

# SOLID RESOURCES LTD.

## MANAGEMENT INFORMATION CIRCULAR

dated April 25, 2012

for the

Annual General Meeting to be held on May 30, 2012

### SOLICITATION OF PROXIES

This management information circular ("**Circular**") is provided in connection with the solicitation by management of Solid Resources Ltd. ("**Corporation**") of proxies for use at the annual general meeting ("**Meeting**") of the holders of common shares ("**Shareholders**") to be held on Wednesday, May 30, 2012 at the offices of CAS Corporate Governance Services, 600, 815 – 8<sup>th</sup> Avenue SW, Calgary, Alberta at 1:00 PM MDT and at any adjournment, for the purposes set forth in the notice of meeting ("**Notice**").

The record date for the purpose of determining holders of common shares is April 25, 2012 ("**Record Date**"). Shareholders of record on that date are entitled to receive notice of and attend the Meeting and vote on the basis of one vote for each common share held, except to the extent that a registered Shareholder has transferred the ownership of any shares subsequent to the Record Date and the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he owns the shares and demands, not later than 10 calendar days before the Meeting, that his name be included on the Shareholder list, in which case, the transferee will be entitled to vote his shares at the Meeting.

This solicitation is made on behalf of management. The Corporation will bear the costs incurred in the preparation and mailing of the Meeting materials. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by directors, officers and employees of the Corporation who will not be remunerated for their services.

### APPOINTMENT AND REVOCATION OF PROXIES

**The persons named in the enclosed form of proxy are officers and directors of the Corporation. As a Shareholder, you have the right to appoint a person, who need not be a Shareholder, to represent you at the Meeting. To exercise this right you should insert the name of your representative in the blank space provided on the form of proxy and strike out the other names or submit another appropriate proxy.** The form of proxy should be dated and executed by the Shareholder or an attorney, authorized in writing and with proof of the authorization attached. A proxy may be revoked by a registered Shareholder personally attending at the Meeting and voting his shares in person.

A form of proxy will not be valid for the Meeting or any adjournment unless it is completed and delivered to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 or faxed to 1-866-249-7775 prior to 1:00 PM (MDT), on Monday, May 28, 2012 being at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment.

**The common shares represented by the Shareholder proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and that, if the Shareholder specifies a choice with respect to the any matter to be acted upon, the common shares will be voted accordingly.**

A Shareholder may revoke his proxy at any time prior to a vote. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Shareholder or by his authorized attorney in writing, or, if the Shareholder is a company, under its corporate seal by an officer or attorney duly authorized, either at the registered office of the Corporation

or with Computershare Trust Company of Canada, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting, or any adjournment.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records of the registrar and transfer agent will be recognized at the Meeting. If the common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those common shares will, in all likelihood, *not* be registered in the Shareholder's name. Without specific instructions, brokers and their nominees are prohibited from voting shares held by Beneficial Shareholders.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every broker and other intermediaries have their own mailing procedures and provide their own return instructions to clients which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada ("**Broadridge**"). Broadridge mails a Voting Information Form ("**VIF**") asking the Beneficial Shareholders to return the VIF to Broadridge by mail or by way of the Internet or telephone. A Beneficial Shareholder who receives a VIF cannot use that VIF to vote directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted.

All reference to Shareholders in this Circular, the form of proxy and Notice are to registered Shareholders unless specifically stated otherwise.

## **REQUEST FOR FINANCIAL STATEMENTS**

National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") sets out the procedures, for a Shareholder to receive financial statements. If a Shareholder wishes to receive financial statements, the Shareholder may use the enclosed form or provide instructions in any other written format.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As at the Record Date, there were 97,041,048 common shares issued and outstanding. There were no preferred shares issued and outstanding. Shareholders are entitled to one vote for each common share held. A quorum of shareholders is present at a meeting of shareholders if at least two holders representing not less than 5% of the outstanding shares of the Corporation are present in person or represented by proxy.

To the knowledge of the directors and management, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

## **BUSINESS OF THE MEETING**

### **Financial Statements**

The board of directors ("**Board**") has approved all of the information in the audited consolidated financial

statements for the years ended December 31, 2010 and December 31, 2011 and the report of the auditor thereon. The financial statements have been mailed to all the registered Shareholders and to the Beneficial Shareholders who responded to the Corporation's mail list request form pursuant to NI 51-102. The audited financial statements and MD&A are available on SEDAR, [www.sedar.com](http://www.sedar.com), and will be tabled at the Meeting.

