

GOLDREA RESOURCES CORP.

2A – 15782 Marine Drive
White Rock, British Columbia
V4B 1E6

Telephone: 604-531-9639

INFORMATION CIRCULAR

AS AT DECEMBER 21, 2011

ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON FEBRUARY 8, 2012

PERSONS MAKING THE SOLICITATION

This information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by management of Goldrea Resources Corp. (the “**Company**”) for use at the Annual General Meeting of shareholders (the “**Meeting**”) of the Company to be held at 10:00 a.m. (Vancouver Time), on **February 8, 2012**, at the offices of the Company, located at 2A – 15782 Marine Drive, White Rock, British Columbia, V4B 1E6 and any adjournment thereof, for the purposes set forth in the accompanying notice of meeting (the “**Notice**”).

GENERAL PROXY INFORMATION

Solicitation of Proxies

All costs of solicitation by management will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers and employees may solicit proxies personally, by telephone or facsimile, but will not receive compensation for so doing.

Appointment of Proxy

The individuals named in the accompanying form of proxy (the “**Proxy**”) are directors or officers of the Company and were designated by management of the Company (the “**Management Proxyholder**”). **A shareholder wishing to appoint some other person who need not be a shareholder to represent the shareholder at the Meeting has the right to do so, by striking out the names of those persons named in the accompanying form of Proxy and inserting such other person's name in the blank space provided in the form of Proxy or by completing another form of Proxy.**

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

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. (“**Computershare**”) by fax within North America at 1-866-249-7775, outside North America at 1-416-263-9524, or by mail or hand delivery to Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1; or
- (b) Using a touch-tone phone to transmit voting choices to a toll free number. The toll free number to call is 1-800-564-6253 within North America and 1-416-263-9200 outside North America. Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy for the shareholder's account number and the Proxy access number.

A Proxy will not be valid unless the completed, dated and signed form of Proxy is received by Computershare not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof.

Revocability of Proxy

A shareholder who has given a Proxy may revoke it by an instrument in writing:

- (a) executed by the shareholder or by the shareholder's attorney authorized in writing or, where the shareholder is a company, by a duly authorized officer or attorney of the company; and
- (b) delivered either to the registered offices of the Company, at 1200 – 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner provided by law.

Only registered shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries (as defined below) to revoke the Proxy on their behalf. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

EXERCISE OF DISCRETION

Shares represented by properly executed Proxies in favour of persons designated in the enclosed form of Proxy will, where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, be voted in accordance with the specification made. In the absence of any such specification, the Proxy will be voted as recommended by Management.

The enclosed form of proxy, when properly signed, confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters, which are not now known to Management, should properly come before the Meeting, then the Management designees intend to vote in accordance with the judgment of Management.

NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. A person is not a registered shareholder (the “Non-Registered Holder”) in respect of shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency such as the Canadian Depository for Securities Limited (the “CDS”), of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as non-objecting beneficial owners (“NOBOs”). Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as objecting beneficial owners (“OBOs”).

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has elected to send copies of the Notice, this Information Circular and the Proxy (collectively, the “**Meeting Materials**”) directly to the NOBOs and indirectly through Intermediaries to the OBOs.

Intermediaries will frequently use service companies to forward the Meeting Materials to the OBOs. Generally, an OBO who has not waived the right to receive Meeting Materials will either:

- (a) be given a form of Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the OBO and must be completed, but not signed by the OBO and deposited with Computershare; or
- (b) more typically, be given a voting instruction form (a “**VIF**”) which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

These Meeting Materials are being sent to both registered shareholders and Non-Registered Holders. If you are a Non-Registered Holder and the Company or its agent has sent these Meeting Materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (a) delivering these Meeting Materials to you and (b) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Meeting Materials sent to NOBOs who have not waived the right to receive the Meeting Materials are accompanied by the VIF instead of a form of Proxy. By returning the VIF in accordance with the instructions noted thereon, a NOBO is able to instruct the voting of the shares owned by it. VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted thereon. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares, which they beneficially own.

Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder, or his or her nominee, the right to attend and vote at the Meeting.

Please return your voting instructions as specified in the VIF. Non-Registered Holders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

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

Except as disclosed herein, no person: (a) who has been a director or executive officer of the Company at any time since the commencement of the Company’s last financial year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the appointment of auditors and as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company’s authorized capital consists of an unlimited number of common shares without par value. As at December 21, 2011 (the “**Record Date**”), there were [70,279,253] shares issued and outstanding. Each share carries the right to one vote.

Any shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified herein, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the knowledge of the directors or executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common shares of the Company as at December 21, 2011.

ELECTION OF DIRECTORS

The term of office of each present director expires at the Meeting. Management does not contemplate that any of the nominees will be unable to serve as a director. Management of the Company proposes to nominate the persons named in the following table for election to the board of directors of the Company (the “**Board**”). Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or with the provisions of the *Business Corporations Act* (British Columbia). In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the shares represented by Proxy for the election of any other person or persons as directors.

