011	Nil	Nil	\$6,662 ⁽¹⁾	N/A	N/A	N/A	\$6,662
	2010	Nil	Nil	Nil	N/A	N/A	N/A	Nil
ROOP MUNDI ⁽²⁾	2011	Nil	Nil	\$6,662 ⁽¹⁾	N/A	N/A	N/A	\$6,662
	2010	Nil	Nil	\$15,819 ⁽¹⁾	N/A	N/A	N/A	\$15,819
MICHAEL HUNTER	2011	Nil	Nil	\$6,662 ⁽¹⁾	N/A	N/A	N/A	\$6,662
	2010	Nil	Nil	Nil	N/A	N/A	N/A	Nil

(1) The fair value of option-based awards is calculated using a Black-Scholes option pricing model with the following assumptions:

	2011	2010
Risk-free rate	1.69%	1.02%
Expected dividend yield	0%	0%
Expected stock price volatility	121%	136%
Expected life of options	5 years	3 years

Option pricing models require the input of highly subjective assumptions, particularly as to the expected volatility of the stock. Changes in these assumptions can materially affect the fair value estimate, and therefore it is management's view that the existing models may not provide a single reliable measure of the fair value of the Company's stock option grants. The Company uses an option-pricing model because there is no market for which employee options may be freely traded. Readers are cautioned not to assume that the value derived from the model is the value that an employee might receive if the options were freely traded, nor assume that these amounts are the same as those reported for income tax purposes.

- (2) Roop Mundi resigned as a director on March 22, 2012.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets out the outstanding share-based awards and option-based awards held by the directors of the Company, who are not Named Executive Officers, as at July 31, 2011:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of share that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
LAWRENCE TALBOT	50,000	\$0.10	Aug. 9, 2016	\$500 ⁽¹⁾	N/A	N/A
	50,000	\$0.10	April 17, 2018	\$500 ⁽¹⁾	N/A	N/A
	75,000	\$0.10	May 20, 2018	\$750 ⁽¹⁾	N/A	N/A
	75,000	\$0.10	Feb. 18, 2019	\$750 ⁽¹⁾	N/A	N/A
	80,000	\$0.10	Oct. 12, 2020	\$800 ⁽¹⁾	N/A	N/A
ROOP MUNDI	250,000	\$0.10	Dec. 1, 2019	\$2,500 ⁽¹⁾	N/A	N/A
	80,000	\$0.10	Oct. 12, 2020	\$800 ⁽¹⁾	N/A	N/A
MICHAEL HUNTER	65,000	\$0.10	May 20, 2018	\$650 ⁽¹⁾	N/A	N/A
	185,000	\$0.10	June 2, 2018	\$1,850 ⁽¹⁾	N/A	N/A
	75,000	\$0.10	Feb. 18, 2019	\$750 ⁽¹⁾	N/A	N/A
	80,000	\$0.10	Oct. 12, 2020	\$800 ⁽¹⁾	N/A	N/A

- (1) The closing market price of the Company's common shares on July 31, 2011 was \$0.11.

Incentive plan awards – value vested or earned during the year

The following table sets out the value vested or earned in incentive plan awards by the directors of the Company, who are not Named Executive Officers, during the financial year ended July 31, 2011:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
LAWRENCE TALBOT	\$500 ⁽¹⁾	N/A	N/A
ROOP MUNDI	\$500 ⁽¹⁾	N/A	N/A
MICHAEL HUNTER	\$500 ⁽¹⁾	N/A	N/A

(1) This value was determined by calculating the difference between the market price of the underlying common shares on the vesting dates and the exercise price of the options on the vesting dates.

See “Particulars of Matters to be Acted Upon – Annual Re-approval of Incentive Stock Option Plan” for a summary of the terms of the Company’s stock option plan.

Equity Compensation Plans

The following table provides information regarding the Company’s equity compensation plans which were in effect as at the fiscal year end July 31, 2011:

Plan Category	# of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	# of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved By Shareholders	4,650,000	\$0.10	627,500
Equity Compensation Plans Not Approved By Shareholders	None	N/A	N/A
Total	4,650,000	\$0.10	627,500

STATEMENT OF CORPORATE GOVERNANCE PRACTICE

National Instrument 58-101, Disclosure of Corporate Governance Practices provides guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2 and requires full and complete annual disclosure of listed companies systems of corporate governance with reference to each of such guidelines (the “Guidelines”). Where a company’s corporate governance system differs from the Guidelines, each difference and the reason for the difference is required to be disclosed. The Company’s approach to corporate governance is provided in Schedule “B”.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries, indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

