

LIONS GATE METALS INC.

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Telephone: (604) 683-7588

INFORMATION CIRCULAR

(as at April 5, 2012)

This Information Circular is furnished in connection with the solicitation of proxies by the management of Lions Gate Metals Inc. (the “Corporation”) for use at the Annual General and Special Meeting (the “Meeting”) of its shareholders to be held on May 10, 2012 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

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

GENERAL PROXY INFORMATION

Solicitation of Proxies

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

Appointment of Proxyholders

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

Voting by Proxyholder

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

- (a) each matter or group of matters identified therein for which a choice is not specified,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter. Management is not currently aware of any other matter that could come before the Meeting.

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 Corporation's transfer agent, Valiant Trust Company, by fax at (604) 681-3607, or by mail or hand delivery at Suite 600, 750 Cambie Street, Vancouver, British Columbia, V6B 0A2; or
- (b) using the internet through the website of Valiant Trust Company at www.valianttrust.com. Registered Shareholders who choose this option must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number;

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

Beneficial Shareholders

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

If you are a Beneficial Shareholder:

You should carefully follow the instructions of your broker or intermediary in order to ensure that your 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 Corporation. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a Proxy provided by the Corporation. The voting instruction form will name the same persons as the Corporation's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Corporation), other than the persons designated in the voting instruction form, 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 voting instruction form. The completed voting instruction form 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 voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the voting instruction form must be completed**

and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.

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

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

Revocation of Proxies

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to **Valiant Trust Company or at the Corporation's office, Suite 880, 609 Granville Street, PO Box 10321, Pacific Centre, Vancouver, British Columbia, V7Y 1G5**, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors.

RECORD DATE AND QUORUM

The board of directors (the "**Board**") of the Corporation have fixed the record date for the Meeting at the close of business on April 5, 2012 (the "**Record Date**") for the determination of shareholders entitled to vote at the Meeting. Only shareholders of record at the close of business on 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 Common Shares voted at the Meeting.

Under the Articles of the Corporation, the quorum for the transaction of business at the Meeting consists of one person who is a shareholder or who is otherwise permitted to vote shares of the Corporation at a meeting of shareholders pursuant to the Articles, present in person or by proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Common Shares. As of April 5, 2012, there were 25,495,326 Common Shares issued and outstanding, each carrying the right to one vote. Common Shares of the Corporation are listed on TSX Venture Exchange (the "TSXV").

As at April 5, 2012, to the knowledge of the directors and senior officers of the Corporation, and based on the Corporation's review of the records maintained by Valiant Trust Company, electronic filings with System for Electronic Document Analysis and Retrieval ("SEDAR") and insider reports filed with System for Electronic Disclosure by Insiders, the following persons owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation:

Name	Number of Voting Securities	Percentage
Resinco Capital Partners Inc.	4,218,437 ⁽¹⁾	16.55%

Note:

(1) John Icke, a Director of the Corporation, is CEO and a Director of Resinco Capital Partners Inc.

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance

Corporate governance relates to the activities of the Board of Directors (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 Corporation. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board 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"), the Corporation is required to disclose its corporate governance practices, as summarized below. The Board of Directors will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

Board of Directors

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

The Corporation's Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Corporation's Board requires management to provide complete and accurate information with respect to the Corporation's activities and to provide relevant information concerning the industry in which the Corporation operates in order to identify and manage risks. The Corporation's Board is responsible for monitoring the Corporation's officers, who in turn are responsible for the maintenance of internal controls and management information systems.

Currently, the Corporation's board has three independent members, being John Tapics, Gordon Keevil and Richard Schroeder. The non-independent members are Arni Johannson, Michael Sweatman and John Icke.

Directorships

The following table sets forth the directors of the Corporation who currently hold directorships in other reporting issuers:

Name of Director	Other Issuer
Arni Johannson	Atlantis Gold Mines Corp. Mega Uranium Ltd. Titan Uranium Inc.
Michael Sweatman	Black Bird Energy Inc. Brownstone Energy Inc. Galena Capital Corp. Mega Precious Metals Inc. Mega Uranium Ltd. Netco Silver Inc. Teslin River Resources Corp.
John Icke	Cue Resources Ltd. Pacific Coast Nickel Corp. Resinco Capital Partners Inc. Terreno Resources Inc. Teslin River Resources Corp. Woulfe Mining Corp.
John Tapics	Compliance Energy Corporation Copper Mountain Mining Corporation
Gordon Keevil	Burnstone Ventures Inc. Imperial Metals Corporation
Richard Schroeder	Galena Capital Corp.

Orientation and Continuing Education

Each new director is given an outline of the nature of the Corporation's business, its corporate strategy and current issues within the Corporation. New directors are also required to meet with management of the Corporation to discuss and better understand the Corporation's business and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations as a director of the Corporation.

In addition, management of the Corporation takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole. The Corporation continually reviews the latest securities rules and policies and is on the mailing list of the TSX Venture Exchange (the "TSXV") to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Corporation's directors either by way of director or committee meetings or by direct communications from management to the directors.

Ethical Business Conduct

The Corporation's Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the board in which the director has an interest have been sufficient to ensure that the board operates independently of management and in the best interests of the Corporation. Further, the Corporation's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Corporation's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Corporation's 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 Corporation's Board does not have a nominating committee, and these functions are currently performed by the Corporation's Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Compensation

The following are the members of the Compensation Committee:

Richard Schroeder	Independent ⁽¹⁾	Financially literate ⁽¹⁾
John Icke	Not Independent ⁽¹⁾	Financially literate ⁽¹⁾
John Tapics	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Gordon Keevil	Independent ⁽¹⁾	Financially literate ⁽¹⁾

Note:

(1) As defined in NI 52-110.

The function of the compensation committee is to review, on an annual basis, the compensation paid to the Corporation's executive officers and to the directors, to review the performance and compensation paid to the Corporation's executive officers and to make recommendations/report to the Board on compensation matters based on the criteria established in the guidelines provided in the Charter of the Compensation Committee. In addition, the Committee reviews annually the compensation plans for the Corporation's non-executive staff.

Other Board Committees

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

Assessments

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

Audit Committee Disclosure

Pursuant to section 224(1) of the *British Columbia Business Corporations Act*, the policies of the TSXV and National Instrument 52-110 Audit Committees ("NI 52-110"), the Corporation is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation. NI 52-110 requires the Corporation, as a venture issuer, disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

Audit Committee's Charter

The Audit Committee has a charter. A copy of the Audit Committee Charter is attached as Appendix A.

Composition of the Audit Committee

The following are the members of the Audit Committee:

Richard Schroeder (Chair)	Independent ⁽¹⁾	Financially literate ⁽¹⁾
John Tapics	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Gordon Keevil	Independent ⁽¹⁾	Financially literate ⁽¹⁾

Note:

(1) As defined in NI 52-110.

Relevant Education and Experience

Richard Schroeder has over 35 years of experience advising multinational public companies in the mining and financial services sectors. Mr. Schroeder graduated in 1976 with a B.Sc. from the University of British Columbia. He then obtained his Chartered Accountants designation in 1981 from the Institute of Chartered Accountants of British Columbia. Mr. Schroeder was a partner at Ellis Foster, Chartered Accountants for over 15 years and has continued as partner at Ernst & Young LLP following their merger in 2005 until his retirement effective July 1, 2011.

John Tapics is currently CEO of Compliance Energy Corp., a company focused on the development of Coal assets on Vancouver Island, B.C. He also serves on The Board of Directors for Copper Mountain Mining Corporation. Copper Mountain is a large 5 billion lbs Copper project located in B.C., Canada. Mr. Tapics has served on the board of Copper Mountain since their Initial Public Offering in 2007.

Mr. Tapics graduated in 1975 with a B.Sc. Honours in Mining Engineering from Queen's University in Ontario, Canada. Mr. Tapics has over 30 years of mining and electricity industry experience including four years as President and CEO of the Alberta Electric System Operator responsible for operating Alberta's electricity market, transmission planning and system operations; eleven as an Officer of TransAlta Corporation, in charge of the Generation, and the Transmission and Distribution Business units. While at TransAlta, Mr. Tapics directed the planning and economic delivery of 16 million tonnes of coal annually from two mine sites to three power plants totaling 3300 megawatts.

Mr. Tapics has served as a Director of the Coal Association of Canada, the Alberta Chamber of Resources, and the Western Electric Power Institute. He has been active with the Canadian Electricity Association, serving on the Generation and the Transmission Strategic Issues working groups; and the Canadian Institute of Mining and Metallurgy serving as the Calgary Branch Chairman.