### Fix Number of Directors

Shareholders will be asked to vote in favour of the resolution to fix the number of directors to be elected at the Meeting at four.

### Election of Directors

There are currently four directors and their term of office will expire at the Meeting. The following table sets forth the nominees, positions with the Corporation, their principal occupations, periods during which they have served as directors and the number of voting shares beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction.

Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that a nominee cannot stand for election for any reason prior to the Meeting, the proxy shall **not** be voted with respect to the filling of that vacancy.

| Name and Residence  | Director and Position held with the Corporation        | Principal Occupation   | Common Shares Beneficially Owned or Controlled or Directed |
|---|--|--|--|
| Randy Hayward <sup>1</sup><br>British Columbia,<br>Canada | Director since 2009<br>Chairman since March<br>2011    | President of Global Green Matrix Corp.   | 694,667  |
| Harry McKinders <sup>1</sup><br>Alberta, Canada           | Director since 1998                                    | Client Relations for Yorkton Group International, a private company that markets real estate investments | 1,072,510 <sup>2</sup>                                     |
| Rick Gliege <sup>1</sup><br>British Columbia,<br>Canada   | Director since 2009<br>COO and CFO since 2009          | Chief Operating Officer and Chief Financial Officer of the Corporation                                   | 380,000  |
| Greg Pendura<br>Alberta, Canada                           | Director since 2010<br>President and CEO since<br>2010 | President and Chief Executive Officer of the Corporation   | 1,000,000  |

<sup>1</sup>Member of Audit Committee

<sup>2</sup>McKinders Financial Corp. is beneficial owner of 374,010 shares, a company wholly owned by Harry McKinders.

### *Penalties, Sanctions, Cease Trade Orders or Bankruptcies*

No proposed director, within 10 years before the date of this Circular, has been, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "Order") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred

while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

No proposed director has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director 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.

### **Appointment of Auditor**

The Shareholders will be asked to vote for the appointment of K.R. Margetson Ltd., Chartered Accountants, Sechelt, BC as auditor to hold office until the next annual meeting of the Shareholders at remuneration to be fixed by the directors. K.R. Margetson Ltd. was appointed auditor effective October 14, 2010.

### **Stock Option Plan**

The Board is proposing to replace the current fixed number stock option plan (“**Plan**”) with an amended Plan in substantially the form attached as Exhibit I. The only amendment to the Plan is an increase in the number of common shares reserved for issuance.

As of Record Date, the Corporation has 97,041,048 common shares issued and outstanding. The Corporation has announced a private placement which could require the Corporation to issue up to a maximum of 11,000,000 common shares. If these common shares are issued before the Meeting date, the Corporation will request that the Shareholders approve an additional 2,200,000 shares in addition to the 19,408,209 shares that represent 20% of the issued and outstanding shares as of Record Date. Therefore the number of shares to be reserved for the Plan would be a maximum of 21,608,209 common shares.

The number of common shares subject to an option granted to a participant shall be determined by the directors, but no participant shall be granted an option which exceeds the maximum number of shares permitted by any stock exchange on which the common shares are then listed. The exercise price shall not be less than the price permitted by any stock exchange on which the common shares are then listed.

The text of the ordinary resolution which will be placed before the Meeting for the approval of the amended Plan is as follows:

#### **“BE IT RESOLVED as an ordinary resolution that:**

- 1.** the stock option plan of the Corporation in substantially the form attached as Exhibit I to the Circular (the “**Amended Plan**”) be and is hereby approved and adopted as the stock option plan of the Corporation;
- 2.** the form of the Amended Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the

- shareholders of the Corporation;
3. all issued and outstanding stock options previously granted under the Plan are hereby continued under and governed by the Amended Plan;
  4. the Shareholders hereby expressly authorize the Board to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
  5. any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

## AUDIT COMMITTEE

### Audit Committee Terms of Reference

The Terms of Reference are attached as Exhibit II.