None of the proposed directors (or any of their personal holding companies) of the Company:

- (a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Company, that:
 - (i) was subject of a cease trade order 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 while that person was acting in the capacity as director, executive officer or chief financial officer; or
 - (ii) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the company and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (b) is, at the date of this Information Circular or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (d) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below or in this or previous Information Circulars and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person of the Company, nor any shareholder beneficially owning shares carrying more than 10% of the voting rights attached to the shares of the Company nor an associate or affiliate of any of the foregoing persons has, since August 1, 2009 (being the commencement of the Company's last completed financial year), had any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

APPOINTMENT OF AUDITOR

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the reappointment of Meyers Norris Penny LLP, Chartered Accountants, as auditors of the Company. Meyers Norris Penny LLP, Chartered Accountants were first appointed auditors of the Company on May 20, 2010.

MANAGEMENT CONTRACTS

The management functions of the Company are substantially performed by the directors and officers of the Company, and not to any substantial degree by any other person with whom the Company has contracted.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors. Directors and executive officers may, however, be interested in the approval of the Company's Incentive Stock Option Plan as detailed below.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Annual Re-Approval of Stock Option Plan:

Pursuant to Policy 4.4 of the TSX Venture Exchange ("TSXV"), all TSXV listed companies are required to adopt a stock option plan prior to granting incentive stock options. On December 18, 2003, the Board of Directors of the Company established such a plan (the "Plan"). The purpose of the Plan is to attract and motivate directors, senior officers, employees, consultants and others providing services to the Company and its subsidiaries, and thereby advance the Company's interests, by affording such persons with an opportunity to acquire an equity interest in the Company through the issuance of stock options. The Company is currently listed on Tier 2 of the TSXV and has adopted a "rolling" stock option plan reserving a maximum of 10% of the issued shares of the Company at the time of the stock option grant. As a "rolling" stock option plan, the Plan is required to be re-approved by the Shareholders each year at the Company's Annual General and Special Meeting.

The TSXV's Policy 4.4 and the terms of the Plan authorize the Board of Directors to grant stock options to optionees on the following terms:

1. The aggregate number of shares that may be issued pursuant to options granted under the Plan, unless otherwise approved by shareholders, may not exceed that number which is equal to 10% of the issued and outstanding shares of the Company at the time of the grant.
2. The number of shares subject to each option will be determined by the Board of Directors, provided that the aggregate number of shares reserved for issuance pursuant to options granted to:
 - (a) insiders may not exceed 10% of the issued shares of the Company in any 12 month period;
 - (b) any one individual within a 12 month period may not exceed 5% of the number of issued and outstanding shares of the Company (unless the Company is a Tier 1 Issuer and disinterested shareholder approval has been obtained);
 - (c) any one consultant during any 12 month period may not exceed 2% of the issued shares of the Company;
 - (d) all persons employed to provide investor relations activities (as a group) may not exceed 2% of the issued shares of the Company during any 12 month period;

in each case calculated as at the date of grant of the option, including all other shares under option to such person at that time.

3. The exercise price of an option may not be set at less than the minimum price permitted by the TSXV.
4. Options may be exercisable for a period of up to ten years from the date of grant.
5. The options are non-assignable and non-transferable. The options can only be exercised by the optionee, including an optionee who is engaged in investor relations activities, as long as the optionee remains an eligible optionee pursuant to the Plan or within a period of not more than 30 days after ceasing to be an eligible optionee or, if the optionee dies, within one year from the date of the optionee's death.
6. Options granted to consultants engaged to perform investor relations activities must be subject to a vesting requirement, whereby such options will vest over a period of not less than 12 months, with a maximum of 25% vesting in any 3 month period.
7. On the occurrence of a takeover bid, issuer bid or going private transaction, the Board of Directors will have the right to accelerate the date on which any option becomes exercisable.

A copy of the Plan may be inspected at the offices of the Company, Suite 500, 700 West Pender Street, Vancouver, B.C. V6C 1G8 during normal business hours at any time up to the Meeting and at the Meeting. In addition, a copy of the plan will be mailed, free of charge, to any holder of common shares who requests a copy, in writing, from the Company at the address above.

Notice of options granted under the Plan must be given to the TSXV on a monthly basis. Any amendments to the Plan must also be approved by the TSXV and, if necessary, by the shareholders of the Company prior to becoming effective.

Accordingly, Shareholders will be asked to pass an ordinary resolution, in substantially the following form, to re-approve the Plan:

“RESOLVED, as an ordinary resolution, that the Company's Incentive Stock Option Plan, as described in the Company's Information Circular dated March

22, 2012 and the grant of options thereunder in accordance therewith, be approved.”

