

**CURLEW LAKE RESOURCES INC.**

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**INFORMATION CIRCULAR**

(As at June 4, 2013, except as indicated)

The Company is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the Annual General and Special Meeting (the "Meeting") of the Company to be held on Wednesday, July 17, 2013 and at any adjournments. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

**APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the "Management Proxyholders").

**A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.**

**VOTING BY PROXY**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to 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 Company knows of no such amendments, variations or other matters to come before the Meeting.

**COMPLETION AND RETURN OF PROXY**

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, **Computershare Trust Company, Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, by mail or facsimile, in accordance with the instructions set out in the form of**

**proxy accompanying this Information Circular**, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## **NOTICE-AND-ACCESS**

The Company is not sending this Information Circular to registered or beneficial shareholders using “notice-and-access” as defined under NI 54-101 (“**NI 54-101**”).

## **NON-REGISTERED HOLDERS**

**Only shareholders whose names appear on the records of the Company as the registered holders of shares 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 instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "Nominee"). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your Shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

The Company is sending the proxy-related materials directly to "non objecting beneficial owners" (“NOBOs”), as defined under NI 54-101. The name and address and information about NOBO holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominees holding on behalf of NOBOs. By choosing to send these materials to NOBOs directly, the Company (and not the Nominees holding on behalf of NOBOs) has assumed responsibility for (i) delivering these materials to NOBOs, and (ii) executing the proper voting instructions of NOBOs.

## **OBOs**

The Company does not intend to pay for Nominees to deliver the proxy-related materials and Form 54-101F7 to "objecting beneficial owners ("OBOs"), as defined under NI 54-101. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

## **REVOCABILITY OF PROXY**

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in

writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **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 Nominees to revoke the proxy on their behalf.**

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the "shares"), of which 18,546,952 common shares are issued and outstanding. Persons who are registered shareholders at the close of business on the record date, being June 4, 2013 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

Each ordinary resolution to be voted on at the Meeting must be passed by a simple majority (greater than 50%) of the votes cast on the resolution. Each special resolution (if any) to be voted on at the Meeting must be passed by two-thirds (2/3) of the votes cast on the resolution.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company.

## ELECTION OF DIRECTORS

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to fix the number of directors of the Company at four (4).

The Company is required to have an audit committee. Members of this committee are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees is as follows:

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</i>
Jurgen Wolf British Columbia, CANADA <b>CEO, President and Director</b>	Retired businessman, involved in the oil and gas industry for over 21 years; Director of several public companies.	Director since October 25, 2012	100,000 <sup>(2)</sup>
Harold J. Noyes, PhD., MBA <sup>(1)</sup> Colorado, U.S.A. <b>Director</b>	President of Encampment Minerals, Inc., a private corporation since January 2006.	Director since March 20, 2012	200,000 <sup>(3)</sup>

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</i>
Huitt Tracey <sup>(1)</sup> British Columbia, CANADA <b>Director</b>	Licensed Realtor since May 2003.	Director since July 10, 2012	NIL
Michael Pound <sup>(1)</sup> British Columbia, CANADA <b>Nominee as Director</b>	Corporate Development for a number of public companies since September 2012; Former Investor Relations consultant for Indico Resources Ltd., July 2011 to September 2012; Former Manager, Investor Relations for Dorato Resources Inc., November, 2009 to June 2012; Investor Relations consultant for Platinum Group Metal from September 2008 to April 2009 and for Consolidated GoldWin Ventures from November 2006 to October 2007.	<b>Nominee</b>	NIL

(1) Member of the audit committee. Robert Kramer, a Secretary, CFO and a director, is also currently a member of the audit committee. As he is not standing for re-election as a director at the Meeting, Michael Pound, who is nominated by management for election at the Meeting, will take his place on the audit committee following the Meeting.

(2) Held indirectly through Kruger Pacific Ltd., a private company wholly owned by Jurgen Wolf.

(3) Held indirectly by Harold and Lesley Noyes.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.