The following table sets forth the names of the management nominees for election as directors; their offices and positions with the Company; the period of time that they have been directors of the Company; their present principal occupation, business or employment of each management nominee; and the number of shares of the Company which is beneficially owned, directly or indirectly, or controlled or directed by each management nominee.

Name, Province and Country of Residence and Current Position with the Company	Director Since	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised ⁽⁵⁾	Principal Occupation ⁽¹⁾
Larry W. Reaugh British Columbia, Canada <i>Director, President and Chief Executive Officer</i>	March 12, 1981	1,051,152 ⁽⁴⁾	Mining Company Executive Director, President, CEO and Chairman of American Manganese Inc. ⁽³⁾ Director and CEO of Molycor Gold Corporation
William E. Pfaffenberger⁽²⁾ British Columbia, Canada <i>Director</i>	December 14, 1990	102,040	Retired Professor of Mathematics and a member of the Mathematics and Statistics Dept. at the University of Victoria Director of Molycor Gold Corporation Director and CEO of Cancana Resources Corp. (formerly Sola Resources Corp.) Director, President and CEO of Torch River Resources Ltd.

Name, Province and Country of Residence and Current Position with the Company	Director Since	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised ⁽⁵⁾	Principal Occupation ⁽¹⁾
David Madill ⁽²⁾ British Columbia, Canada <i>Director</i>	May 5, 1993	144,460	Self-employed Medical Doctor Director of Molycor Gold Corporation Director of Torch River Resources Ltd. Director of Cancana Resources Corp. (formerly Sola Resources Corp.)
Hugh Squair ⁽²⁾ British Columbia, Canada <i>Director</i>	July 16, 2002	30,000	Mineral Exploration Consultant Director of Lexam Explorations Inc. Director of Rome Resources Ltd. Director of Plato Gold Corp.
Edward Lee British Columbia, Canada <i>Director</i>	November 24, 2003	Nil	Director of American Manganese Inc. ⁽³⁾ Director and President of Molycor Gold Corporation
Paul Blair Washington, USA <i>Director and Chief Operating Officer</i>	March 17, 2007	Nil	Mining Consultant

Notes:

- (1) The information as to principal occupation, business or employment activities performed outside of the Company and Common Shares beneficially owned or controlled has been furnished by the respective directors of the Company and is not within the knowledge of management of the Company.
- (2) Denotes member of the Audit Committee. David Madill serves as Chairman of the Audit Committee.
- (3) American Manganese Inc. was issued a cease trade order dated January 3, 2002, by the BC Securities Commission and a cease trade order dated February 1, 2002, from the Alberta Securities Commission. American Manganese Inc. received a Revocation Order from the BC Securities Commission on September 21, 2006 and from the Alberta Securities Commission on September 27, 2006.
- (4) Larry Reaugh holds 1,049,762 common shares directly, 190 common shares indirectly through L&L Drilling Ltd. and 1,200 common shares indirectly through Rea Industrial.
- (5) These amounts do not include beneficial ownership of securities not currently outstanding but which are reserved for immediate issuance on exercise of stock options as follows: Larry W. Reaugh holds 990,000 options and 150,000 warrants, William E. Pfaffenberger holds 320,000 options, David Madill holds 320,000 options, Edward Lee holds 360,000 options, Hugh Squair holds 305,000 options and Paul Blair holds 550,000 options.

Except as disclosed herein, no proposed director of the Company is, or has been, within the 10 years prior to the date of this Information Circular, a director or executive officer of the Company or any company that while that person was acting in that capacity:

- (a) was the subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (c) 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
- (d) has individually, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

APPOINTMENT OF AUDITOR

Management is recommending that shareholders vote to appoint KPMG LLP (“**KPMG**”), Chartered Accountants, of 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K3, as auditors for the Company and to authorize the directors to fix their remuneration. **KPMG** was first appointed as auditor of the Company on January 16, 2008.

The auditor is appointed by the Company's shareholders and reports the results of the audit of the Company's annual financial statements to the shareholders. **KPMG** has confirmed its independence from management of the Company in connection with the audit of the consolidated audited financial statements for the financial year ended July 31, 2011.

AUDIT COMMITTEE

Under National Instrument 52-110 – *Audit Committees* (“NI 52-110”), companies are required to provide disclosure with respect to their audit committee including the text of the audit committee’s charter, composition of the audit committee and the fees paid to the external auditor. Accordingly, the Company provides the following disclosure with respect to its audit committee:

Composition of the Audit Committee

The current members of the Audit Committee and following the election of the directors pursuant to this Information Circular, the following will be the members of the Audit Committee:

David Madill	Independent ⁽¹⁾	Financially literate ⁽²⁾
William E. Pfaffenberger	Independent ⁽¹⁾	Financially literate ⁽²⁾
Hugh Squair	Independent ⁽¹⁾	Financially literate ⁽²⁾

Notes:

⁽¹⁾ A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member’s independent judgment.

⁽²⁾ An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

The Audit Committee’s Charter

The Company has adopted a Charter of the Audit Committee of the Board of Directors, which is attached as Schedule “A” to this Information Circular.