B. Consolidation of Common Shares

At the meeting, Shareholders will be asked to consider a special resolution (“Consolidation Resolution”), approving an amendment to the Company’s Articles of Incorporation to consolidate the Company’s issued and outstanding Common Shares (“Consolidation”) on the basis of one Common Share for up to every 10 existing Common Shares (or such other consolidation ratio that the Board deems appropriate, such ratio to be no greater than 10 pre-consolidation Common Shares for every one post-consolidation Common Share) (“Consolidation Ratio”). The Board considers it advisable to effect the Consolidation in order to facilitate future equity financings to pursue mining and other opportunities.

As of the date of this Circular, the number of issued and outstanding Common Shares is 43,474,999. The number of post-consolidation Common Shares, assuming a Consolidation Ratio of 1 to 10 Common Shares, would be approximately 4,347,499. No fractional or post-consolidation Common Shares will be issued and no cash will be paid in lieu of fractional or post-consolidation Common Shares. In the case of fractional Common Shares resulting from the Consolidation, fractions of a share will be rounded down to the nearest whole Common Share.

Effect on Stock Options

Upon the Consolidation becoming effective, the number of Common Shares reserved for issuance by the Company, including those Common Shares reserved for issuance under the Company’s incentive stock option plan, will be adjusted to give effect to the Consolidation, such that the number of consolidated Common Shares issuable will equal the number obtained when the number of Common Shares issuable pursuant to the stock option plan is multiplied by the Consolidation Ratio, and the exercise price of the outstanding options to purchase Common Shares will be equal to the price obtained by dividing the existing exercise price by the Consolidation Ratio.

Letters of Transmittal

Upon the Consolidation becoming effective, a letter of transmittal will be sent to all registered holders of Common Shares then issued and outstanding for use in transmitting their share certificate(s) to the Company’s registrar and transfer agent, Computershare Trust Company of Canada, in exchange for a document (“Direct Registration Advice”) representing the number of Common Shares to which such Shareholder is entitled as a result of the Consolidation. Upon return of a properly completed letter of transmittal, together with the certificate(s) evidencing the Common Shares of the Company, a Direct Registration Advice for the appropriate number of new consolidated Common Shares will be issued at no charge. Shareholders whose Common Shares are registered in the name of a broker, dealer, bank, trust company or nominee, must contact such nominee to deposit their Common Shares in exchange for a Direct Registration Advice representing post-consolidation Common Shares to which such Shareholder is entitled. Such nominee may have its own procedure for processing the Consolidation.

Risks Associated with the Consolidation

There can be no assurance that any increase in the market price for Common Shares of the Company resulting from the Consolidation will be sustainable or that it will equal or exceed the direct arithmetical result of the Consolidation since there are numerous factors and contingencies that could affect such price, including the status of the market for the Common Shares at the time, the Company’s operations and general economic, geopolitical, stock market and industry conditions.

Accordingly, the total market capitalization of the Common Shares after the Consolidation may be lower than the total market capitalization before the Consolidation and, in the future, the market price of the Common Shares may not exceed or remain higher than the market price prior to the Consolidation. While the Board believes that a higher share price may help generate investor interest in the Common Shares, there can be no assurance that the Consolidation will result in a per share market price that will attract additional investors or that such price will satisfy the investing guidelines of such investors. As a result, the trading liquidity of the Common Shares may not necessarily improve. If the Consolidation is implemented and the market price of the shares declines, the percentage decline may be greater than would occur in the absence of the Consolidation. The market price of the Common Shares will, however, also be based on the Company's performance and other factors, which are unrelated to the number of Common Shares outstanding. Furthermore, the liquidity of the Common Shares could be adversely affected by the reduced number of Common Shares that would be outstanding after the Consolidation.

Management is requesting shareholder approval of the following resolution:

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Company amend its Articles of Incorporation to consolidate all of the issued and outstanding common shares in the capital of the Company on the basis of up to ten (10) existing common shares, or such lesser number of common shares as the Board of Directors of the Company and the TSX Venture Exchange may approve, into one (1) new common share;
2. The Directors of the Company may revoke the foregoing resolutions without further approval of the shareholders at any time prior to the endorsement by the Director appointed under the *Canada Business Corporations Act* of a Certificate of Amendment of Articles in respect of this amendment;
3. Any Director or Officer of the Company be and he is hereby authorized to execute and deliver, for and on behalf of the Company, all such documents and to do all such other acts and things as may be considered necessary or desirable to give effect to this resolution including, without limitation, the delivery of articles of amendment in the prescribed form to the director appointed under the *Canada Business Corporations Act*; and
4. Upon Articles of Amendment having become effective in accordance with the *Canada Business Corporations Act*, the Articles of the Company be and they are hereby amended in accordance with the foregoing.”