Except as set out below, to the knowledge of the Company, no proposed director:

(a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Company) that:

(i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or 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 other than:

(A) Jurgen Wolf, who was:

- a. a director of TransAmerican Energy Inc. ("TAE") while that company was subject to:
    - a Cease Trade Order issued August 20, 2008 by the British Columbia Securities Commission against TAE (the "TAE BC CTO") for failure to file annual oil and gas disclosure prescribed by National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") for the years ended April 30, 2006 and 2007. TAE subsequently brought all of its annual continuous disclosure filings up-to-date, and the TAE BC CTO was revoked on November 19, 2008; and
    - a Cease Trade Order issued August 21, 2008 by the Alberta Securities Commission against TAE (the "TAE Alberta CTO") for failure to file annual oil and gas disclosure provided by NI 51-101 for the year ended April 30, 2007. TAE subsequently brought all of its annual continuous disclosure filings up-to-date, and the TAE Alberta CTO was revoked on November 25, 2008; and
    - a Management Cease Trade Order issued August 31, 2009 by the British Columbia Securities Commission against TAE in connection with the late filing of audited financial statements for the year ended April 30, 2009 and related MD&A. The Management Cease Trade Order was revoked on October 2, 2009, after the relevant documents were filed; and
  - b. a director, director, and officer/director, respectively, of Petrichor Energy Inc. ("Petrichor") while that company was subject to:
    - a Management Cease Trader Order issued to Petrichor by the British Columbia Securities Commission on May 4, 2009 in connection with the late filing of Petrichor's audited annual financial statements for its fiscal year ended December 30, 2008, and subsequently the delay in filing Petrichor's interim financial statements for the three months ended March 31, 2009. The Management Cease Trade Order was revoked on June 8, 2009 after the relevant documents were filed; and
    - a Management Cease Trade Order issued to Petrichor by the British Columbia Securities Commission on June 18, 2010 in connection with the late filing of Petrichor's audited annual financial statements for its fiscal year ended December 30, 2009, and subsequently the delay in filing Petrichor's interim financial statements for the three months ended March 31, 2010. Although Petrichor filed the relevant annual and interim financials on July 14, 2010, a Cease Trade Order was issued by the British Columbia Securities Commission for failure to file NI 51-101 oil and gas forms as at the year ended December 31, 2010. On December 3, 2010 the TSX-V suspended trading of Petrichor's shares. The oil and gas forms were subsequently filed and the CTO was revoked by the B.C. Commission on January 12, 2011, and the TSX-V reinstated Petrichor for trading on February 15, 2011; or
- (ii) was subject to a cease trade or similar order or 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, that was issued after the proposed director ceased to be a

director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) as, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any 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.

The following directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer
Jurgen Wolf	Altima Resources Ltd. (TSX-V) Petrichor Energy Inc. (TSX-V) Iconic Minerals Ltd. (TSX-V) TransAmerican Energy Inc. (TSX-V) Scavo Resource Corp. (TSX-V) Golden Jubilee Capital Corp. (TSX-V) Tasty Fries Inc. (OTC) Gainey Resources Ltd. (TSX-V)

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The main objective of the Company's executive compensation program is to attract, retain, and engage high-quality, high-performance executives who have the experience and ability to successfully execute the Company's strategy and deliver value to our shareholders.

The objectives of the Company's executive compensation program are as follows:

- (i) compensate executives competitively for the leadership, skills, knowledge, and experience necessary to perform their duties;
- (ii) align the actions and economic interests of executives with the interests of shareholders; and

- (iii) encourage retention of executives.

As there is no formal compensation committee, the independent members of the Board annually review and set remuneration of executive officers. The independent directors determined that the executive compensation program should be comprised of the following elements:

- Base Salary – to compensate executives for the leadership, skills, knowledge and experience required to perform their duties; and
- Long-term Incentive Plan – to retain talented executives, reward them for their anticipated contribution to the long-term successful performance of the Company and align them with the interests of shareholders. The plan currently consists only of incentive stock options.