Gordon Keevil, P.Geo., is a senior executive serving as Vice-President of Corporate Development of Imperial Metals Corp. Mr. Keevil joined Imperial Metals Corp. in 2009 following the Imperial - Selkirk Metals Corp. merger. Mr. Keevil brings a wealth of technical and corporate experience in the management financing and operation of resource companies.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recent completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation 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.

External Auditor Service Fees (By Category)

Aggregate fees paid to the Auditor during the fiscal years ended December 31, 2011 and 2010 were as follows:

Financial Year Ended	Audit Fees	Audit Related Fees⁽¹⁾	Tax Fees⁽²⁾	All Other Fees⁽³⁾
2011	\$31,088	Nil	\$3,983	\$16,765
2010	\$20,000	Nil	\$4,499	\$3,337

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

EXECUTIVE COMPENSATION

Definitions

For the purpose of this information circular:

“**CEO**” of the Corporation means an individual who acted as Chief Executive Officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” of the Corporation means an individual who acted as Chief Financial Officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

“**Named Executive Officers or NEOs**” means:

- (a) a CEO;
- (b) a CFO;
- (c) each of the Corporation’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;
- (d) each individual who would be an NEO under (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

Compensation Discussion and Analysis

The Compensation Committee is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Corporation’s executive officers. The Board ensures that total compensation paid to its NEOs is fair and reasonable and is consistent with the Corporation’s compensation philosophy.

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Corporation’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. This approach is based on the assumption that the performance of the Corporation’s common share price over the long term is an important indicator of long term performance.

The Corporation’s compensation philosophy is based on the following fundamental principles:

- (a) *Compensation programs align with shareholder interests* – the Corporation aligns the goals of executives with maximizing long term shareholder value;
- (b) *Performance sensitive* – compensation for executive officers should be linked to operating and market performance of the Corporation and fluctuate with the performance; and
- (c) *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of the compensation program in compensating all NEOs were developed based on the above-mentioned compensation philosophy and are as follows:

- (a) to attract and retain highly qualified executive officers;
- (b) to align the interests of executive officers with shareholders' interests and with the execution of the Corporation's business strategy;
- (c) to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- (d) to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

With respect to forms of compensation, historically these have been comprised of fixed salaries, consulting fees and incentive stock options. The Corporation has not granted share-based awards, does not have any form of non-equity incentive plan, and does not have any form of pension plan. The Board has the discretion to pay bonuses to the executive officers, however, there is no formal bonus plan or other formal arrangements pursuant to which bonuses may be earned and the Corporation did not pay any bonuses to its executive officers in the financial year ended December 31, 2011.

The Corporation's process for determining executive compensation is done on a case by case basis and involves discussion by the Board of the factors the Board deems relevant to each case. There are no formally defined objectives, benchmarks criteria and analysis that are used in all cases.

Competitive Compensation

Aggregate compensation for each NEO is designed to be competitive. The Board reviews compensation practices of similarly situated companies in determining compensation policy. Although the Board reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role within the Corporation, it is primarily focused on remaining competitive in the market with respect to total compensation.

Prior to making its decisions, the Board reviews data related to compensation levels and programs of various companies that are similar in size to the Corporation and operate within the mineral exploration and development industry. These companies are used as the Corporation's primary peer group because they have similar business characteristics or because they compete with the Corporation for employees and investors. The Board also relies on the experience of its members as officers and/or directors at other companies in similar lines of business as the Corporation in assessing compensation levels. The purpose of this process is to:

- (a) understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;

- (b) identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- (c) establish as a basis for developing salary adjustments and option based compensation for the Board's approval.

Aligning the Interests of the NEOs with the Interests of the Corporation's Shareholders

The Corporation believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the NEOs.

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For the 2011 financial year, the two basic components of executive officer compensation program were:

- (a) fixed salary or consulting fees; and
- (b) option-based compensation.

Fixed salary or consulting fees, as applicable, comprise the total cash-based compensation. Option-based compensation represents compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on the market performance of the Corporation's Common Shares.

To date, no specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Board considers each target and the Corporation's performance and assigns compensation based on this assessment and the recommendations of the Board. In determining the total compensation of any NEO, the Board considers all elements of compensation in total rather than one element in isolation.

Base Salary or Fees

The Board approves the salary or fee ranges for the NEOs, as applicable. The base salary or fee review for each NEO is based on assessment of factors such as current competitive market conditions and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Corporation's process for determining this component of an NEO's compensation is done on a case by case basis and involves discussion by the Board of the factors the Board deems relevant to each case. There are no formally defined objectives, benchmarks criteria and analysis that are used in all cases.

During financial year ended December 31, 2011, the Corporation did not award any increases in base salary or fees of the NEOs in response to the subjective assessment of their respective performance, analysis of external market conditions and competitive needs to retain its qualified personnel.

Long Term Compensation

The Corporation has no long-term incentive plans other than its incentive stock option plan (the "Plan"). The Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Plan aligns the interests of the NEOs with shareholders by linking a component of executive compensation to the longer term performance of the Corporation's Common Shares.

Management recommends and the Board approves the option grants. In monitoring or adjusting the option allotments, the Board takes into account the level of options granted by similar companies for similar levels of responsibility and considers each NEO or employee based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs. The scale of options is generally

commensurate to the appropriate level of base compensation for each level of responsibility. In addition, previous grant of options are taken into account when considering new grants.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- (a) the NEOs and others who are eligible to participate in the Plan;
- (b) the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the market price on the date of grant;
- (c) the date on which each option is granted;
- (d) the vesting period, if any, for each stock option;
- (e) the other material terms and conditions of each stock option grant; and
- (f) any re pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Plan. The board of directors reviews and approves grants of options on an as required basis, but no less frequently than annually.

All of the NEOs are eligible to participate in the Corporation's Stock Option Plan.

Perquisites and Personal Benefits

As a junior issuer, the Corporation takes a conservative approach to perquisites; however the Corporation's objective in awarding perquisites and other personal benefits is to grant NEOs competitive perquisites and benefits that allow them to focus on their daily responsibilities and the achievement of the Corporation's objectives. The process that the Corporation follows in determining when to award perquisites is ad hoc in nature, but generally is rare.

Termination and Change of Control Benefits

The Corporation has in the past had, and may implement in the future make, certain arrangements with its NEOs which provide for the payment of compensation and benefits to the NEOs on their termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities. The Corporation believes that these arrangements can be an important component of the overall compensation package it offers to its NEOs and from time to time may be necessary in order to attract and retain key executives. As with the other elements of compensation, when negotiating the termination and change of control arrangements, the Board considers all elements of compensation in total rather than one element in isolation.

Summary Compensation Table

In accordance with the provisions of applicable securities legislation, the Corporation had three "Named Executive Officers" during the financial year ended December 31, 2011, namely Arni Johannson (Chairman and former Chief Executive Officer), Michael Sweatman (Chief Financial Officer) and Andrew Gourlay (Vice-President of Exploration and Development).

The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries during the three most recently completed financial years ended on or after December 31, 2011, December 31, 2010 and December 31, 2009 in respect of the Named Executive Officers. For the information concerning compensation related to previous years, please refer to the Corporation's previous Information Circulars available at www.sedar.com.