In order for the Consolidation Resolution to be effective, the Consolidation Resolution requires confirmation by the shareholders of the Company. The *Canada Business Corporations Act* requires that the Consolidation Resolution be confirmed by at least 66 2/3% of the votes cast by the shareholders of the Company present in person or represented by proxy at the meeting. The proposed consolidation is also subject to the acceptance for filing by the TSX venture exchange.

ANY OTHER MATTERS

Management of the Company knows of no matters to come before the meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the SEDAR website located at www.sedar.com under “Company Profiles – Remstar Resources Ltd.”. The Company’s financial information is provided in the Company’s comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company’s financial statements and related management discussion and analysis by contacting the CEO of the Company at Suite 507, 700 West Pender Street, Vancouver, British Columbia V6C 1G8

Schedule "A"

Audit Committee

Composition of the Audit Committee

Following the election of the directors pursuant to this Information Circular, it is intended that the following will be the members of the Audit Committee:

Member	Independent/Not Independent ⁽¹⁾	Financially Literate/ Not Financially Literate ⁽²⁾	Relevant Education and Experience
Lawrence W. Talbot	Independent	Financially literate	Mr. Talbot is a Barrister and Solicitor in good standing with the Law Society of British Columbia. He was a former partner of Gowling Lafleur Henderson LLP until 2006. Mr. Talbot serves as a director and officer for both private and public companies.
Marc E. Levy	Not Independent	Financially literate	Mr. Levy is the President and CEO of Mosam Ventures Inc., a venture capital firm. Mr. Levy has been the President & CEO of Norsemont Mining Inc., a public company listed on the Toronto Stock Exchange. Mr. Levy also serves as a director, officer and audit committee member for other publicly traded companies.

Michael Hunter	Independent	Financially Literate	Mr, Hunter is the President of Cardero Resource Corp., which is currently trading on the TSX Venture Exchange and has over 25 years of mining experience.
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- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company that could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

In their positions with the Company and other mineral resource companies, members of the audit committee have been responsible for receiving information relating to other companies and obtaining an understanding of the balance sheet, income statements and statements of cash flows and how these statements are integral in assessing the financial condition of companies and their operating results.

Each member has an understanding of the mineral exploration and mining business in which the Company is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Company's financial disclosures and internal control systems.

The Audit Committee's Charter

The following is the text of the current Charter for the Audit Committee as adopted by the Board on November 29, 2005. The Board may amend such Charter in the future in light of evolving corporate governance standards.

“Overall Purpose / Objectives

The Audit Committee will assist the board of directors (the “Board”) in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

Authority

The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings as appropriate.

Organization

Membership

The Audit Committee will be comprised of at least three members, who are directors, a majority of which are not officers or employees of the Company.

The chairman of the Audit Committee will be nominated by the committee from time to time.

A quorum for any meeting will be two members.

The secretary of the Audit Committee will be the Company Secretary, or such person nominated by the Chairman.

Attendance at Meetings

The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.

Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting of the Audit Committee if they consider that it is necessary.

The proceedings of all meetings will be minuted.

Roles and Responsibilities

The Audit Committee will:

Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.

Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside independent counsel whenever deemed appropriate.

Review the annual and quarterly financial statements, including Management's Discussion and Analysis and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.

Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.

Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.

Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.

Meet with management and the external auditors to review the annual financial statements and the results of the audit.

Evaluate the fairness of the interim financial statements and disclosures and obtain explanations from management on whether:

- (a) actual financial results for the interim period varied significantly from budgeted or projected results;
- (b) generally accepted accounting principles have been consistently applied;
- (c) there are any actual or proposed changes in accounting or financial reporting practices; and
- (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.

Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the company. The Board authorizes the Chairman of the Audit Committee to approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.

Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.

Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

Review and approve the Company's hiring policies regarding partners, employers and former partners and employees of the present and former external auditors of the Company.

Establish a procedure for:

- (a) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (b) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.

Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.

Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

Perform other functions as requested by the full Board.

If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.

Review and recommend updates to the charter; receive approval of changes from the Board.”

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company’s external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Chairman of the Audit Committee is authorized to approve any non-audit services or additional work which the Chairman deems as necessary and is required to notify the other members of the Audit Committee of such non-audit or additional work.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company’s external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
2011	\$18,500	Nil	Nil	Nil
2010	\$17,500	Nil	Nil	Nil

(1) The aggregate audit fees billed.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements that are not included under the heading “Audit Fees”.