### **Process for Determining Executive Compensation**

To determine compensation payable, the independent directors generally review compensation paid for directors and CEOs (or persons acting in a similar capacity to CEO, such as Presidents) of companies of similar size and stage of development in the oil and gas industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation the independent directors annually review the performance of the CEO (or President) in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

### **Risk Management**

The Board has not proceeded to an evaluation of the implications of the risks associated with the Company's compensation policies and practices.

### **Hedging of Economic Risks in the Company's Securities**

The Company has not adopted a policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or officers. The Company is not, however, aware of any directors or officers having entered into this type of transaction.

The Company has not retained a compensation consultant during or subsequent to the most recently completed financial year.

The Company has not used a specific "benchmark group" to determine executive compensation levels.

Total compensation for executive officers includes base salary and long-term incentive stock options.

### **Option-based awards**

The Company's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange, and closely align the interests of the executive officers with the interests of shareholders. The Directors of the Company are

also eligible to receive stock option grants under the Company's stock option plan, and the Company applies the same process for determining such awards to Directors as with NEOs.

A summary of the significant terms of the Company's 10% rolling stock option plan are under the heading "Securities Authorized for Issuance Under Equity Compensation Plans".

As there is currently no compensation committee, the independent directors of the Company have the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards. The Company did not award any options to the directors or executive officers during the most recently completed financial year.

### Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6 ("**Statement of Executive Compensation**" which came into force on October 31, 2011 (the "**Form 51-102F6**")) sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company ending on January 31, 2013 (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of each Chief Executive Officer and the Chief Financial Officer who acted in such capacity for all or any portion of the most recently completed financial year, and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the Chief Executive Officer and the Chief Financial Officer), as at January 31, 2013 whose total compensation was, individually, more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year (collectively the "**Named Executive Officers**" or "**NEOs**").

NEO Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Jurgen Wolf <sup>(1)</sup> CEO/President	2013	Nil	Nil	Nil	Nil	Nil	Nil	\$5,000	\$5,000
Robert Kramer <sup>(2)</sup> CFO/Secretary	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Robert Pincombe former President/ CEO <sup>(1)</sup>	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	30,000	Nil	Nil	Nil	Nil	Nil	Nil	30,000
	2011	30,000	Nil	Nil	Nil	Nil	Nil	Nil	30,000
David D. McKee former CFO <sup>(2)</sup>	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	30,000	Nil	Nil	Nil	Nil	Nil	Nil	30,000
	2011	30,000	Nil	Nil	Nil	Nil	Nil	Nil	30,000

(1) Mr. Wolf was appointed CEO and President on October 25, 2012, taking the place of Robert Pincombe, who resigned as CEO and President on that date. Management fees were paid to Kruger Pacific Ltd., a company owned by Mr. Wolf.

(2) Mr. Kramer was appointed CFO and Secretary on June 22, 2012, taking the place of David McKee who resigned as CFO and Secretary on that date.

### Incentive Plan Awards

The Company does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the Named Executive Officer(s).



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

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers:

<i>Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>Number of Securities Underlying Unexercised Options (#)</i>	<i>Option Exercise Price (\$)</i>	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)</i>	<i>Number of Shares Or Units Of Shares That Have Not Vested (#)</i>	<i>Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)</i>
Jurgen Wolf CEO and President	Nil	N/A	N/A	N/A	Nil	N/A
Robert Kramer CFO and Secretary	Nil	N/A	N/A	N/A	Nil	N/A
Robert Pincombe <sup>(2)</sup> , former President and CEO	Nil	N/A	Jan 25/13 <sup>(2)</sup>	Nil	N/A	N/A
David McKee <sup>(3)</sup> , former Secretary and CFO	Nil	N/A	Oct 10/12 <sup>(3)</sup>	Nil	N/A	N/A

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.02, and the exercise or base price of the option.
- (2) Robert Pincombe resigned as President, CEO and a director on October 25, 2012. Accordingly, 100,000 options previously issued terminated January 25, 2013.
- (3) David McKee resigned as Secretary and CFO of the Company on June 22, 2012, and as a director on July 10, 2012. Accordingly, 100,000 options previously issued terminated October 10, 2012.