Summary Compensation Table

For Financial Years Ended December 31, 2011, 2010 and 2009

Neo 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			
Arni Johannson ⁽¹⁾ <i>Chairman, Director and former CEO</i>	2011	165,000 ⁽²⁾	Nil	90,781 ⁽³⁾	Nil	Nil	Nil	15,000 ⁽²⁾	270,781
	2010	Nil	Nil	Nil	Nil	Nil	Nil	288,000	288,000
	2009	Nil	Nil	Nil	Nil	Nil	Nil	135,000	135,000
Michael Sweatman ⁽⁴⁾ <i>CFO and Director</i>	2011	55,000	Nil	48,032 ⁽³⁾	Nil	Nil	Nil	29,731 ⁽⁵⁾	108,032
	2010	Nil	Nil	Nil	Nil	Nil	Nil	14,969 ⁽⁵⁾	14,969
Andrew Gourlay ⁽⁶⁾ <i>VP of Exploration and Development</i>	2011	Nil	Nil	48,032 ⁽³⁾	Nil	Nil	Nil	116,813	164,845
	2010	Nil	Nil	Nil	Nil	Nil	Nil	32,123	32,123
Darren Tindale ⁽³⁾ <i>(former CFO)</i>	2010	15,000	Nil	Nil	Nil	Nil	Nil	24,000	39,000
	2009	29,938	Nil	89,500 ⁽⁷⁾	Nil	Nil	Nil	6,000	125,438
Damien Reynolds ⁽⁸⁾ <i>(former CEO)</i>	2009	141,000	Nil	Nil	Nil	Nil	Nil	Nil	141,000
Mark Hewett ⁽⁹⁾ <i>(former CEO)</i>	2009	60,000	Nil	36,000 ⁽⁷⁾	Nil	Nil	Nil	6,000	102,000

Notes:

- (1) Arni Johannson was appointed interim Chief Executive Officer on December 1, 2009. On June 21, 2011, he was appointed CEO and remained so at the fiscal year ended December 31, 2011. On January 6, 2012, Mr. Johannson resigned as CEO and Mr. Paul Sarjeant was appointed in his stead.
- (2) Up until January 31, 2011, Mr. Johannson provided management consultant services to the Corporation. On February 1, 2011, he became an employee of the Corporation.
- (3) On January 4, 2011, 189,000 options were granted to Mr. Johannson, 200,000 to Mr. Sweatman and 100,000 to Mr. Gourlay. These options were valued at \$0.80. The Corporation used the Black-Scholes model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for these options: risk-free interest rate – 1.64%; estimated volatility – 95%; expected life – 3 years; and expected dividend yield – 0%.
- (4) Darren Tindale resigned as Chief Financial Officer on July 30, 2010 and Michael Sweatman was appointed Chief Financial Officer in his stead.
- (5) Paid for bookkeeping services to a company of which Mr. Sweatman is a Director and Shareholder.
- (6) Mr. Gourlay was appointed as Vice-President of Exploration and Development on May 10, 2010 but did not become an NEO until 2011 due to remuneration paid. See item (c) of definition of “NEO” under the heading “Summary Compensation Table” above. Mr. Gourlay is not an employee of the Corporation and renders invoices to the Corporation for services rendered.
- (7) 50,000 options granted to Mr. Hewett and Mr. Tindale on April 2, 2009 were valued at \$0.72. The Corporation used the Black-Scholes model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for these options: risk-free interest rate – 2.0%; estimated volatility – 51%; expected life – 5 years; and expected dividend yield – 0%. Mr. Tindale received an additional grant of 50,000 options valued at \$1.07 on September 18, 2009 and the Corporation used the Black-Scholes model as the methodology to calculate the grant date fair value, relying on the following key assumptions and estimates: risk-free interest rate - 2.7%; estimated volatility – 117%; expected life – 5 years; and expected dividend yield - 0%.
- (8) Damien Reynolds was appointed Chief Executive Officer on June 30, 2009 and resigned as CEO on December 1, 2009.
- (9) Mark Hewett resigned as Chief Executive Officer on June 30, 2009 but remained with the Corporation as a Director until April 6, 2011.

Outstanding Share-Based Awards and Option-Based Awards

The Corporation has a “rolling” stock option plan (the “Plan”). Pursuant to the Plan, the Corporation can grant options up to a maximum of 10% of the Corporation’s issued and outstanding share capital. As at the date of this Information Circular, the Corporation has a total of 2,174,000 options outstanding pursuant to the Plan. For further information regarding the terms of the Plan, refer to the heading “Particulars of Other Matters to be Acted Upon - The Plan” below.

The following table sets forth information concerning all awards outstanding under share-based or option-based incentive plans of the Corporation at the end of the most recently completed financial year to each of the Named Executive Officers.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value ⁽¹⁾ of Unexercised In-The-Money Options ((\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value ⁽¹⁾ of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
Arni Johannson	189,000	0.80	Jan. 3, 2016	Nil	Nil	Nil	Nil
Michael Sweatman	200,000	0.80	Jan. 3, 2016	Nil	Nil	Nil	Nil
Andrew Gourlay	100,000	0.80	Jan. 3, 2016	Nil	Nil	Nil	Nil

Notes:

- (1) Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the difference, if any, between the market value of the securities underlying the options as at the closing price on the date of the current financial year end, or, if no trades on date of the current financial year end, closing price on the previous trading day. The last closing price of the Corporation's shares during the financial year ended December 31, 2011 was \$0.33 on December 29, 2011.

Incentive Plan Awards: Value Vested or Earned During the Year

The following table details the value of incentive plan awards to Named Executive Officers that vested during the financial year ended December 31, 2011.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Arni Johannson	Nil ⁽²⁾	N/A	N/A
Michael Sweatman	Nil ⁽²⁾	N/A	N/A
Andrew Gourlay	Nil ⁽²⁾	N/A	N/A

Notes:

- (1) All options granted to the NEOs vested at the date of grant. The 489,000 options granted to Named Executives Officers on January 3, 2011 were not-in-the-money as the market closing price on the date of grant was equal to or less than the exercise price.
- (2) On January 4, 2011, Arni Johannson, Michael Sweatman and Andrew Gourlay were granted stock options to purchase 189,000, 200,000 and 100,000 common shares respectively, exercisable at a price of \$0.80 per share until January 3, 2016.

Pension Plan Benefits

The Corporation does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement. The Corporation does not have a form of deferred compensation plan.

Termination of Employment, Change of Control Benefits and Management Contracts

Except as described below, neither the Corporation nor any of its subsidiaries have any plan or arrangement with respect to compensation to its executive officers which would result from the resignation, retirement or any other termination of the executive officers' employment with the Corporation and its subsidiaries or from a change of control of the Corporation or any subsidiary of the Corporation or a change in the executive officers' responsibilities following a change in control.

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

The Corporation is a party to:

- (a) a service agreement with Canadian Nexus Ventures Ltd. (“**CNV**”) (the “**CNV Service Agreement**”), a company controlled by Arni Johannson, the Chairman of the Corporation, pursuant to which CNV provides accounting and financial services, cash management and investment services, coordination of audit, legal and insurance services, human resources and staffing, and such other executive functions in connection with the management of the business and affairs of the Corporation. The CNV Service Agreement may be terminated (a) by either party giving at least 90 days prior written notice (or such shorter period as the parties may mutually agree upon) of termination; (b) immediately by the Corporation in the event of the commission of CNV of any fraudulent act; or (c) immediately where a winding-up, liquidation, dissolution, bankruptcy, sale of substantially all assets, sale of business or insolvency proceeding have been commenced or are being contemplated by CNV or the Corporation. The CNV Service Agreement does not provide for any payments on termination or change of control;
- (b) a service agreement with MDS Management Ltd. (“**MDS**”) (the “**MDS Service Agreement**”), a company over which the Michael Sweatman, the Chief Financial Officer of the Corporation, exercises significant influence, pursuant to which MDS provides bookkeeping services for an hourly fee and reimbursement of reasonable out-of-pocket expenses. The MDS Service Agreement may be terminated by either party providing a 30-day cancellation notice in writing. The MDS Service Agreement does not provide for any payments on termination or change of control;
- (c) an employment agreement with Arni Johannson (the “**Johannson Agreement**”) in relation to his role as an executive officer of the Corporation whereby Mr. Johannson receives an annual base salary of \$180,000 and reimbursement of eligible business expenses. In the event of termination without cause by the Corporation, Mr. Johannson will be provided with 30% of two weeks’ salary for each completed year of service or, at the Corporation’s discretion, salary in lieu of such notice to a maximum of 12 months notice or salary. The Johannson Agreement is does not provide for any payments on a change of control;
- (d) an employment agreement with Michael Sweatman (the “**Sweatman Agreement**”) in relation to his role as an executive officer of the Corporation whereby Mr. Sweatman receives an annual base salary of \$60,000 and reimbursement of eligible business expenses. In the event of termination without cause by the Corporation, Mr. Sweatman will be provided with 30% of two weeks’ salary for each completed year of service or, at the Corporation’s discretion, salary in lieu of such notice to a maximum of 12 months notice or salary. The Sweatman Agreement does not provide for any payments on a change of control;
- (e) an employment agreement with Blair McIntyre (the “**McIntyre Agreement**”) in relation to his role as an executive officer of the Company whereby Mr. McIntyre receives an annual base salary of \$84,000 and reimbursement of eligible business expenses. In the event of termination without cause by the Corporation, Mr. McIntyre will be provided with 30% of two weeks’ salary for each completed year of service or, at the Corporation’s discretion, salary in lieu of such notice to a maximum of 12 months notice or salary. The McIntyre Agreement does not provide for any payments on a change of control; and
- (f) a three-year consulting agreement with Doublewood Consulting Inc. (“**Doublewood**”), a company controlled by Paul Sarjeant, the Chief Executive Officer and President of the Corporation, effective January 1, 2012 (the “**Doublewood Agreement**”) whereby Doublewood provides management services to the Corporation for a fee of \$14,700 per month and reimbursement of reasonable expenses. In addition, Doublewood may receive cash bonuses up to \$78,000 based on a % payout of five annual performance targets and share bonuses of up to 100,000 shares of the Corporation in year one and up to 250,000 shares in year two contingent upon the Corporation attaining milestones as approved by the Board of Directors at the end of the fourth quarter in each

fiscal year. The issuance of the bonus shares to Doublewood is subject to the prior approval of the TSX Venture Exchange. The Corporation may terminate the Doublewood Agreement prior to its expiration by giving Doublewood a lump sum payment equivalent to three months' fees within the first anniversary and a lump sum payment equivalent to six months fees thereafter. If the Corporation is subject to a change in control and Doublewood elects to terminate its services with a period of three months before or three months after the change in control, Doublewood is entitled to a lump sum payment equivalent to six months' fees.