Relevant Education and Experience

David Madill is a medical doctor in private practice and has 15 years of experience serving as a director and in financing of the Company.

William E. Pfaffenberger is President and CEO of Torch River Resources having joined that company in April 2006. He is a retired professor of mathematics, having taught in the Mathematics and Statistics Department at the University of Victoria for 38 years. He served as a Member of the Board of Governors, was Chair of his department and served as Chair of the Board of Pension Trustees for 11 years, overseeing a fund of over \$400 million. Mr. Pfaffenberger serves as a director of two other public companies, Molycor Gold Corp. and Sola Resources Corp. He is also President of a private minerals company, Fundamental Resources Corp.

Hugh Squair is a graduate of the Universities of Saskatchewan and London, UK, with B.A. and Ph.D. degrees in geology and mining geology. He has over 35 years of field, managerial and exploration consulting experience in the search for precious and base metals within North America and abroad.

Dr. Squair has held senior positions with Falconbridge Ltd., Selection Trust Group, Newmont Exploration of Canada, and has worked as a consultant to Kennecott Canada and Watts Griffis & McQuat Ltd., Toronto.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (By Category)

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the fiscal years ended July 31, 2011 and 2010, were as follows:

Fees	2011	2010
Audit fees	\$65,000	\$65,000
Audit related fees ⁽¹⁾	\$17,400	\$21,500
Tax fees	Nil	Nil
All other fees ⁽²⁾	Nil	\$13,000

Notes:

- (1) This figure includes KPMG China's audit assistance charge of Rmb120,000/\$18,500 and audit outlay of \$3,000 in 2010 and Rmb100,000/\$16,000 and audit outlay of \$1,400 in 2011.
- (2) Additional billing relating to the audit of the 2009 Consolidated Financial Statements.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with part 3 (*Composition of the Audit Committee*) and part 5 (*Reporting Obligations*) of NI 52-110.

CORPORATE GOVERNANCE

In accordance with the requirements of National Instrument 58-101 *Disclosure of Corporate Governance Practices* and National Policy 58-201 *Corporate Governance Guidelines* (the "**Guidelines**"), the Company is required to give full and complete disclosure of corporate governance practices. The following describes the Company's approach to corporate governance:

Board of Directors

The Board currently consists of six directors, Larry W. Reaugh, President and CEO of the Company, William E. Pfaffenberger, David Madill, Edward Lee, Hugh Squair and Paul Blair.

NI 58-101 distinguishes independent and non-independent directors. For the purposes of NI 58-101, Mr. Reaugh does not qualify as an independent director as he is an executive officer of the Company. See "*Executive Compensation*". William E. Pfaffenberger, David Madill, Edward Lee and Hugh Squair are independent directors pursuant to NI 58-101.

The mandate of the Board is to oversee the management of the Company and, in so doing, serve the best interests of the Company as a separate entity on behalf of its shareholders. The Board acts in accordance with all applicable legislation and regulatory requirements and its own corporate charter documents and policies. These responsibilities require that the directors are attending to the following:

- (a) reviewing and approving on a regular basis and as well as the need arises, fundamental operating, financial, and other strategic corporate plans which take into account, among other things, the opportunities and risks of the business;
- (b) evaluating the performance of the Company, including the use of corporate resources to ensure they are used optimally and only for appropriate business purposes;
- (c) evaluating the performance of, and overseeing the progress and development of, senior executives and taking appropriate action, such as promotion, change in responsibility and termination;

- (d) evaluating the Company's compensation programs;
- (e) implementing senior executive succession plans;
- (f) establishing a corporate environment that promotes timely and effective disclosure (including appropriate controls, procedures and incentives), fiscal accountability, high ethical standards and compliance with all applicable laws and industry and community standards;
- (g) ensuring systems are in place to identify and manage the risks faced by the Company;
- (h) complying with disclosure requirements and establishing the communications policies of the Company;
- (i) reviewing and deciding upon material transactions and commitments;
- (j) developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities;
- (k) providing assistance to the Company's senior executives, including guidance on those matters that require Board involvement; and
- (l) evaluating the overall effectiveness of the Board and its committees.

In discharging their fiduciary duties of care, loyalty and candor, directors are expected to exercise their business judgment to act in what they reasonably and honestly believe to be the best interests of the Company and its shareholders free from personal interests. In discharging their duties, when appropriate the directors should rely on the Company's senior executives and its outside advisors, auditors and legal counsel but also to consider second opinions where circumstances warrant.

Directors are expected to become and remain informed about the Company and its business, properties, risks and prospects.

Directors are responsible for determining that effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Company. Directors also ensure that periodic reviews are undertaken of the integrity of the Company's internal controls and management information systems.

Directors are responsible for protecting the Company's confidential and proprietary information and insuring that it is not disclosed to outside parties not authorized by the Board until it is generally disclosed. Likewise, all discussions and proceedings of the Board of Directors are treated as strictly confidential and privileged to preserve open discussions between directors and to protect the confidentiality of Board discussions.

Directors are responsible for convening and attending Board meetings, meetings of committees on which they serve and normally the annual meeting of shareholders. They devote the time needed and meet as frequently as necessary, to properly discharge their responsibilities.