### Value Vested Or Earned During The Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Named Executive Officers are as follows:

<i>NEO Name</i>	<i>Option-Based Awards - Value Vested During The Year <sup>(1)</sup> (\$)</i>	<i>Share-Based Awards - Value Vested During The Year <sup>(2)</sup> (\$)</i>	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)</i>
Jurgen Wolf CEO and President	Nil	N/A	N/A
Robert Kramer CFO and Secretary	Nil	N/A	N/A
Robert Pincombe <sup>(3)</sup> , former President and CEO	Nil <sup>(3)</sup>	N/A	N/A
David McKee <sup>(4)</sup> , former Secretary and CFO	Nil <sup>(4)</sup>	N/A	N/A

- (1) This amount is the dollar value that would have been realized computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.
- (2) This amount is the dollar value realized computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.
- (3) Robert Pincombe resigned as President, CEO and a director on October 25, 2012. Accordingly, his 100,000 options terminated January 25, 2013.
- (4) David McKee resigned as Secretary and CFO of the Company on June 22, 2012, and as a director on July 10, 2012. Accordingly, his 100,000 options terminated October 10, 2012.

### Pension Plan Benefits

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

### Termination and Change of Control Benefits

The Company has no employment contracts with any Named Executive Officer.

The Company does not have a contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company, or a change in responsibilities of the NEO following a change in control.

### Director Compensation

The following table sets forth all amounts of compensation provided to the directors, who are each not also a Named Executive Officer, for the Company's most recently completed financial year:

<i>Director Name</i> <sup>(1)</sup>	<i>Fees Earned</i> (\$)	<i>Share-Based Awards</i> (\$)	<i>Option-Based Awards</i> (\$)	<i>Non-Equity Incentive Plan Compensation</i> (\$)	<i>Pension Value</i> (\$)	<i>All Other Compensation</i> (\$)	<i>Total</i> (\$)
Huitt Tracey <sup>(2)</sup>	Nil	N/A	Nil	N/A	N/A	Nil	Nil
Harold Noyes <sup>(3)</sup>	Nil	N/A	Nil	N/A	N/A	Nil	Nil
David McKee <sup>(2)(4)</sup>	Nil	N/A	Nil <sup>(4)</sup>	N/A	N/A	Nil	Nil
Robert Davies <sup>(3)(5)</sup>	Nil	N/A	Nil <sup>(5)</sup>	N/A	N/A	Nil	Nil
Eric Ascroft <sup>(6)</sup>	Nil	N/A	Nil <sup>(6)</sup>	N/A	N/A	Nil	Nil

- (1) Relevant disclosure has been provided in the *Summary Compensation Table for financial year(s) ending on or after January 31, 2013* above, for directors who receive compensation for their services as a director who are also Named Executive Officers.
- (2) Huitt Tracey was appointed as a director of the Company on July 10, 2012, taking the place of David McKee who resigned as a director on that date.
- (3) Harold Noyes was appointed as a director of the Company on March 20, 2012, taking the place of Robert Davies who resigned as a director on that date.
- (4) David McKee resigned as CFO on June 22, 2012, and resigned as a director on July 10, 2012. Accordingly, 100,000 options terminated October 10, 2012, instead of their appointed expiry date of May 27, 2013.

- (5) 50,000 options terminated June 20, 2012, three months after Robert Davies' resignation.
- (6) Eric Ascroft resigned as a director of the Company on March 20, 2012, when Robert Kramer was appointed as a director (Mr. Kramer was subsequently appointed CFO and Secretary on June 22/12). Accordingly, 50,000 options terminated June 20, 2012, instead of their appointed expiry date of May 27, 2013. Robert Kramer is not standing for re-election as a director at the Meeting.