### Composition and Relevant Education and Experience

The Audit Committee is composed of Randy Hayward, Rick Gliege and Harry McKinders. Mr. Hayward and Mr. McKinders are considered independent but Mr. Gliege is not independent due to his executive position with the Corporation. All members have the ability to read, analyze and understand the complexities surrounding the preparation of financial statements pertinent to the Corporation. All members have been involved in the financing, administration and operation of managing small private and/or public companies for several years and have been, either directly or indirectly, involved in the preparation of financial statements, dealing with the auditors or as a member of an audit committee.

### Audit Committee Oversight

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

### Reliance on Certain Exemptions

Since the commencement of the Corporation’s most recently completed financial year, it has not relied on the exemption in section 2.4 (*De Minimus Non-audit Services*) or an exemption granted under Part 8 (*Exemptions*) of NI 52-110 *Audit Committees* (“**NI 52-110**”).

### Pre-Approval Policies and Procedures

The Audit Committee must approve all non-audit services provided by auditors prior to any work commencing.

### External Auditor Service Fees

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

| Financial Year Ending | Audit Fees <sup>1</sup> | Audit Related Fees <sup>2</sup> | Tax Fees <sup>3</sup> | All Other Fees <sup>4</sup> |
|-----------------------|-------------------------|---------------------------------|-----------------------|-----------------------------|
| 2011                  | \$20,000                | Nil                             | Nil                   | Nil                         |
| 2010                  | \$25,000                | Nil                             | \$2,000               | Nil                         |

<sup>1</sup>Audit Fees is the aggregate fees billed by the external auditor

<sup>2</sup>Audit-Related Fees are the aggregate fees billed for assurance and related services by the external auditor

<sup>3</sup>Tax Fees are the aggregate fees billed for professional services rendered by the external auditor for tax compliance, tax advice and tax planning.

<sup>4</sup>All Other Fees are the aggregate fees billed for products and services provided by the external auditor other than the services reported.

## **Exemption**

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its audit committee and its reporting obligations under NI 52-110.

## **EXECUTIVE COMPENSATION**

The Named Executive Officers (“NEOs”) for the year ended December 31, 2011 were Greg Pendura, Chief Executive Officer (“CEO”) and Rick Gliege, Chief Financial Officer (“CFO”) and Chief Operating Officer (“COO”). NEO means a CEO, CFO, each of the three most highly compensated executive officers 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 for that financial year, and each individual who would be an NEO but for the fact that the individual was neither an executive officer at the end of that financial year.

### **Compensation Discussion and Analysis**

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation’s corporate objectives and to increase shareholder value. The main objective of the compensation program is to recognize the contribution of the NEOs to the overall success and strategic growth of the Corporation. The philosophy of the Corporation is to pay the management a total compensation amount that is competitive with other Canadian junior resource companies and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long term basis.

The compensation program provides incentives to its NEOs and Board to achieve long term objectives through grants of stock options pursuant to the Plan. Increasing the value of the common shares increases the value of the stock options. This incentive closely links the interests of the NEOs and directors to Shareholders of the Corporation. The allocation of options pursuant to the Plan is determined by the Board which considers such factors as previous grants to individuals, overall corporate performance, share price performance, the role and performance of the individuals and, in the case of grants to non-executive directors, the amount of time directed to the Corporation’s affairs. The Corporation believes that participation by the NEOs in the Plan aligns the interests of the NEOs with those of the Corporation’s shareholders, as the NEOs are rewarded for the Corporation’s performance as evidenced by share price appreciation.

The Board has not considered the implications of the risks associated with the Corporation’s compensation policies and practices. Neither a NEO nor a director are permitted to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

### **Summary Compensation Table**

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to the NEOs during the last completed financial year. The Corporation does not have any share-based award plans, non-equity long-term incentive plans, or any defined benefit or defined contribution pension plans.

| Name and Principal Position    | Year Ended Dec 31 | Salary   | Option-Based Awards <sup>1</sup> | All Other Compensation | Total Compensation |
|--------------------------------|-------------------|----------|----------------------------------|------------------------|--------------------|
| Greg Pendura, CEO <sup>2</sup> | 2011              | Nil      | \$18,000                         | \$131,428              | \$149,428          |
|                                | 2010              | Nil      | \$342,000                        | \$45,000               | \$387,000          |
|                                | 2009              | N/A      | N/A                              | N/A                    | N/A                |
| Rick Gliedge, CFO              | 2011              | \$20,000 | \$9,000                          | \$40,000               | \$69,000           |
|                                | 2010              | \$52,000 | \$152,000                        | Nil                    | \$204,000          |
|                                | 2009              | Nil      | \$59,500                         | Nil                    | \$59,500           |