The directors are indemnified through corporate articles and by-laws, corporate statutes and where the directors so resolve and can obtain it, directors' and officers' liability insurance.

The Board is responsible for choosing the president and CEO, appointing senior management and monitoring their performance. As the replacement of members of the Company's management occurs infrequently and because of the small size of the Company, the Board is able to closely monitor the selection, training and mentoring of new management members.

The Board believes that the CEO and his or her designees should normally speak for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the

Company. It is, however, expected that Board members would do so with the knowledge of and, absent unusual circumstances or as contemplated by the committee charters, only at the request of the Company's senior executives.

The Board gives appropriate attention to written communications that are submitted by shareholders and other interested parties and responds if and as appropriate. Absent unusual circumstances, or as contemplated by the committee charters, the Chairman of the Board monitors communications from shareholders and other interested parties, and provides copies or summaries of such communications to the other directors as he considers appropriate.

The communications policy, which also addresses electronic communications, requires management to comply with all statutory and regulatory obligations relating to communications with shareholders in particular and the public in general. The Company distributes written reports to shareholders every quarter and addresses inquiries from shareholders in a timely manner.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his or her fiduciary obligations as a director of the Company, disclose the nature and extent of his or her interest to the meeting and abstain from voting on or against the approval of such participation.

Directorships

The following directors of the Company are also directors of other reporting issuers as set out below:

Name of Director	Name of Reporting Issuer	Position
Larry W. Reaugh	Molycor Gold Corporation TSXV: MOR	Director and CEO
	American Manganese Inc. TSXV: AMY	Director, President and CEO
William E. Pfaffenberger	Molycor Gold Corporation TSXV: MOR	Director
	Torch River Resources Ltd. TSXV: TCR	Director, President and CEO
	Cancana Resources Corp. (formerly Sola Resources Corp.) TSXV: CNY	Director and CEO
David Madill	Molycor Gold Corporation TSXV: MOR	Director
	Torch River Resources Ltd. TSXV: TCR	Director
	Cancana Resources Corp. (formerly Sola Resources Corp.) TSXV: CNY	Director
Hugh Squair	Plato Gold Corp. TSXV: PGC	Director
	Lexam Explorations Inc. TSXV: LEX	Director
	Rome Resources Ltd. TSXV: RMR	Director
Edward Lee	Molycor Gold Corporation TSXV: MOR	Director and President
	American Manganese Inc. TSXV: AMY	Director

Orientation and Continuing Education

Director Orientation

The Board and the Company's senior management conducts orientation programs for new directors. The orientation programs include presentations by management to familiarize new directors with the Company's projects, strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its code of business conduct and ethics, its principal officers, its internal and independent auditors and its outside legal advisors. In addition, the orientation program includes a review of the Company's expectations of its directors in terms of time and effort, a review of the directors' fiduciary duties and visits to Company headquarters and to the extent practical, visits to certain of the Company's significant facilities.

Continuing Education

To enable each director to better perform his or her duties and to recognize and deal appropriately with issues that arise, the Company provides the directors with suggestions to undertake continuing director education, the cost of which is borne by the Company.

Ethical Business Conduct

The Board of Directors have adopted and maintains a Code of Ethics, which applies to each of the Company's senior officers. The Code of Ethics meets the definition of a "code of ethics" under Item 16.B of SEC Form 20-F, as amended, and other applicable laws and regulations.

Nomination of Directors

Given the size of the Board and nature of development of the Company's business, the Board has not appointed a Nomination Committee or put in place formal procedure for the identification of new Board member candidates. Since the size of the Board is limited, the functions of such a committee can be served by the Board as a whole.

Compensation

The Board believes that directors should be provided with incentives to focus on long-term shareholder value, pursuant to the policies of TSX Venture Exchange (the "TSXV") and the Company's stock option plan. The Board believes that including equity options as part of director compensation helps align the interest of directors with those of the Company's shareholders.

The Company seeks to attract exceptional talent to its Board therefore, the Company's policy is to compensate directors competitively relative to comparable companies. The Company's management from time to time, presents a report to the Compensation Committee comparing the Company's director compensation with that of comparable companies. The Board believes that it is appropriate for the Chairman of the Board and the chairmen and members of the committees to receive additional compensation for their additional duties in these positions.

Other Board Committees

The Board of Directors have appointed Paul Blair and David Madill to the Compensation Committee.

The Company also has an Audit Committee. Please refer to the Section entitled "*Audit Committee*" for further information.

Assessments

The Nominating and Governance Committee oversees an annual self-evaluation of the Board to determine whether it and its committees are functioning effectively. The Nominating and Governance Committee determines the nature of the evaluation, supervises the conduct of the evaluation and prepares an assessment of the Board's performance. The evaluation includes an assessment of the contributions of each director. The evaluation is discussed by the Board.