Compensation of Directors

The following table sets forth all amounts of compensation provided to directors who were not Named Executive Officers of the Corporation during the Corporation's most recently completed financial year end.

Director Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Blair McIntyre ⁽²⁾	28,000 ⁽³⁾	Nil	24,016	Nil	Nil	46,000 ⁽³⁾	98,016
John Icke	4,250	Nil	48,032	Nil	Nil	Nil	52,282
John Tapics ⁽⁴⁾	4,250	Nil	49,407	Nil	Nil	Nil	53,657
Gordon Keevil ⁽⁵⁾	4,000	Nil	45,972	Nil	Nil	Nil	49,972
Richard Schroeder ⁽⁶⁾	2,750	Nil	28,443	Nil	Nil	Nil	31,191
Mark Hewett ⁽⁷⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) On January 4, 2011, 50,000 options were granted to Blair McIntyre, and 100,000 options were granted to John Icke. These options were valued at an exercise price of \$0.80. The Corporation used the Black-Scholes model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for these options – risk-free interest rate – 1.64%; estimated volatility – 94%; expected life – 3 years; and expected dividend yield – 0%. On April 12, 2011, 100,000 options were granted to John Tapics at an exercise price of \$0.90. Key assumptions were: risk-free interest rate – 1.74%; estimated volatility – 95%; expected life – 3 years; and expected dividend yield – 0%. On April 28, 2011, 100,000 options were granted to Gordon Keevil at an exercise price of \$0.80. Key assumptions were: risk-free interest rate – 1.70%; estimated volatility – 90%; expected life – 3 years; and expected dividend yield – 0%. On July 6, 2011, 100,000 options were granted to Richard Schroeder at an exercise price of \$0.80. Key assumptions were: risk-free interest rate – 1.82%; estimated volatility – 104%; expected life – 3 years; and expected dividend yield – 0%.
- (2) Mr. McIntyre resigned as a Director of the Corporation on April 28, 2011 but continued in his capacity as President.
- (3) Mr. McIntyre provided consulting services to the Corporation until September, 2011 when he became an employee of the Corporation.
- (4) John Tapics was appointed a Director of the Corporation on April 6, 2011.
- (5) Gordon Keevil was appointed a Director of the Corporation on April 28, 2011.
- (6) Richard Schroeder was appointed a Director of the Corporation on July 1, 2011.
- (7) Mark Hewett resigned as a Director of the Corporation on April 6, 2011.

Effective April 28, 2011, the Board approved the payment of an annual directors' fee in the amount of \$3,000 and a meeting attendance fee of \$250 for each Board of Directors Meeting attended by a non-executive Director.

Outstanding Share-Based Awards and Option-Based Awards

The Corporation has a "rolling" stock option plan (the "Plan"). Pursuant to the Plan, the Corporation can grant options up to a maximum of 10% of the Corporation's issued and outstanding share capital. As at the date of this Information Circular, the Corporation has a total of 2,174,000 options outstanding pursuant to the Plan. For further information regarding the terms of the Plan, refer to the heading "Particulars of Other Matters to be Acted Upon - The Plan" below.

The following table sets forth information concerning all awards outstanding under share-based or option-based incentive plans of the Corporation at the end of the most recently completed financial year to each of the Directors of the Corporation who were not Named Executive Officers during the last financial year ended December 31, 2011.

Director Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value ⁽¹⁾ of Unexercised In-The-Money Options (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value ⁽¹⁾ of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Share-Based Awards Not Paid Out or Distributed (\$)
John Icke	100,000	1.10	Jan. 15, 2015	Nil	Nil	Nil	Nil
	100,000	0.80	Jan. 3, 2016				
John Tapics	100,000	0.90	Apr. 11, 2016	Nil	Nil	Nil	Nil
Gordon Keevil	100,000	0.80	Apr. 27, 2016	Nil	Nil	Nil	Nil
Richard Schroeder	100,000	0.80	July 5, 2016	Nil	Nil	Nil	Nil
Blair McIntyre ⁽²⁾	25,000	0.72	Apr. 1, 2014	Nil	Nil	Nil	Nil
	25,000	1.07	Sep. 18, 2014	Nil	Nil	Nil	Nil
	50,000	1.10	Jan. 15, 2015	Nil	Nil	Nil	Nil
Mark Hewett ⁽³⁾	100,000	1.12	June 23, 2013	Nil	Nil	Nil	Nil
	50,000	0.72	Apr. 1, 2014				

Notes:

- (1) Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the difference, if any, between the market value of the securities underlying the options as at the closing price on the date of the current financial year end, or, if no trades on date of the current financial year end, closing price on the previous trading day. The last closing price of the Corporation's shares during the financial year ended December 31, 2011 was \$0.33 on December 29, 2011.
- (2) Blair McIntyre resigned as a Director on April 28, 2011 but continued in his capacity as President.
- (3) Mark Hewett resigned as a Director on April 6, 2011. His options remain valid as he remains in an advisory capacity.

Incentive Plan Awards: Value Vested or Earned During the Year

The following table details the value of incentive plan awards to Directors (who were not Named Executive Officers) that vested during the financial year ended December 31, 2011.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
John Icke	Nil ⁽²⁾	N/A	N/A
Blair McIntyre	Nil ⁽²⁾	N/A	N/A
John Tapics	Nil ⁽³⁾	N/A	N/A
Gordon Keevil	Nil ⁽⁴⁾	N/A	N/A
Richard Schroeder	Nil ⁽⁵⁾	N/A	N/A

Notes:

- (1) All options granted to the Directors vested at the date of grant and were not-in-the-money as the market closing price on the date of grant was equal to or less than the exercise price.
- (2) On January 4, 2011, John Icke and Blair McIntyre were granted stock options to purchase 100,000 and 50,000 common shares respectively, exercisable at a price of \$0.80 per share until January 3, 2016.
- (3) On April 12, 2011, John Tapics was granted a stock option to purchase 100,000 common shares, exercisable at a price of \$0.90 per share until April 11, 2016.
- (4) On April 28, 2011, Gordon Keevil was granted a stock option to purchase 100,000 common shares, exercisable at a price of \$0.80 per share until April 27, 2016.
- (5) On July 6, 2011, Richard Schroeder was granted a stock option to purchase 100,000 common shares, exercisable at a price of \$0.80 per share until July 5, 2016.

Securities Authorized For Issuance under Equity Compensation Plans

For a description of the Corporation's equity compensation plan, please see the heading "Options" above and "Continuation of Share Option Plan" below. The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2011:

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - (the Option Plan)	1,854,000	\$0.92	508,333
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,854,000	\$0.92	508,333

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, employees and former executive officers, directors and employees of the Corporation were indebted to the Corporation as of December 31, 2011 or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as previously disclosed under the heading "Termination of Employment, Change in Responsibilities and Management Contracts" to the knowledge of management of the Corporation, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or its subsidiary during the year ended December 31, 2011, or has any interest in any material transaction in the current year.

The directors and officers of the Corporation have an interest in the resolutions concerning the election of directors and stock options. Otherwise no director or senior officer of the Corporation or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of shares or otherwise in the matters to be acted upon at the Meeting, except for any interest arising from the ownership of shares of the Corporation where the shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements

The shareholders will receive and consider the audited financial statements of the Corporation for the fiscal year ended December 31, 2011 together with the auditor's report thereon. A copy of the financial statements is available for review on www.sedar.com.