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Information Circular except as described above.

The Company has a 10% rolling stock option plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders. A summary of the significant terms of the 10% rolling stock option plan appears under the heading "Securities Authorized for Issuance Under Equity Compensation Plans".

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

No awards were outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to any of the Directors who are not Named Executive Officers.

#### **Incentive Plan Awards – Value Vested Or Earned During The Year**

NO value vested or was earned during the most recently completed financial year of incentive plan awards granted to Directors who are not Named Executive Officers.

#### **Securities Authorized for Issuance Under Equity Compensation Plans**

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

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i> (a)	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> (b)	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i> (c)
<i>Equity compensation plans approved by securityholders</i>	Nil	N/A	1,854,695 <sup>(1)</sup>
<i>Equity compensation plans not approved by securityholders</i>	N/A	N/A	N/A
<b>Total</b>	<b>Nil</b>		<b>1,854,695</b>

(1) Calculation based on total of 10% (being 1,854,695) of the issued and outstanding share capital (being 18,546,952 shares) as at year ended January 31, 2013, less nil options outstanding as at the fiscal year end.

### *10% Rolling Stock Option Plan*

The Board of Directors of the Company implemented a stock option plan (the "Plan") effective May 18, 2012, which was last approved by the Exchange on July 16, 2012 and the shareholders of the Company on June 22, 2012. The number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities nor is a consultant. Under Exchange policy, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options will be exercisable over periods of up to ten (10) years as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the Exchange. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The Plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion. The Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

Additional material terms of the Plan are as follows:

- (a) In accordance with good corporate governance practices and as recommended by National Policy 51-201 *Disclosure Standards*, the Company imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the board of directors. In order to ensure that optionees are not prejudiced by the imposition of such black-out periods, the Plan includes a provision (the "**Black-Out Provision**") to the effect that any outstanding stock options with an expiry date that falls during a management imposed black-out period or within five days thereafter will be automatically extended to a date that is ten trading days following the end of the black-out period.
- (b) The Plan provides that if a change of control (as defined therein) occurs, or if the Company is subject to a take-over bid, all shares subject to stock options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. The Board of Directors of the Company may also accelerate the expiry date of outstanding stock options in connection with a take-over bid.
- (c) The Plan contains adjustment provisions with respect to outstanding options in cases of share reorganizations, special distributions and other corporation reorganizations including an arrangement or other transaction under which the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company or securities of another company.

- (d) The Plan provides that, on the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases to be an eligible person under the Plan.
- (e) The Plan contains a provision that, if pursuant to the operation of the plan's adjustment provisions, in respect of options granted under the Plan (the "**Subject Options**"), an optionee receives options to purchase securities of another company (the "**New Company**"), such new options shall expire on the earlier of: (i) the expiry date of the Subject Options; (ii) if the optionee does not become an eligible person in respect of the New Company, the date that the Subject Options expire pursuant to the applicable provisions of the Plan relating to expiration of options in cases of death, disability or termination of employment discussed in the preceding paragraph above (the "**Termination Provisions**"); (iii) if the optionee becomes an eligible person in respect of the New Company, the date that such new options expire pursuant to the terms of the New Company's stock option plan that correspond to the Termination Provisions; and (iv) the date that is two years after the optionee ceases to be an eligible person in respect of the New Company or such shorter period as determined by the board.

All existing and outstanding options will count against the number of shares reserved for issuance under the Plan as long as such options remain outstanding.

#### **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

As at June 4, 2013, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company which is owing to the Company or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries,

in relation to a securities purchase program or other program.

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

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company.

## **APPOINTMENT OF AUDITORS**

Mackay LLP, Chartered Accountants, of 1177 West Hastings Street Suite 1100, British Columbia is the auditors of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Mackay LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors. Mackay LLP, Chartered Accountants, were first appointed as auditors on January 5, 2006.