COMPENSATION OF EXECUTIVE OFFICERS

The following table sets forth the particulars of compensation paid to the following persons (the "**Named Executive Officers**" or "**NEOs**") for the Company's three most recently completed financial years:

- (a) the Company's chief executive officer ("**CEO**");
- (b) the Company's chief financial officer ("**CFO**");

- (c) each of the Company's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000; and
- (d) any additional individuals for whom disclosure would have been provided under (c) but for the fact that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

As at July 31, 2011, the end of the last completed fiscal year, the Company had three NEOs, namely Larry W. Reaugh, Jonathan Lin and Paul Blair.

Summary Compensation Table

NEO Name and Principal Position (a)	Year ⁽¹⁾ (b)	Salary (\$) (c)	Share Based Awards (\$) (d)	Option Based Awards (\$) (e)	Non-equity Incentive Plan Compensation (\$) (f)		Pension Value (\$) (g)	All Other Compensation (\$) (h)	Total Compensation (\$) (i)
					Annual Incentive Plans (f1)	Long-term Incentive Plans (f2)			
Larry W. Reaugh ⁽²⁾ <i>President & CEO</i>	2011	\$60,000	Nil	\$36,103 ⁽⁵⁾	Nil	Nil	Nil	\$2,085 ⁽⁶⁾	\$98,188
	2010	\$60,000	Nil	\$36,103 ⁽⁵⁾	Nil	Nil	Nil	\$8,196 ⁽⁶⁾	\$104,299
	2009	\$60,000	Nil	Nil	Nil	Nil	Nil	\$8,196 ⁽⁶⁾	\$68,196
Jonathan Lin ⁽³⁾ <i>CFO</i>	2011	\$58,000	Nil	\$6,769 ⁽⁵⁾	Nil	Nil	Nil	Nil	\$64,769
	2010	\$60,000	Nil	\$6,769 ⁽⁵⁾	Nil	Nil	Nil	Nil	\$66,769
	2009	\$60,000	Nil	Nil	Nil	Nil	Nil	Nil	\$60,000
Paul Blair ⁽⁴⁾ <i>COO</i>	2011	US\$23,862	Nil	US\$12,833 ⁽⁵⁾	Nil	Nil	Nil	Nil	US\$36,695
	2010	US\$98,132	Nil	US\$12,833 ⁽⁵⁾	Nil	Nil	Nil	Nil	US\$110,965
	2009	US\$103,608	Nil	Nil	Nil	Nil	Nil	Nil	US\$103,608

Notes:

⁽¹⁾ Financial years ended July 31, 2011, 2010 and 2009.

⁽²⁾ Larry W. Reaugh was appointed as President and CEO on May 17, 1983.

⁽³⁾ Jonathan Lin was appointed interim CFO on June 1, 2006 and then appointed CFO on June 20, 2007.

⁽⁴⁾ Paul Blair was appointed as Chief Operating Officer on December 7, 2006.

⁽⁵⁾ These options were granted on February 24, 2010 and valued at \$0.0902 per option using Black Sholes Model, with a 2.26% risk free rate and an estimated average term of five years. Larry Reaugh's 800,000@\$0.0902 = \$72,205; Jonathan Lin's 150,000@\$0.0902 = \$13,538; Paul Blair's 300,000@\$0.0902 = \$27,077 @US\$0.9479 = US\$25,666, and the options vested over two years.

⁽⁶⁾ This amount is in reference to a leased vehicle benefit.

Option Based Awards

The Compensation Committee reviews the Company's incentive compensation and any other stock-based plans and recommends changes in such plans to the Board of Directors as needed and to review and submit to the Board of Directors recommendations concerning new executive compensation or stock-based plans, based on input and recommendations from the Executive Officers.

Compensation of the CEO must be determined, or recommended to the Board for determination, by the Compensation Committee. The CEO is not present during voting or deliberations. Compensation for all other Executive Officers must be determined, or recommended to the Board for determination, by the Compensation Committee.

Full details of the Stock Option Plan have been disclosed under the section “*Stock Option Plan*”.

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses the outstanding awards to the NEOs as at the end of the last financial year:

Name	Option-Based Awards				Share-Based Awards	
	Number Of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value Of Unexercised In-The-Money Options (\$)	Number Of Shares Or Units Of Shares That Have Not Vested (#)	Market Or Payout Value Of Share-Based Awards That Have Not Vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Larry W. Reaugh ⁽¹⁾ <i>President and CEO</i>	800,000	\$0.14	February 24, 2015	Nil ⁽⁴⁾	Nil	Nil
	150,000	\$0.50	January 12, 2012	Nil ⁽⁴⁾		
Jonathan Lin ⁽²⁾ <i>CFO</i>	150,000	\$0.14	February 24, 2015	Nil ⁽⁵⁾	Nil	Nil
	70,000	\$0.50	January 12, 2012	Nil ⁽⁵⁾		
Paul Blair ⁽³⁾ <i>COO</i>	300,000	\$0.14	February 24, 2015	Nil ⁽⁶⁾	Nil	Nil
	250,000	\$0.50	January 12, 2012	Nil ⁽⁶⁾		

Notes:

- (1) Larry W. Reaugh was appointed as President and CEO on May 17, 1983.
- (2) Jonathan Lin was appointed interim CFO on June 1, 2006 and then appointed CFO on June 20, 2007.
- (3) Paul Blair was appointed as Chief Operating Officer on December 7, 2006.
- (4) 600,000 options were available for exercise on July 31, 2011 at an exercise price of \$0.14 / share and 150,000 options were available for exercise on July 31, 2011 at an exercise price of \$0.50 / share. The market price on July 31, 2011 was \$0.055 / share.
- (5) 112,500 options were available for exercise on July 31, 2011 at an exercise price of \$0.14 / share and 70,000 options were available for exercise on July 31, 2011 at an exercise price of \$0.50 / share. The market price on July 31, 2011 was \$0.055 / share.
- (6) 225,000 options were available for exercise on July 31, 2011 at an exercise price of \$0.14 / share and 250,000 options were available for exercise on July 31, 2011 at an exercise price of \$0.50 / share. The market price on July 31, 2011 was \$0.055 / share.

On January 12, 2007 a total of 1,525,000 options in the Company’s capital stock were granted, exercisable in whole or in part on or before January 12, 2012 at a price of \$0.50 per share.

On February 24, 2010 a total of 6,030,000 options in the Company’s capital stock were granted, exercisable in whole or in part on or before February 24, 2015 at a price of \$0.14 per share.

The above described options vest, as indicated below:

- (i) 25% of the aggregate number of Shares reserved for issuance upon exercise of the Option may vest on the date of grant;
- (ii) 25% of the aggregate number of Shares reserved for issuance upon exercise of the Option may vest on the date which is 6 calendar months after the date of grant;
- (iii) 25% of the aggregate number of Shares reserved for issuance upon exercise of the Option may vest on the date which is 12 calendar months after the date of grant; and

- (iv) 25% of the aggregate number of Shares reserved for issuance upon exercise of the Option may vest on the date, which is 18 calendar months after the date of grant.

subject to the Company's Stock Option Plan being approved by shareholders at the Company's Annual General Meeting.

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets forth the value vested or earned of the awards granted to the NEOs as at the end of the last financial year:

Name	Option-Based Awards – Value Vested During The Year (\$)	Share-Based Awards – Value Vested During The Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During The Year (\$)
(a)	(b)	(c)	(d)
Larry W. Reaugh ⁽¹⁾ <i>President and CEO</i>	Nil ⁽⁴⁾⁽⁵⁾	Nil	Nil
Jonathan Lin ⁽²⁾ <i>CFO</i>	Nil ⁽⁴⁾⁽⁵⁾	Nil	Nil
Paul Blair ⁽³⁾ <i>COO</i>	Nil ⁽⁴⁾⁽⁵⁾	Nil	Nil

Notes:

- (1) Larry W. Reaugh was appointed as President and CEO on May 17, 1983.
(2) Jonathan Lin was appointed interim CFO on June 1, 2006 and then appointed CFO on June 20, 2007.
(3) Paul Blair was appointed as Chief Operating Officer on December 7, 2006.
(4) On July 12, 2008, the market price was \$0.175 / share and the exercise price was \$0.50 / share.
(5) On February 24, 2011 the market price was \$0.055 / share and the exercise price was \$0.14 / share.

Long-Term Incentive Plan – Awards in Most Recently Completed Fiscal Year

A long-term incentive plan (“LTIP”) is a plan providing compensation intended to motivate performance over a period of greater than one financial year and does not include option or stock appreciation rights (“SAR”) plans or plans for compensation through shares or units that are subject to restrictions on resale.

The Company did not award any LTIPs to any Named Executive Officer during the most recently completed financial year.

Option/SAR Grants During The Most Recently Completed Financial Year

There were no stock options granted to the NEOs under the Company's stock option plan during the most recently completed financial year.

Aggregate Option/SAR Exercises During The Most Recently Completed Financial Year And Financial Year-End Option/SAR Values

The following table sets out incentive stock options exercised by the NEO's during the most recently completed financial year, as well as the financial year end value of stock options held by the NEO's. During this period, no outstanding SARs were held by the NEO's.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Financial Year End Exercisable / Unexercisable (#)	Value of Unexercised In-the-Money Options at Financial Year-End (\$) Exercisable / Unexercisable ⁽¹⁾
Larry W. Reaugh	Nil	Nil	750,000 / 200,000	Nil / Nil
Jonathan Lin	Nil	Nil	362,500 / 37,500	Nil / Nil
Paul Blair	Nil	Nil	295,000 / 75,000	Nil / Nil

Notes:

- (1) In-the-Money Options are those where the market value of the underlying securities as at the most recent financial year-end exceeds the option exercise price. The closing market price of the Company's shares as at July 31, 2011 was \$0.055.

Option and SAR Repricings

There were no stock options or freestanding SARs held by the NEOs that were re-priced downward during the most recently completed financial year of the Company.