Election of Directors

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *British Columbia Business Corporations Act*, each director elected will hold office until the conclusion of the next annual general meeting of the Corporation.

Management is proposing to fix the number for which positions exist on the Corporation's board at six (6).

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

Name of Nominee, Current Position with Corporation, Province and Country of Residence	Principal Occupation ⁽¹⁾	Period From Which Nominee Has Been Director	Number of Approximate Voting Securities ⁽²⁾
Arni Johannson Chairman and Director British Columbia, Canada	President of Canadian Nexus Ventures Ltd.	November 9, 2006	1,064,846
Michael Sweatman CFO and Director British Columbia, Canada	CFO of the Corporation; Chartered Accountant; Principal of MDS Management Ltd. (consulting company)	July 30, 2010	124,000
John Icke Director British Columbia, Canada	President and CEO of Resinco Capital Partners Inc.	November 27, 2009	71,500 4,218,437 ⁽³⁾
John Tapics Director British Columbia, Canada	President, CEO and a Director of Compliance Energy Corporation	April 6, 2011	75,000
Gordon Keevil Director British Columbia, Canada	CEO of Burnstone Ventures Inc.; Vice-President of Corporate Development at Imperial Metals Corp.	April 28, 2011	Nil
Richard Schroeder Director British Columbia, Canada	Chartered Accountant	July 1, 2011	55,500

Notes:

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
- (2) Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised.
- (3) Held by Resinco Capital Partners Inc., a company over which Mr. Icke exercises control or direction.

The Corporation does not have an Executive Committee. The Board has established an Audit Committee, details of which is provided under the heading "*Statement of Corporate Governance*" in the aforementioned section of this circular.

Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. **The persons named in the enclosed form of proxy intend to vote for the election of all of the nominees whose names are set forth above.**

Other than as set out below, no proposed director:

- (a) is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity:
 - (i) was the subject of a cease trade or similar order, or an order that denied the other relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) 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 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

No proposed director of the Corporation has been subject to: (a) 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 (b) 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.

Mr. Icke is and was a director of Woulfe Mining Corp. ("**Woulfe**") at the date of a cease trade order issued by the British Columbia Securities Commission on November 5, 2009 for failure to file audited financial statements and management's discussion and analysis for the year ended June 30, 2009 on time. The order was revoked on December 8, 2009 following the filing of the required documents. Woulfe's shares were also suspended from trading on the TSX Venture Exchange on November 6, 2009 in relation thereto and resumed trading on December 9, 2009.

Mr. Icke was a director of Sheen Resources Ltd. ("**Sheen**") at the date of a trading suspension issued by the TSX Venture Exchange on April 19, 2010 for failure by Sheen to maintain a transfer agent and at the date of a cease trade order issued by British Columbia Securities Commission on May 5, 2010 and re-issued June 10, 2010, by the Ontario Securities Commission on June 30, 2010 for failure to file audited financial statements and management's discussion and analysis for Sheen for the year ended December 31, 2009 on time and interim financial statements and management's discussion and analysis for Sheen for the three months ended March 31, 2010. The suspensions and cease trade orders remain in effect. Mr. Icke resigned as a Director of Sheen in October 2010.

Mr. Sweatman was a director of Glenthorne Enterprises Inc., a company listed on the TSX-V. On April 15, 2009, trading was halted by the TSX-V pending clarification of the financial affairs of the corporation. Trading resumed on May 28, 2009.

Mr. Sweatman is a director of Mega Precious Metals Inc. Formerly Treat Systems Inc. ("**Treat**") since July of 1998. In October of 2002, trading in the shares of Treat was halted by the Exchange for failure to meet the Exchange's tier maintenance requirements under Policy 2.5 Tier Maintenance Requirements and Inter-Tier Movement and for having been designated as an inactive issuer for a period in excess of 18 months. In August of 2003, Treat's shares were listed for trading on the NEX board of the Exchange. In January of 2008, Treat completed a "change of

business" pursuant to the policies of the Exchange. Treat's name was changed to Mega Silver Inc., which later was changed to Mega Precious Metals Inc., and its shares commenced trading on the Exchange on January 31, 2008.

Mr. Gordon Keevil was the President and a director of Cross Lake Minerals Ltd. ("**Cross Lake**") from December 8, 2003 to October 23, 2008 and Chief Executive Officer from December 2006 to October 23, 2008. Cross Lake applied to the British Columbia Supreme Court and obtained a court order dated October 14, 2008 (the "**Order**") granting Cross Lake creditor protection under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") to allow it to develop a reorganization plan with its creditors. On June 1, 2009, Cross Lake changed its name to 0373849 B.C. Ltd. and completed the restructuring transactions provided for in the amended and restated plan of compromise and arrangement filed by it on May 21, 2009 pursuant to the CCAA and the *Business Corporations Act* (British Columbia).

Appointment of Auditor

Effective July 15, 2011, Beauchamp & Company, Chartered Accountants, resigned as auditors of the Corporation, and the Board of Directors resolved to appoint Ernst & Young LLP as auditors in their stead. Ernst & Young LLP will be nominated at the Meeting for re-appointment as auditor of the Corporation until the close of the following Annual General Meeting of the Corporation at a remuneration to be fixed by the directors.

There have been no reportable disagreements between the Corporation and Beauchamp & Company, Chartered Accountants, and no qualified opinions or denials of opinions by Beauchamp & Company, Chartered Accountants, for the purposes of National Policy 51-102. A copy of the reporting package required by National Instrument 51-102, Continuous Disclosure Obligations – Change of Auditor, was filed on SEDAR on August 15, 2011.

Shares represented by proxies in favour of the management nominees will be voted in favour of the appointment of Ernst & Young LLP, Chartered Accountants, as auditor of the Corporation and authorizing the Board to fix the auditor's remuneration, unless a shareholder has specified in his proxy that his shares are to be withheld from voting on the appointment of auditor.

Ratification of Incentive Stock Option Plan

Approval of 10% Rolling Stock Option Plan

The TSX requires that each company listed on its stock exchange have a stock option plan and accordingly, the Corporation presently has a 10% rolling stock option plan in place pursuant to which the Corporation can issue options up to a maximum of 10% of its issued and outstanding shares, from time to time. The directors are of the view that it is in the best interests of the Corporation to maintain the Stock Option Plan, which will enable the directors to grant options to directors, officers, employees and other service providers as a means of rewarding positive performance and providing incentive to effectively manage the affairs of the Corporation. Additionally, the TSX requires that the Corporation seek annually shareholder approval to the plan.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan which will be available at the Meeting:

The Plan

The Plan provides that stock options may be granted to directors, senior officers, employees, consultants or consultant companies of the Corporation or any of its affiliates.

The Plan provides for the issuance of stock options to acquire up to 10% of the Corporation's issued and outstanding capital as at the date of grant (the "**Plan Ceiling**"), subject to standard anti-dilution adjustment. This is a "rolling" plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Corporation's issued and outstanding share capital increases. All outstanding stock options granted prior to the implementation of the Plan will be included in the Plan, but at no time will more than 10% of the outstanding shares

be subject to grant under the Plan. If a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares in respect of that expired or terminated stock option that has not been exercised shall again be available for the purpose of the Plan.

The Plan may be terminated by the Board at any time, but such termination will not alter the terms or conditions of any options granted prior to the date of such termination. Any stock option outstanding when the Plan is terminated will remain in effect until it is exercised, expires or voluntarily cancelled or otherwise terminated in accordance with the provisions of the Plan.

The Plan provides that other terms and conditions, including vesting schedules, may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the particular option agreement.

The Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. The Board may issue a majority of the options to insiders of the Corporation. However, in no case will the issuance of common shares upon the exercise of stock options granted under the Plan result in:

- (a) the number of options granted in a 12 month period to any one consultant exceeding 2% of the issued shares of the Corporation (calculated at the time of grant);
- (b) the aggregate number of options granted in a 12 month period to any one individual exceeding 5% of the outstanding shares of the Corporation (calculated at the time of grant);
- (c) the number of options granted in a 12 month period to employees or consultants undertaking investor relations activities exceeding in the aggregate 2% of the issued shares of the Corporation (calculated at the time of grant);
- (d) the aggregate number of common shares reserved for issuance to any one individual upon the exercise of options granted under the Plan or any previously established and outstanding stock option plans or grants, exceeding 5% of the issued shares of the Corporation (calculated at the time of the grant) in any 12 month period.