<sup>1</sup>Option-based award amounts are non-cash amounts, and are the fair value estimates of options granted during the year, calculated using the Modified Black-Scholes pricing model, whereby the fair value of stock options is determined on the grant date and recorded as compensation expense over the period that the stock options vest. The Modified Black-Scholes model is an industry accepted valuation method.

<sup>2</sup>Mr. Pendura was appointed CEO in September 2010.

### *Narrative Discussion*

Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple "in-the-money" value calculation. In fact, stock options that are well out-of-the-money can still have a significant "grant date fair value" based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

### **Incentive Plan Awards**

#### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth details of all awards outstanding for each NEO as of the most recent financial year end, including awards granted before the most recently completed financial year. The Corporation does not have any share-based award plans for its NEOs.

| <b>Option-Based Awards</b> |   |                       |                        |  |
|----------------------------|---|-----------------------|------------------------|--|
| Name                       | Number of Securities Underlying Unexercised Options | Option Exercise Price | Option Expiration Date | Value of Unexercised in-the-money Option |
| Greg Pendura               | 1,500,000   | \$0.10                | December 17, 2015      | \$15,000                                 |
|                            | 300,000   | \$0.10                | December 17, 2015      | \$3,000                                  |
|                            | 200,000   | \$0.10                | September 1, 2016      | \$2,000                                  |
| Rick Gliedge               | 250,000   | \$0.10                | October 7, 2014        | \$2,500                                  |
|                            | 100,000   | \$0.165               | November 24, 2014      | Nil                                      |
|                            | 500,000   | \$0.29                | February 11, 2015      | Nil                                      |
|                            | 300,000   | \$0.10                | December 17, 2015      | \$3,000                                  |
|                            | 100,000   | \$0.10                | September 1, 2016      | \$1,000                                  |

<sup>1</sup>Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

<sup>2</sup>As at December 31, 2011, the market value of the common shares on the TSX Venture Exchange was \$0.11.

#### *Incentive Plan Awards - Value Vested or Earned During the Year*

The following table sets forth the value of option-based awards which vested or were earned during the most recently completed financial year for each NEO. The Corporation does not have any share-based award plans for its NEOs.

| <b>Option-Based Awards - Value vested during the year</b> |         |
|---|---------|
| <b>Name</b>   |         |
| Greg Pendura  | \$9,000 |
| Rick Gliege   | \$4,500 |

<sup>1</sup>Based on the difference between the market price of the options at the vesting date and the exercise price of \$0.10

#### *Narrative Discussion*

The Corporation's only long-term incentive plan is the Plan pursuant to which the Board may, at their discretion, grant options to participants. The purpose of the Plan is to provide compensation opportunities to participants which align their interests with those of Shareholders and which assist in attracting and retaining individuals of exceptional ability. Significant terms of the Plan are: (i) options may be granted in such numbers and with such vesting provisions as the Board may determine; (ii) the Board would fix the exercise price at which common shares may be acquired upon the exercise of such option provided that such exercise price shall not be less than Exchange policy allows; (iii) options may be granted for a maximum term of ten years; (iv) options are not transferable or assignable; (v) the maximum number of common shares reserved for issue under the Plan shall not exceed 20% of the issued and outstanding common shares; (vi) the maximum number of common shares reserved for issue to any one person shall not exceed 5% of the outstanding common shares as at the date of the grant.

#### **Pension Plan Benefits**

The Corporation does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

#### **Termination and Change of Control Benefits**

The Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation, its subsidiaries or affiliates or a change in a NEOs responsibilities.

#### **Employment and Consulting Contracts**

During the year-ended December 31, 2011, the Corporation had a written agreement with Mr. Pendura for his consulting services which include, as Chief Executive Officer, providing leadership and vision to manage the Corporation in the best interests of the shareholders; serving as external spokesman; providing strategic planning; and risk management in addition to other appropriate duties and responsibilities assigned by the Board. The Corporation had a written agreement with Mr. Gliege for his consulting services which include, as Chief Financial Officer and Chief Operating Officer, responsibility for the financial activities of the Corporation and ensuring that corporate governance policies are followed.