Termination of Employment, Change in Responsibilities and Employment Contracts

The terms and conditions of the employment contract or arrangement between the Company or its subsidiary and a NEO are as follows:

Pursuant to the terms of an agreement dated November 14, 2006 between the Company and Paul Blair (the "**Blair Agreement**") the Company agreed to pay to Mr. Blair on a contract basis at US\$600 per diem as well as out-of-pocket expenses for services rendered by Mr. Blair as COO of the Company. Pursuant to the Blair Agreement Mr. Blair is entitled to participate in the Company's stock option plan. On January 1, 2009 the Blair Agreement was amended and the Company agreed to pay Mr. Blair US\$800 per diem as well as out-of-pocket expenses.

Except as disclosed herein, there are no other written employment contracts between the Company and any of the other NEOs.

Except as disclosed herein, there is no compensatory plans, contracts or arrangements where a NEO is entitled to receive more than \$100,000 from the Company, including periodic payments or installments, in the event of the resignation, retirement or other termination of employment, a change of control of the Company or a change in the NEOs' responsibilities following a change in control.

Compensation of Directors

Compensation for the NEOs has already been disclosed. See "*Compensation of Executives*". No cash compensation was paid to any director of the Company for the director's services as a director during the financial year ended July 31, 2011.

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the policies of the TSXV.

Name (a)	Fees Earned (\$) (b)	Share Based Awards (\$) (c)	Option Based Awards (\$) ⁽²⁾ (d)	Non-equity Incentive Plan Compensation (\$) (e)	Pension Value (\$) (f)	All Other Compensation (\$) (g)	Total (\$) (h)
William E. Pfaffenberger	Nil	Nil	\$27,077 ⁽¹⁾	Nil	Nil	Nil	N/A
David Madill	Nil	Nil	\$27,077 ⁽¹⁾	Nil	Nil	Nil	N/A
Hugh Squair	Nil	Nil	\$27,077 ⁽¹⁾	Nil	Nil	Nil	N/A
Edward Lee	Nil	Nil	\$27,077 ⁽¹⁾	Nil	Nil	Nil	N/A

Notes:

⁽¹⁾ The fair value of the stock options granted was estimated on the date of grant using Black-Sholes Model pricing.

⁽²⁾ These options were granted on February 24, 2010 and are exercisable until February 24, 2015 at an exercise price of \$0.14 per share and a grant date fair value of \$0.0902 per option.

Compensation to Associates

There was no compensation awards, payments or payables made to an associate of a NEO or of a director, as a result of compensation awarded to, earned by, paid to or payable to the NEO or the director, in any capacity with respect to the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan, which the Company has in place, is the stock option plan (the “**Plan**”), which was previously approved by shareholders on January 13, 2010. The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company. The Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Company’s other previously established or proposed share compensation arrangements, may not exceed 20% of the total number of issued and outstanding Common shares. All options expire on a date not later than 10 years after the date of grant, or such lesser period as may be determined by the Board.

The following table sets out equity compensation plan information as at the end of the Company’s most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity option compensation plan approved by securityholders	7,440,000 Options 9,046,000 Warrants	\$0.15	13,775,850

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	16,486,000	\$0.15	13,775,880

There are no plans adopted without shareholder approval.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers or proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company is or has been indebted to the Company as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, 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 Company or any associate or affiliate of any informed person or proposed director has had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended July 31, 2011, or has any interest in any material transaction in the current year other than as set out herein.

MANAGEMENT CONTRACTS

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Stock Option Plan

The Company has adopted a fixed number stock option plan (the “**Plan**”) which provides that the Board of the Company may from time to time, in its discretion and in accordance with TSXV requirements, grant to directors, officers, employees and consultants, non-transferable options to purchase shares, provided that the number of shares reserved for issuance shall not exceed 20% of the Company’s issued and outstanding shares.

In accordance with policy 4.4 of the TSXV, the Company must obtain shareholder approval to increase the maximum number of shares available for issuance pursuant to its Plan. Therefore, management is seeking shareholder approval to increase the maximum number of shares available for issuance pursuant to the Plan, from 13,775,850 to that number which is 20% of the issued and outstanding shares of the Company as at the date of shareholder approval of this amendment. The Plan complies with the current policies of the TSXV for Tier 2 issuers.

The purpose of the Plan is to provide incentive to employees, directors, officers, management companies and consultants who provide services to the Company and reduce the cash compensation the Company would otherwise have to pay.

Terms of the Stock Option Plan

A full copy of the Plan will be available at the Meeting for review by shareholders. Shareholders may also obtain copies of the Plan from the Company prior to the meeting on written request. The following is a summary of the material terms of the Plan:

Options may be exercised for a period of up to 5 years from the date of grant at a price not less than the Discounted Market Price on the day of grant. In connection with the foregoing, the number of shares reserved for issuance to:

- (a) any one individual shall not exceed five percent (5%) of the Company's issued and outstanding shares in any 12 month period;
- (b) any one consultant shall not exceed two percent (2%) of the Company's issued and outstanding shares in any 12 month period; and
- (c) all employees conducting investor relations' activities shall not exceed two percent (2%) of the Company's issued and outstanding shares in any 12 month period.

Options immediately expire upon cessation of the optionee's position with the Company, unless extended by the Board for a period of up to 30 days, subject to expiry dates of such options, provided that if the cessation of the optionee's position was by reason of death, the option may be exercised within a maximum period of six months after such death, subject to the expiry date of such options.