Options granted under the Plan will be for a term not to exceed 10 years from the date of their grant. In the case of a director, officer, employee or consultant, the option will terminate at the close of business on the date which is the earlier of (a) 90 calendar days after which the optionee ceases to be an employee/consultant or hold office, or (b) such date as the board may determine at the time of grant. In the case of an employee or consultant of the Corporation who provides Investor Relations Activities on behalf of the Corporation, the option will terminate (a) at the close of business on the date which the optionee ceases to be an employee or consultant of the Corporation who provides Investor Relations Activities, or (b) such date as the board may determine at the time of grant. In the event of the death of an optionee, the stock option will expire at the close of business on the date which is the earlier of one year from the date of death or (b) such date as the board may determine at the time of grant.

The price at which an optionee may purchase a common share upon the exercise of a stock option will be as set out in the option agreement issued in respect of such option and in any event will not be less than the discounted market price of the Corporation's common shares as of the date of the grant and announcement, if applicable, of the stock option. Currently under the policies of the Exchange, the definition of the "discounted market price" of the Corporation's shares is the closing trading price on the day before the granting of the stock option less a maximum discount of 25% for a closing price per share of \$0.50 or less, 20% for a closing price of \$0.51 to \$2.00, and 15% above \$2.00.

A stock option will be non-assignable except that it will be exercisable by the personal representative of the optionee in the event of the optionee's death or incapacity.

Shareholders will be asked to consider, and if thought fit to approve the following resolution:

“RESOLVED, as an ordinary resolution that:

1. the Corporation’s stock option plan (the **“Plan”**) as set forth in the Information Circular dated April 5, 2012, be and it is hereby adopted and approved including reserving for issuance under the Plan at any time of a maximum of 10% of the issued and outstanding shares of the Corporation;
2. the Corporation be authorized to grant stock options pursuant and subject to the terms and conditions of the Plan;
3. the outstanding stock options which have been granted prior to the implementation of the Plan shall, for the purpose of calculating the number of stock options that may be granted under the Plan, be treated as options granted under the Plan; and
4. the directors and officers of the Corporation be authorized and directed to perform all such acts and deeds and things and execute, under seal of the Corporation or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions.”

Change of Name

Name change to Canadian Copper & Gold Corp.

“RESOLVED, as an ordinary resolution that:

1. the board of directors of the Corporation be and is hereby authorized, subject to approval of the TSX Venture Exchange, to take such actions as are necessary to change the name of the Corporation to Canadian Copper & Gold Corp. or such other name as may be appropriate as determined by the board of directors of the Corporation.
2. the board of directors of the Corporation may, at its discretion, determine when such name change will take place and may further, at its discretion, determine not to effect a name change of the Corporation, in each case without requirement for further approval, ratification or confirmation by the shareholders of the Corporation.”

The Board of Directors of the Corporation recommends that you vote in favour of the change of name for the reasons set out in this Circular.

Approval of Shareholder Rights Plan

On April 5, 2012 the Board adopted a Shareholder Rights Plan Agreement (the **“Rights Plan”**) as summarized below. At the Meeting, the shareholders will be asked to consider an ordinary resolution confirming and ratifying the Rights Plan. The Rights Plan will terminate unless the shareholders vote at the Meeting to confirm its operation.

The Rights Plan has the following objectives: (a) to prevent creeping acquisitions of control; (b) to give adequate time for the Board and shareholders to properly assess a take-over bid without undue pressure; (c) to provide the Board and shareholders adequate time to consider the value of all assets of the Corporation and for the Corporation to undertake a value recognition program if necessary to demonstrate the value of one or more assets; (d) to provide the Board time to consider value-enhancing alternatives to a take-over bid and to possibly allow competing bids to emerge; and (e) to ensure that shareholders of the Corporation are provided equal treatment under a take-over bid. The Rights Plan is not intended to prevent take-over bids that treat shareholders fairly and has not been adopted in response to any proposal to acquire control of the Corporation.

The summary of the Rights Plan below is qualified in its entirety by reference to the text of the Rights Plan, which is available upon request from the Corporation Secretary of the Corporation at Suite 880, 609 Granville Street,

Vancouver, British Columbia V7Y 1G5, telephone: (604) 683-7588; facsimile: (604) 683-7589. Capitalized terms used in the summary without express definition have the meanings ascribed thereto in the Rights Plan.

It is intended that all proxies received will be voted in favour of the approval of the Rights Plan, unless a proxy contains instructions to vote against the Rights Plan. The Rights Plan will become effective only if it is approved by greater than 50% of the votes cast by shareholders present in person or by proxy at the Meeting. The text of the resolution approving the Rights Plan (the “**Rights Plan Resolution**”) is set forth below.

Recommendation of the Board of Directors

The Board has determined that the confirmation of the Rights Plan is in the best interests of the Corporation and the holders of its common shares. The Board unanimously recommends that shareholders vote **IN FAVOUR** of the confirmation and approval of the Right Plan.

The Corporation has been advised that the directors and senior officers of the Corporation intend to vote all common shares held by them in favour of the confirmation and approval of the Rights Plan.

Background and Objectives of the Rights Plan

The Board wants to ensure that in the context of a bid for control of the Corporation through an acquisition of the Corporation’s common shares, shareholders are in a position to receive full and fair value for their shares. Of particular concern to the Board is the widely held view that existing Canadian securities legislation provides too short a response time to a company that is the subject of an unsolicited bid for control. An inadequate response time has been identified as an impediment to ensuring that shareholders are offered full and fair value for their shares. The Board believes that this is particularly true in the circumstances of the Corporation due to the early stage of development of its Poplar Property. Also of concern to the Board is the possibility that, under existing securities laws, the Corporation’s shareholders could be treated unequally in the context of a bid for control. These concerns are described in more detail below.

The adoption of the Rights Plan is not being considered in response to or in anticipation of any pending or threatened takeover bid, nor to deter takeover bids generally. As of the date of this Information Circular, the Board was not aware of any third party considering or preparing any proposal to acquire control of the Corporation. Rather, the objectives of the Rights Plan are as stated above in the introduction. It is not the intention of the Board to secure the continuance in office of the existing members of the Board or to avoid an acquisition of control of the Corporation in a transaction that is fair and in the best interests of shareholders. The rights of shareholders under existing law to seek a change in the management of the Corporation or to influence or promote action of management in a particular manner will not be effected by the Rights Plan. The ratification and approval of the Rights Plan does not affect the duty of the Board to act honestly and in good faith with a view to the best interest of the Corporation and the shareholders.

In reviewing the Rights Plan, the Board considered the following concerns inherent in, or relating to, the existing legislative framework governing takeover bids in Canada:

- (a) *Time.* Current legislation permits a takeover bid to expire in 35 days. The Board is of the view that this is not sufficient time to permit shareholders to consider a takeover bid and to make a reasoned and unhurried decision. The Rights Plan provides a mechanism for an extension of the minimum expiry periods for a takeover bid under various circumstances (described below under Permitted Bid Expiry Date), including that the bid must remain open for a further period of at least 10 Business Days after the Offeror (as defined below) publicly announces that the shares deposited or tendered and not withdrawn constitute more than 50% of the Voting Shares outstanding held by Independent Shareholders (generally, shareholders other than the Offeror or Acquiring Person, their Associates and Affiliates, the persons acting jointly or in concert with the Offeror or Acquiring Person). The Rights Plan is intended to provide the Board and shareholders with adequate time to properly evaluate the offer and to provide the Board with sufficient time to explore and develop alternatives for maximizing shareholder value. Those alternatives could

include, if deemed appropriate by the Board, the identification of other potential bidders, the conducting of an orderly auction or the development of a corporate restructuring alternative which could enhance shareholder value.