#### **Director Compensation**

During the most recently completed financial year, the Corporation did not pay any cash compensation to the directors for services rendered in their capacity as directors other than reimbursement of reasonable expenses.

#### **Director Compensation Table**

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation to directors for the most recently completed financial year, excluding NEOs whose compensation has been previously disclosed in this Circular. The



Corporation does not have share-based award plans, non-equity incentive plans or pension plans for its directors.

| Name                       | Fees Earned | Option-Based Awards | All Other Compensation | Total    |
|----------------------------|-------------|---------------------|------------------------|----------|
| Randy Hayward <sup>2</sup> | Nil         | \$9,000             | \$52,000               | \$61,000 |
| Harry McKinders            | Nil         | \$4,500             | Nil                    | \$4,500  |

<sup>1</sup>All options granted to the Directors are granted pursuant to the Corporation's stock option plan. Option-based award amounts are non-cash amounts, and are the fair value estimates of options granted during the year, calculated using the Modified Black-Scholes pricing model, whereby the fair value of stock options is determined on the grant date and recorded as compensation expense over the period that the stock options vest. The Modified Black-Scholes model is an industry accepted valuation method.

<sup>2</sup>Mr. Hayward provides consulting services which include raising investment capital, corporate communications and assisting with business development and planning.

## Incentive Plan Awards

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth for each director, other than NEOs, all option-based and share-based awards outstanding as at December 31, 2011. The Corporation does not have any share-based award plans.

### Option-Based Awards

| Name            | Number of Securities Underlying Unexercised Options | Option Exercise Price | Option Expiration Date | Value of Unexercised in-the-money Option |
|-----------------|---|-----------------------|------------------------|--|
| Randy Hayward   | 150,000   | \$0.24                | May 6, 2014            | Nil                                      |
|                 | 100,000   | \$0.10                | August 27, 2014        | \$1,000                                  |
|                 | 100,000   | \$0.165               | November 24, 2014      | Nil                                      |
|                 | 500,000   | \$0.29                | February 11, 2015      | Nil                                      |
|                 | 300,000   | \$0.10                | December 17, 2015      | \$3,000                                  |
|                 | 100,000   | \$0.10                | September 1, 2016      | \$1,000                                  |
| Harry McKinders | 150,000   | \$0.24                | February 6, 2013       | Nil                                      |
|                 | 100,000   | \$0.10                | August 27, 2014        | \$1,000                                  |
|                 | 100,000   | \$0.165               | November 24, 2014      | Nil                                      |
|                 | 500,000   | \$0.29                | February 11, 2015      | Nil                                      |
|                 | 100,000   | \$0.10                | December 17, 2015      | \$1,000                                  |
|                 | 50,000  | \$0.10                | September 1, 2016      | \$500                                    |

<sup>1</sup>Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

<sup>2</sup>As at December 31, 2011, the market value of the common shares on the TSX Venture Exchange was \$0.11.

### *Incentive Plan Awards - Value Vested or Earned During the Year*

The following table sets forth for each director, other than a NEO, the value vested or earned on all option-based awards during the financial year ending December 31, 2011. The Corporation does not have either a non-equity incentive plan or a share based aware plan.

| Name            | Option-Based Awards - Value vested during the year |
|-----------------|--|
| Randy Hayward   | \$4,500  |
| Harry McKinders | \$2,250  |

<sup>1</sup>Based on the difference between the market price of the options at the vesting dates and the exercise price of \$0.10

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's most recently completed financial year.

| Plan Category   | Number of securities to be issued upon exercise of outstanding options | Weighted-average exercise price of outstanding options | Number of securities remaining available for future issuance under equity compensation plans |
|---|--|--|--|
| Equity compensation plans approved by securityholders     | 7,700,000  | \$0.16   | 3,599,903  |
| Equity compensation plans not approved by securityholders | Nil  | Nil  | Nil  |
| Total   | 7,700,000  | \$0.16   | 3,599,903  |

## DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Corporation has disclosed its corporate governance practices in Exhibit III attached to this Circular.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has any of these persons been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, or proposed nominee for election as a director or any associate or affiliate of any of the foregoing, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has or would materially affect the Corporation or any of its subsidiaries.

## MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation or any proposed nominee of management for election as a director of the Corporation or any associate or affiliate of the foregoing persons 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 BUSINESS**

**While there is no other business to be presented to the shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information of the most recently completed financial year is provided in the comparative financial statements and management discussion and analysis available on SEDAR. A shareholder may contact the Corporation at Unit 607 - 233 Robson Street, Vancouver, BC V6B 0E8 or by fax (250) 247-2053 to obtain a copy of the most recent financial statements and management discussion and analysis.

**EXHIBIT I**  
**STOCK OPTION PLAN**

**1. Purpose**

The purpose of the Stock Option Plan ("**Plan**") of Solid Resources Ltd., a corporation incorporated under the *Business Corporations Act* (Alberta) ("**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation ("**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

**2. Administration**

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

Each option granted by the Corporation prior to the date of the approval of the Plan by the shareholders of the Corporation, including options granted under previously approved stock option plans of the Corporation, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Corporation.

**3. Stock Exchange Rules**

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

**4. Shares Subject to Plan**

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 21,608,209 Shares. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

## **5. Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

## **6. Eligibility and Participation**

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

## **7. Exercise Price**

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

## **8. Number of Optioned Shares**

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued Shares of the Corporation in any one twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).

- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any twelve month period to persons employed to provide investor relations activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the options vesting in any 3 month period.

## 9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on TSX Venture Exchange, the maximum term may not exceed 10 years.

Should the expiry date of an option fall within a Black Out Period or within nine business days following the expiration of a Black Out Period, such expiry date of the option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such option for all purposes under the Plan. The ten business day period referred to in this paragraph may not be extended by the Board.

**“Black Out Period”** means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation respecting restrictions on trading that is in effect at that time.

## 10. Option Period, Consideration and Payment

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until

the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

#### **11. Ceasing To Be a Director, Officer, Consultant or Employee**

Subject to Section 12, if a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, subject to extension at the discretion of the Board, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation, subject to extension at the discretion of the Board.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

#### **12. Death of Participant**

Notwithstanding Section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

#### **13. Rights of Optionee**

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

#### **14. Proceeds from Sale of Shares**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

#### **15. Adjustments**

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, or any adjustment relating to the Shares optioned or issued on exercise of options, or the exercise price per share as set forth in the respective stock option agreements, shall be adjusted in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

## **16. Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

## **17. Amendment and Termination of Plan**

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

## **18. Necessary Approvals**

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

## **19. Effective Date of Plan**

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

## **20. Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta.



## EXHIBIT II

### AUDIT COMMITTEE

#### Terms of Reference

##### Purpose

The audit committee ("**Committee**") of the Board of Directors ("**Board**") is responsible for assisting the Board in fulfilling its oversight of:

- a) the integrity, fairness, completeness, accuracy, and timeliness of the Corporation's financial reporting and disclosures;
- b) the compliance of the Corporation's financial reporting and disclosures with legal and regulatory requirements and with accepted standards and practices; and
- c) the independence and work of the Corporation's external auditor.

##### Composition

The Committee shall be comprised of at least three directors, the majority of whom are not employees, control persons, or officers of the Corporation or any of its associates or affiliates.

##### Appointment

Committee members shall be appointed by the Board after each annual meeting of shareholders. The chairman of the Committee shall be appointed by the Board and shall be an independent director.

##### Authority

The Committee shall have the authority to:

- a) engage independent counsel and other advisors as it deems necessary to carry out its duties;
- b) to set and pay the compensation for any advisors employed by the Committee; and
- c) to communicate directly with the external auditor. The external auditor shall report its findings to the Committee.

##### Meetings

The Committee shall meet as often as is necessary to fulfill its responsibilities. A quorum for each meeting shall consist of at least two-thirds of the members including at least two independent members.

##### Responsibilities

The Committee's responsibilities shall include the following:

- a) Recommend to the Board:
  - i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
  - ii) the compensation of the external auditor.