The Plan provides for vesting provisions as to:

- (a) 25% of the Options shall vest in and be exercisable by the Optionee on the date of grant;
- (b) 25% of the Options shall vest in and be exercisable by the Optionee six (6) months from the date of grant;
- (c) 25% of the Options shall vest in and be exercisable by the Optionee twelve (12) months from the date of grant; and
- (d) 25% of the Options shall vest in and be exercisable by the Optionee eighteen (18) months from the date of grant.

Shareholder Approval

Shareholders will be asked at the Meeting to approve with or without variation the following resolution:

"BE IT RESOLVED THAT the Company's 2003 Stock Option Plan, as amended (the "Amended Plan") be approved fixing the number of shares issuable under the Plan to a fixed number equal to 20% of the issued and outstanding shares of the Company as at the date of the Meeting".

OTHER BUSINESS

As of the date of this Information Circular, management is not aware of any other matters to come before the Meeting. The securities represented by the Proxy will be voted as directed by the holder, however, if such a direction is not made in respect of any matter, the Proxy will be voted as recommended by Management.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information relating to the Company is provided in the Company's comparative financial statements and management's discussion and analysis ("MD&A") for its most recently completed financial year ended July 31, 2011. Shareholders may request copies of the financial statements and the MD&A by (a) mail, to #2A - 15782 Marine Drive, White Rock, British Columbia, V4B 1E6; or (b) telephone, to: 604-531-9639.

DATED at White Rock, British Columbia, this 30th day of November, 2011.

BY ORDER OF THE BOARD OF DIRECTORS

"Larry W. Reaugh"

Director, Chief Executive Officer and President

Schedule “A”

**CHARTER
OF
THE AUDIT COMMITTEE
OF
GOLDREA RESOURCES CORP.**

GOLDREA RESOURCES CORP.
(the "Company")

AUDIT COMMITTEE CHARTER

The audit committee of the Company (the "Committee") is a committee of the board of directors of the Company (the "Board"). The role of the Committee is to:

- provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies;
- helping directors meet their responsibilities, facilitating better communication between directors and the external auditor;
- enhancing the independence of the external auditor;
- increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussion among directors, management and the external auditor;

Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Company's external auditor is ultimately accountable to the Board and the Committee as representatives of the Company's shareholders.

I. DUTIES AND RESPONSIBILITIES

External Auditor

1. To recommend to the Board, for shareholder approval, an external auditor to examine the Company's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.
2. To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
4. To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
5. To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
6. To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:
 - (a) no member of the audit team that is auditing a business of the Company can be hired into that

business or into a position to which that business reports for a period of three years after the audit;

- (b) no former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual's association with the external auditor;
 - (c) the Chief Financial Officer of the Company (the "CFO") must approve all office hires from the external auditor; and
 - (d) the CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
7. To ensure that the head audit partner assigned by the external auditor to the Company, as well as the audit partner charged with reviewing the audit of the Company, are changed at least every five years.
8. To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

Financial Information and Reporting

9. To review the Company's annual audited financial statements with the Chief Executive Officer of the Company (the "CEO") and CFO and then with the full Board. The Committee will review the interim financial statements with the CEO and CFO.
10. To review and discuss with management and the external auditor, as appropriate:
- (a) the annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and
 - (b) earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.
11. To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principle and any proposed material changes to them or their application.
12. To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

Oversight

13. To review the internal audit staff functions, including:
- (a) the purpose, authority and organizational reporting lines;
 - (b) the annual audit plan, budget and staffing; and
 - (c) the appointment and compensation of the controller, if any.
14. To review, with the CFO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.
15. To review and monitor the Company's major financial risks and risk management policies and the steps

taken by management to mitigate those risks.

16. To meet at least annually with management (including the CFO), the internal audit staff and the external auditor in separate executive session and review issues and matters of concern respecting audits and financial reporting.
17. In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

II. MEMBERSHIP

The Committee shall be comprised of at least three directors.

The majority of the Committee members must be independent. A member of the Committee is independent if the member has no direct or indirect material relationship with an issuer. A material relationship means a relationship, which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of a member's independent judgment.

Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

All members of the Committee must be "financially literate" (i.e., have the ability to read and understand a set of financial statements such as balance sheet, an income statement and a cash flow statement).

III. PROCEDURES

1. The Board shall appoint one of the directors elected to the Committee as the Chairperson of the Committee (the "Chairperson"). In the absence of the appointed Chairperson from any meeting of the Committee, the members shall elect a Chairperson from those in attendance to act as Chairperson of the meeting.
2. The Chairperson will appoint a secretary (the "Secretary") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chairperson.
3. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.
4. The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
5. The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the Articles of the Company or otherwise determined by resolution of the Board.

6. The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate.
7. The Committee has the authority to communicate directly with the internal and external auditors.

IV. REPORTS

The Committee shall produce the following reports and provide them to the Board:

1. an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chairperson or any other member of the Committee designated by the Committee to make this report; and
2. a summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.