- (b) *Pressure to Tender.* A shareholder may feel compelled to tender to a bid which the shareholder considers to be inadequate out of concern that failing to tender may result in the shareholder being left with illiquid or minority discounted shares in the Corporation. This is particularly so in the case of a partial bid for less than all shares of a class, where the bidder wishes to obtain a control position but does not wish to acquire all of the Voting Shares. The Rights Plan provides a shareholder approval mechanism in the Permitted Bid provision which is intended to ensure that a shareholder can separate the tender decision from the approval or disapproval of a particular takeover bid. By requiring that a bid remain open for acceptance for a further 10 Business Days following public announcement that more than 50% of the Voting Shares held by Independent Shareholders have been deposited, a shareholder's decision to accept a bid is separated from the decision to tender, lessening the undue pressure to tender typically encountered by a shareholder of a company that is the subject of a takeover bid.
- (c) *Unequal Treatment.* While existing securities legislation has substantially addressed many concerns of unequal treatment, there remains the possibility that control of a company may be acquired pursuant to a private agreement in which a small group of shareholders dispose of shares at a premium to market price which premium is not shared with other shareholders. In addition, a person may slowly accumulate shares through stock exchange acquisitions which may result, over time, in an acquisition of control without payment of fair value for control or a fair sharing of a control premium among all shareholders. The Rights Plan addresses these concerns by applying to all acquisitions of greater than 20% of the Voting Shares, to better ensure that shareholders receive equal treatment.
- (d) *Stage of Development and Unique Circumstances of the Poplar Property.* The Board believes that the Poplar Property has the potential to be a significant copper deposit. The Board further believes that if an unsolicited offer was made for the Corporation in the near term that: (a) the value of the Poplar Property will not be known and will not be reflected in the Corporation's share price at the time of the offer; and (b) the 35-day minimum time period will not provide the Corporation sufficient time to determine and demonstrate the potential value of the Poplar Property. Accordingly, the Board believes that it may not be able to determine the value of the Corporation and to make a fully informed recommendation to shareholders, as required by law, within the statutorily imposed time periods. This is important for two reasons. First, determining the value of an early-stage project such as the Poplar Property is not as easy as valuing a later-stage development project where a mineral reserve has been determined or where there is an operating mine. In response to an unsolicited offer, the Board may have to undertake a detailed value recognition program so that the Board, third parties and ultimately the shareholders of the Corporation will be properly informed in making any decision with respect to the unsolicited offer. A value recognition program may include additional drilling, assay results, preliminary assessment (scoping study) and other matters. Second, the Poplar Property may be of such a nature that there are only a limited number of companies able to advance and finance the project and, consequently, only a limited number of companies interested in proposing a competing bid or alternative transaction. These companies may at the time be unable to make a competing bid or alternative transaction for reasons entirely unrelated to the value of the Corporation or the quality of the Poplar Property. In the absence of a credible third party that is at the time able to consider a competing offer or alternative transaction, it is very important for the Board to have time to establish the value of the Poplar Property through a detailed value recognition program as described above.

General Impact of the Rights Plan

In the past, shareholder rights plans have been criticized by some commentators on the basis that they may serve to deter takeover bids, to entrench management, and to place in the hands of boards of directors, rather than shareholders, the decision as to whether a particular bid for acquisition of control is acceptable. Critics of some shareholder rights plans have also alleged that they cast a needlessly wide net, thereby increasing the likelihood of an inadvertent triggering of the plan, while at the same time deterring shareholders from participating in legitimate corporate governance activities.

The Board has considered these concerns, and believes that they have been largely addressed in the Rights Plan.

It is not the intention of the Board to secure the continuance of existing directors or management in office, nor to avoid a bid for control of the Corporation. For example, through the Permitted Bid mechanism, described in more detail below, shareholders may tender to a bid which meets the Permitted Bid criteria without triggering the Rights Plan, regardless of the acceptability of the bid to the Board. Furthermore, even in the context of a bid that does not meet the Permitted Bid criteria, the Board will continue to be bound to consider fully and fairly any bid for the Corporation's common shares in any exercise of its discretion to waive application of the Rights Plan or redeem the Rights. In all such circumstances, the Board must act honestly and in good faith with a view to the best interests of the Corporation and its shareholders.

The Rights Plan does not preclude any shareholder from utilizing the proxy mechanism of the *Business Corporations Act* (British Columbia) to promote a change in the management or direction of the Corporation, and has no effect on the rights of holders of outstanding voting shares of the Corporation to requisition a meeting of shareholders, in accordance with the provisions of applicable corporate and securities legislation, or to enter into agreements with respect to voting their common shares. The definitions of "Acquiring Person" and "Beneficial Ownership" have been developed to minimize concerns that the Rights Plan may be inadvertently triggered or triggered as a result of an overly-broad aggregating of holdings of institutional shareholders and their clients.

The Board believes that the dominant effect of the Rights Plan is to enhance shareholder value, and ensure equal treatment of all shareholders in the context of an acquisition of control.

The Rights Plan does not interfere with the day-to-day operations of the Corporation. The issuance of the Rights does not in any way alter the financial condition of the Corporation, impede its business plans or alter its financial statements. In addition, the Rights Plan is not dilutive and has not had any effect on the trading of common shares. However, if a Flip-In Event occurs and the Rights separate from the common shares, as described in the summary below, reported earnings per share and reported cash flow per share on a fully-diluted basis may be affected. In addition, holders of Rights not exercising their Rights after a Flip-In Event may suffer substantial dilution.

Terms of the Rights Plan

All capitalized terms used without definition have the meanings ascribed to them in the Rights Plan.

The following is a summary of the terms of the Rights Plan. The summary is qualified in its entirety by the full text of the Rights Plan, a copy of which is available on request from the Corporation as described above.

Issue of Rights

The Corporation issued one right (a "**Right**") in respect of each Common Share outstanding at the close of business on the date of the implementation of the Rights Plan, and the Corporation will issue Rights on the same basis for each Common Share issued thereafter but prior to the earlier of the Separation Time and the Expiration Time (both as defined below).

Rights Certificates and Transferability

Before the Separation Time, the Rights will be evidenced by the certificates for the Common Shares and will not be transferable separate from the Common Shares. From and after the Separation Time, the Rights will be evidenced by separate Rights Certificates which will be transferable separate from and independent of the Common Shares.

Exercise of Rights

Rights are not exercisable before the Separation Time. After the Separation Time and before the Expiration Time, each Right entitles the holder to acquire one Common Share for the Exercise Price of \$1,000 (subject to certain anti-dilution adjustments). This Exercise Price is expected to be in excess of the estimated maximum value of the Common Shares during the term of the Rights Plan. Upon the occurrence of a Flip-In Event (defined below) prior to the Expiration Time, each Right (other than any Right held by an “Acquiring Person”, which will become null and void as a result of such Flip-In Event) may be exercised to purchase that number of Common Shares which have an aggregate Market Price equal to twice the Exercise Price of the Rights for a price equal to the Exercise Price. Effectively, this means a shareholder of the Corporation (other than the Acquiring Person) can acquire additional Common Shares from treasury at half their Market Price.

Definition of “Acquiring Person”

Subject to certain exceptions, an Acquiring Person is a person who is the Beneficial Owner (defined below) of 20% or more of the outstanding Common Shares.

Definition of “Beneficial Ownership”

A person is a Beneficial Owner if such person or its affiliates or associates or any other person acting jointly or in concert owns the securities at law or in equity, and has the right to acquire (immediately or within 60 days) the securities upon the exercise of any convertible securities or pursuant to any agreement, arrangement or understanding.

However, a person is not a Beneficial Owner under the Rights Plan where:

- (a) the securities have been deposited or tendered pursuant to a take-over bid, unless those securities have been accepted unconditionally for payment or exchange or have been taken up and paid for;
- (b) such person (including a fund manager, trust company, pension fund administrator, trustee or nondiscretionary client accounts of registered brokers or dealers) is engaged in the management of mutual funds or investment funds for others, as long as that person:
 - (i) holds those Common Shares in the ordinary course of its business for the account of others;
 - (ii) holds not more than 30% of the Common Shares (in the case of a pension fund administrator); and
 - (iii) is not making a take-over bid or acting jointly or in concert with a person who is making a takeover bid; or
- (c) such person is a registered holder of securities as a result of carrying on the business of or acting as a nominee of a securities depository.

Definition of “Separation Time”

Separation Time occurs on the tenth trading day after the earlier of:

- (a) the first date of public announcement that a person has become an Acquiring Person;
- (b) the date of the commencement or announcement of the intent of a person to commence a take-over bid (other than a Permitted Bid or Competing Permitted Bid) or such later date as determined by the Board; and
- (c) the date on which a Permitted Bid or Competing Permitted Bid ceases to qualify as such or such later date as determined by the Board.

Definition of a “Flip-In Event”

A Flip-In Event occurs when a person becomes an Acquiring Person, provided however, that the Flip-In Event shall be deemed to occur at the close of business on the tenth day (or such later date as the Board may determine) after the first date of public announcement that a person has become an Acquiring Person. Upon the occurrence of a Flip-In Event, any Rights that are beneficially owned by an Acquiring Person or any of its related parties to whom the Acquiring Person has transferred its Rights, will become null and void and the Acquiring Person's investment in the Corporation will be greatly diluted if a substantial portion of the Rights are exercised after a Flip-In Event occurs.