## **MANAGEMENT CONTRACTS**

No management functions of the Company are performed to any substantial degree by a person other than the Directors or executive officers of the Company.

## **CORPORATE GOVERNANCE DISCLOSURE**

A summary of the responsibilities and activities and the membership of each of the Committees are set out below.

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

### **Independence of Members of Board**

The Company's Board consists of four directors, two of whom are independent based upon the tests for independence set forth in NI 52-110. Harold Noyes and Huitt Tracey are independent. Jurgen Wolf is not independent as he is the CEO and President of the Company. Robert Kramer is not independent as he is the CFO and Secretary of the Company. However, Robert Kramer is not standing for re-election as a director at the Meeting, and Michael Pound, who is independent, is standing for election as a director at the Meeting. Accordingly, assuming Michael Pound is elected at the Meeting, there will be three independent directors.

### **Management Supervision by Board**

The size of the Company is such that all the Company's operations are conducted by a small management team. The Board considers that management is effectively supervised by the Independent Directors on an informal basis as the Independent Directors are involved in reviewing and supervising the operations of the Company and have full access to management.

### **Participation of Directors in Other Reporting Issuers**

The participation of the directors in other reporting issuers is described in the table provided under "Election of Directors" in this Information Circular.

## **Orientation and Continuing Education**

The Company does not have formal orientation and training programs and does not consider these programs necessary at this stage of the Company's development. Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

## **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Company's reputation for integrity is an important asset. The Company has always set high standards of personal and business integrity for its employees, and intends to continue to conduct its business in accordance with those high standards. The Company obeys the law wherever it operates. It is expected that the Company's business conduct and the personal actions of its employees reflect the spirit and intent of the laws under which the Company operates and its employees live. The Company's employees are encouraged to act so that others will view the Company and its employees as having the very highest standards of integrity. Ultimately there is no way to assure proper behaviour, except through the actions of each employee. No set rules of conduct will apply to every possible situation. Common sense and judgment supported by a deeply ingrained tradition of integrity provides the Company's foundation.

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), 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 as a whole has responsibility for identifying potential Board candidates. See also "Assessments" below.

## **Compensation of Directors and the CEO**

The Independent Directors, being Harold Noyes and Huitt Tracey, have the responsibility for determining director and senior management compensation.

To determine compensation payable, the independent directors review compensation paid for directors and CEOs (or persons acting in a similar capacity to CEO, such as Presidents) of companies of similar size and stage of development in oil and gas properties and mineral properties industries and determines

an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management, while taking into account the financial and other resources of the Company. In setting the compensation, the independent directors annual review the performance of the CEO (or President) in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives. Further information regarding director compensation appears under "Executive Compensation".

### **Board Committees**

Other than the Audit Committee, as the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that additional committees are not necessary at this stage of the Company's development.

### **Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and its audit committee. To assist in its review, the Board conducts informal surveys of its directors.

### **Expectations of Management**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan.

## **AUDIT COMMITTEE**

### **The Audit Committee's Charter**

#### *Mandate*

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.



### *Composition*

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

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

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### *Meetings*

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

### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

#### Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

#### External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.

- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

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

#### *Financial Reporting Processes*

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

*Other*

Review any related-party transactions.

**Composition of the Audit Committee**

The following are the members of the Committee:

Robert Kramer	Not Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Harold Noyes	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Huitt Tracey	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

(1) As defined by National Instrument 52-110 ("NI 52-110").

Currently two members of the Company's Audit Committee are independent. Robert Kramer is not independent as he is the Company's CFO. However, Mr. Kramer is not standing for re-election as a director at the Meeting. Michael Pound has been nominated as a director, and, if elected, he will become an Independent and Financially literate member of the Company's Audit Committee.