- b) Oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting and disclosures.
- c) Monitor and ensure the independence of the external auditor. Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor.
- d) Review and discuss with management and the external auditor the Corporation's annual financial statements and MD&A and any press releases, before the Corporation publicly discloses the information.
- e) Review and discuss with management and the external auditor the quality and appropriateness of the Corporation's financial reporting standards and accounting policies.
- f) Meet with the external auditor without the presence of management as the Committee deems necessary to satisfy its responsibilities.
- g) Satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information derived or extracted from the Corporation's financial statements; and periodically assess the adequacy of such procedures.
- h) Review any management letter containing the recommendations of the external auditor. Evaluate the response and actions taken by management in relation to such recommendations.
- i) Review and approve any hiring of partners, employees, and former partners and employees of the present and former external auditor of the Corporation; review and approve the policies used to make such hiring decision.
- j) Establish procedures for:
  - i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - ii) the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

### **Review of Charter**

The Committee shall review this charter periodically and recommend amendments to the Board. The Committee shall ensure this charter and Committee composition, including independence requirements and definitions, meet the requirements of all jurisdictions in which the Corporation is a reporting issuer and all stock exchanges on which the its shares are traded.

### **Delegation**

With regard to the pre-approval of non-audit services above, the Committee may delegate to one or more independent members, the authority to pre-approve non-audit services. However, any pre-approval must be presented to the Committee at its first scheduled meeting following such pre-approval.

### **Reporting**

The Committee shall report significant issues and its recommendations to the Board on a regular basis with respect to: each review of financial reporting and disclosure; matters pertaining to the external auditor; and other matters within its scope of responsibilities.

## EXHIBIT III

### CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the directors who are elected by and are accountable to the Shareholders, and takes into account the role of management who are appointed by the Board of Directors (“**Board**”) and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices which are in the interest of its shareholders and contribute to effective and efficient decision making.

#### **Board of Directors**

The Board is currently comprised of four directors all of whom are nominated for election at the Meeting. Mr. Hayward and Mr. McKinders are the independent directors. Mr. Pendura, Chief Executive Officer and Mr. Gliege, Chief Financial Officer, are members of management and, as a result, are not independent directors.

An “independent” director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director’s independent judgment. The Board facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the directors have access to the external auditors, legal counsel and to any of the Corporation’s officers.

#### **Directorships**

Mr. Hayward and Mr. Pendura are directors of Global Green Matrix Corp.

#### **Orientation and Continuing Education**

Each new director is given an outline of the Corporation’s business, its corporate strategy and any current issues before the Board and copies of the Corporation’s governance policies. New directors meet with management to discuss and better understand the Corporation’s business and are advised by counsel to the Corporation of their legal obligations as directors. The introduction and education process is reviewed and revised as necessary.

#### **Ethical Business Conduct**

The Board has adopted a written code of business conduct and ethics, which was filed on SEDAR at [www.sedar.com](http://www.sedar.com) on December 12, 2007.

The Board has established a Whistleblower Policy, which establishes the complaint procedure for concerns about any aspect of the Corporation’s activities and operations. These policies assist in maintaining the ethical business conduct of the officers and directors.

The Board has found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, directors must comply with the conflict of

interest provisions of the *Business Corporations Act (Alberta)*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

### **Nomination of Directors**

The Board establishes criteria for board membership, reviews candidates' qualifications and any potential conflicts of interest. The Board employs prescribed criteria in its selection of new candidates, which criteria include:

- independence and judgment - the directors should have a substantial degree of independence from management. Board independence depends not only on directors' individual relationships (personal, employment or a business) but also on the Board's overall attitude towards management; and
- relevant experience in business and industry - the directors should be possessed of relevant experience in business and industry, government, education and other areas which are beneficial to the Corporation. Directors with such backgrounds can provide a useful perspective on significant risks and competitive advantages.

### **Compensation**

The Board is responsible for determining the compensation of the directors and executive officers. The Board uses market data for comparable industry sectors in order to set compensation levels.

### **Other Board of Directors Committees**

The Corporation has no other standing committees at this time.

### **Assessments**

The Board has not implemented a formal process for assessing its effectiveness or the effectiveness of individual members or committees. Due to the Corporation's size, its stage of development and the limited number of directors, the Board considers a formal assessment process to be unnecessary at this time. The Board continues to evaluate its own effectiveness on an ad hoc basis.