Definition of “Permitted Bid”

Permitted Bids are exempted from the operation of the Rights Plan. A Permitted Bid is a take-over bid made by a person (the “**Offeror**”) pursuant to a take-over bid circular that complies with the following conditions:

- (a) the bid is made to all registered holders of Common Shares (other than Common Shares held by the Offeror), and for all Common Shares (other than the Common Shares held by the Offeror);
- (b) the Offeror agrees that no Common Shares will be taken up or paid for under the bid before the close of business on the Permitted Bid Expiry Date (as described below) unless at such date more than 50% of the outstanding Common Shares held by shareholders other than the Offeror and certain related parties have been deposited pursuant to the bid and not withdrawn;
- (c) the Offeror agrees that the Common Shares may be tendered at any time up to the Permitted Bid Expiry Date and may be withdrawn from the take-over bid at any time before such Common Shares are taken up and paid for; and
- (d) if, on the date specified for take-up and payment, the condition in paragraph (b) above is satisfied, the bid shall remain open for an additional period of at least 10 business days to permit the remaining shareholders to tender their Common Shares.

Definition of “Competing Permitted Bid”

A Competing Permitted Bid is a take-over bid that:

- (a) is made while another Permitted Bid is in existence; and
- (b) satisfies all the requirements of a Permitted Bid except that the Common Shares under a Competing Permitted Bid may be taken up on the later of 35 days after the Competing Permitted Bid was made and 60 days after the earliest date on which any other Permitted Bid or Competing Permitted Bid that was then in existence was made, and at such date more than 50% of the outstanding Common Shares held by shareholders other than the Offeror and certain related parties have been deposited pursuant to the bid and not withdrawn.

Permitted Bid Expiry Date

The Permitted Bid provisions require that for a Take-Over Bid to be a Permitted Bid it must be left open until the Permitted Bid Expiry Date. The “Permitted Bid Expiry Date” means 60 days following the date of commencement of the Take-Over Bid.

Redemption of Rights

The Rights may be redeemed by the Board at its option with the prior approval of the shareholders at any time before a Flip-In Event occurs at a redemption price of \$0.00001 per Right. In addition, the Rights will be redeemed automatically in the event of a successful Permitted Bid, Competing Permitted Bid or a bid for which the Board has waived the operation of the Rights Plan.

Waiver

The Board, acting in good faith, may waive the application of the Flip-In provisions of the Rights Plan to any prospective Flip-In Event which would occur by reason of a take-over bid made by a take-over bid circular to all registered holders of Common Shares. However, if the Board waives the Rights Plan with respect to a particular bid, it will be deemed to have waived the Rights Plan with respect to any other take-over bid made by take-over bid circular to all registered holders of Common Shares before the expiry of that first bid. Other waivers of the “Flip-In” provisions of the Rights Plan will require prior approval of the shareholders of the Corporation. The Board may also waive the “Flip-In” provisions of the Rights Plan in respect of any Flip-In Event provided that the Board has determined that the Acquiring Person became an Acquiring Person through inadvertence and has reduced its ownership to such a level that it is no longer an Acquiring Person.

Term of the Rights Plan

Unless otherwise terminated, the Rights Plan will expire on the date immediately after the Corporation's annual meeting of shareholders to be held in 2015.

Amending Power

Except for minor amendments to correct typographical errors and amendments to maintain the validity of the Rights Plan as a result of a change of law, shareholder approval is required for amendments to the Rights Plan.

Rights Agent

Valiant Trust Company is the Rights Agent appointed under the Rights Plan.

The text of the Rights Plan Resolution is:

BE IT RESOLVED THAT:

1. the Shareholder Rights Plan Agreement between the Corporation and Valiant Trust Company, as described in the Management Information Circular of the Corporation dated April 5, 2012 be and is hereby approved, confirmed and ratified; and
2. any one director of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Shareholders may contact the Corporation at Suite 880, 609 Granville Street, PO Box 10321, Pacific Centre, Vancouver, BC, V7Y 1G5, to request copies of the Corporation's financial statements and MD&A.

Financial information is provided in the Corporation's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

OTHER MATTERS

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

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

APPENDIX “A”

LIONS GATE METALS INC.

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (“**Committee**”) of Lions Gate Metals Inc. (“**Company**”) is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting; and (c) financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to (i) 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; (ii) review and appraise the performance of the Company’s external auditors; (iii) provide an open avenue of communication among the Company’s auditors, financial and senior management and the board of directors; and (iv) to ensure the highest standards of business conduct and ethics.

Composition

The Committee shall be comprised of three directors as determined by the board of directors, the majority of who shall be free from any relationship that, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the board of directors at its first meeting following the annual shareholders’ meeting. Unless a chair is elected by the full board of directors, the members of the Committee may designate a chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company’s financial statements, MD&A, any annual and interim earning statements and press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any

governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors.

External Auditors

- (a) Review annually the performance of the external auditors who shall be ultimately accountable to the board of directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take or recommend that the full board of directors take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) 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 Company's external auditors. The preapproval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors 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 by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

- (b) Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review certification process for certificates required under Multilateral Instrument 52-109.
- (i) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- (a) Review any related party transactions.
- (b) Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters ("**Concerns**") relating to the Company such that:
 - (i) an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;
 - (ii) the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and
 - (iii) the Committee retains all records relating to any Concerns reported by an individual for a period the Committee judges to be appropriate.



LIONS GATE METALS

**NOTICE OF CHANGE OF AUDITOR
Pursuant to National Instrument 51-102, Section 4.11**

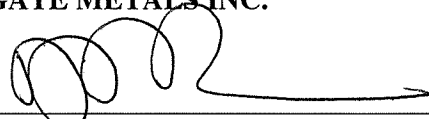
Lions Gate Metals Inc. (the "Company") hereby gives notice, pursuant to National Instrument 51-102 (Part 4.11), as follows:

1. The Company's Board of Directors conducted an extensive review of the Company's audit requirements and recommended Ernst & Young LLP ("EY") as the Company's auditor for the year ending December 31, 2011.
2. On July 15, 2011, Beauchamp and Company submitted its resignation, at the request of the Company's Board of Directors, from the office of the auditor of the Company and this resignation was accepted by the Company.
3. The Company's Board of Directors appointed EY effective July 15, 2011 until the date of the next annual meeting, at which time shareholders will be asked to vote on the appointment of EY as the Company's auditor. Management of the Company intends to recommend the appointment of EY as the Company's auditor at the next annual meeting of the shareholders.
4. There has been no adverse or qualified opinion or denial of opinion or reservation contained in the auditor's reports on the Company's annual financial statements for the two fiscal years preceding the date of this notice.
5. There have been no reportable events (including disagreements, unresolved issues and consultations) in connection with the audits of the two most recent fiscal years and with any subsequent period to date.

DATED at Vancouver, BC this 15th day of July, 2011.

LIONS GATE METALS INC.

Per:



Michael Sweatman
Chief Financial Officer and Director

July 15, 2011

British Columbia Securities Commission
12th Floor, 701 West Georgia Street
PO Box 10142 Pacific Centre
Vancouver, BC V7Y 1L2

Dear Sirs:

Re: Lions Gate Metals Inc. (the "Company")
Notice Pursuant to NI 51-102 of Change of Auditor

In accordance with National Instrument 51-102, we have read the Company's Change of Auditor Notice date July 15, 2011, and agree with the information contained therein, based upon our knowledge of the information to date.

Should you require clarification or further information, please do not hesitate to contact the writer.

Yours truly,

Beauchamp & Company, C.A.'s

BEAUCHAMP & COMPANY, C.A.'s

MLS/smb



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia V7Y 1C7
Tel: 604 891 8200
Fax: 604 643 5422
ey.com/ca

July 15, 2011

British Columbia Securities Commission
12th Floor, 701 West Georgia Street
P.O. Box 10142 Pacific Centre
Vancouver, BC V7Y 1L2

Dear Sirs/Mesdames:

RE: Lions Gate Metals Inc. (the "Company")
Notice Pursuant to NI51-102 – Change of Auditor

As required by the National Instrument 51-102 *Continuous Disclosure Obligations* and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated July 15, 2011, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours truly,

Ernst & Young LLP