(3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

(4) The aggregate fees billed for products and services other than as set out under the headings “Audit Fees”, “Audit Related Fees” and “Tax Fees”.

Exemption

The Company is relying upon the exemption in section 6.1 of the National Instrument 52-110 – *Audit Committees*.

SCHEDULE “B”

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the board of directors of the Company (the “Board”), 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 and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices that are both in the interest of its shareholders and contribute to effective and efficient decision making. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines that apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices for Venture Issuers in Form 58-101F2, which disclosure is set out below.

Board of Directors

Structure and Compensation

All of the proposed nominees for election as a director at the 2012 Annual General and Special Meeting are current directors of the Company. Form 58-101F1 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under National Instrument 52-110 (“NI 52-110”), which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. “Material relationship” is defined as a relationship that could, in the view of the company’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. Of the proposed nominees, one (1), being Marc Levy, the President and CEO, is “inside” or a management director and is considered not to be “independent”. The two (2) remaining proposed nominees are considered by the Board to be “independent”, within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. It is the objective of the Company to continue the search for additional qualified individuals who would be willing to serve as directors and who would be considered as “independent”, so as to strive to have a majority of independent Board members and enhance the quality of the Company’s corporate governance.

The Company does not currently have a Chairman of the Board and, given the current size of the Board, does not consider that a Chairman is necessary. The independent directors exercise their responsibilities for independent oversight of management, and are provided with leadership through their position on the Board and ability to meet independently of management whenever deemed necessary. The Board will give consideration to appointing an “independent” member as Chairman at such time as it believes that such a position is required but will not be able to do so until additional “independent” directors are recruited and appointed.

The Company does not currently pay its directors any remuneration for acting as directors and the only compensation for acting as directors received by non-management directors is through the grant of incentive stock options. The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current Board compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted to any director or officer is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions. Options to be granted to “management” directors are required, as a matter of board practice, to be reviewed and approved by the “non-management” directors. Given the current size and limited scope of operations of the Company, the Board does not believe that a formal compensation committee is required. At such time as, in the opinion of the Board, the size and activities of the Company and the number of management employees warrants it, the Board will consider it necessary to appoint a formal compensation committee.

The following directors of the Company are directors of other reporting issuers:

<u>Name of Director</u>	<u>Other Reporting Issuers</u>	<u>Exchange</u>
Marc Levy	Prescient Mining Corp. Sparrow Ventures Corp. Lornex Capital Inc. Metropolitan Energy Corp.	TSXV TSXV TSXV TSXV
Lawrence W. Talbot	Cardero Resource Corp. International Tower Hill Mines Ltd. Corvus Gold Inc. Balmoral Resources Ltd. Pedro Resources Ltd.	TSX TSX TSX TSXV TSXV
Michael Hunter	Cardero Resource Corp.	TSXV

Mandate of the Board

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through the Audit Committee. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate legislation and regulatory policies. However, as the Company grows, the Board will likely move to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company's internal control and management information systems and for the Company's policies respecting corporate disclosure and communications.

Each member of the Board understands that he is entitled, at the cost of the Company, to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

The positions of President and CEO are combined. The Board believes the Company is well serviced and the independence of the Board from management is not compromised by the combined role. The Board does not, and does not consider it necessary to, have any formal structures or procedures in place to ensure that the Board can function independently of management. The Board believes that its current composition, in which two of three members is independent, is sufficient to ensure that the Board can function independently of management.

Nomination and Assessment

The Board as a whole determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the individual Board members, including both formal

and informal discussions among Board members and the President and CEO. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an *ad hoc* basis.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current level of operations. However, if the growth of the Company's operations warrants it, it is likely that a formal orientation process will be implemented.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies in the natural resource sector. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Company's Board.

Expectations of Management and Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company's operations and the small number of officers and employees allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. Should the Company operations grow in size and scope, the Board anticipates that it would then formulate and implement a formal Code of Business Conduct and Ethics.

Committee Responsibilities and Activities

Committees of the Board are an integral part of the Company's governance structure. At the present time, the only standing committee is the Audit Committee. Disclosure with respect to the Audit Committee, as required by NI 52-110 – Audit Committee, is contained in Schedule "A" to this Information Circular. As the Company grows, and its operations and management structure became more complex, the Board will likely find it appropriate to constitute formal standing committees, such as a Corporate Governance Committee, Compensation Committee and Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of "independent" directors.