All members of the Audit Committee are financially literate and have a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

**Relevant Education and Experience**

The educational background or experience of each of the following members of the Committee has enabled each to perform his responsibilities as a Committee member and has provided the member with an understanding of the accounting principles used by the Company to prepare its financial statements, including the ability to assess the general application of such accounting principles in connection with the accounting estimates, accruals and reserves. All members have experience analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or have experience actively supervising one or more individuals engaged in such activities and all have an understanding of internal controls and financial reporting procedures.

*Robert Kramer:* Mr. Kramer has been a Chartered Accountant since 1973 and a Registered Certified Public Accountant (Illinois) since 2000. From July 2006 to April 2011, Mr. Kramer was Chair of the

Audit Committee for Silver Bull Resources Inc. (formerly Metalline Mining Company), a Toronto Stock Exchange and NYSE/AMEX listed mineral exploration company. He is currently Chairman and Chief Executive Officer of Canamex Resources Corp., a mineral exploration company.

*Harold Noyes:* Dr. Noyes has a PhD in geology and geochemistry from the Massachusetts Institute of Technology, an MBA from the University of Chicago, and a BA in geology from the University of Minnesota Duluth.

*Huitt Tracey:* Mr. Tracey was formerly a licensed stock broker with Haywood Securities and Jones Gable in Vancouver for a period of 11 years, and he has previously served as a director and/or officer of several public companies.

*Michael Pound:* Mr. Pound has 16 years of marketing, finance and client management experience working with several public companies in the past and currently. He manages strategic planning and contributes to the development of corporate business strategy, focussing on corporate exposure in the financial community. His responsibilities can include analyzing acquisition opportunities, reviewing business unit performance, and handling divestments.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

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

The Company is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Part 3 (Composition of the Audit Committee) and 5 (reporting Obligations) of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

### **External Auditors Service Fees (By Category)**

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

<i>Financial Year Ending</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
2013	\$13,500 <sup>(1)</sup>	Nil	\$2,500 <sup>(1)</sup>	Nil
2012	\$22,000	Nil	Nil	\$11,900 <sup>(2)</sup>

(1) Estimated amount, as the Company has not as of the date hereof been billed for the January 31, 2013 year-end audit or tax return.

(2) Services relating to assistance with and analysis of the quarterly financial statements for fiscal 2012.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **A. Approval and Ratification of 10% Rolling Stock Option Plan**

The Board of Directors of the Company implemented a stock option plan (the "Plan") effective May 18, 2012, which was last approved by the Exchange on July 16, 2012 and the shareholders of the Company on June 22, 2012. The number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities nor is a consultant. Under Exchange policy, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

Therefore, at the Meeting, shareholders will be asked to pass a resolution in the following form:

"UPON MOTION IT WAS RESOLVED that the Company approve and ratify, subject to regulatory approval, the Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding shares being reserved to any one person on a yearly basis."

The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options will be exercisable over periods of up to ten (10) years as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the Exchange. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The Plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion. The Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

The full text of the Plan is available for viewing up to the date of the Meeting at the Company's offices at Suite 303, 595 Howe Street, Vancouver, British Columbia, and will also be available for review at the Meeting.

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval and ratification of the Plan.**

### **B. Adoption of New Articles**

The Company is seeking shareholder approval of a new form of articles ("Articles") as a housekeeping matter and to permit the Company to use the new internet delivery methods, referred to as "notice-and-access" in respect of sending certain shareholder materials. The Directors believe that adopting the

Articles will enable the Company to be more efficient, flexible and cost-effective and will bring the Company's charter documents into line with charter documents of other public companies.

A copy of the proposed Articles are available for viewing up to the date of the Meeting at the Company's offices at Suite 303, 595 Howe Street, Vancouver, British Columbia, and at the Meeting.

Management believes that the Articles will provide the Company with greater flexibility for future corporate activities. The resolution approving the Articles must be passed by not less than two-thirds of the votes cast by the shareholders present in person or by proxy at the Meeting.

Changes to Articles and share structure: If the special resolution is passed by shareholders, the Company may alter its Articles and share structure in the following manner:

1. by Directors' resolution or ordinary resolution, as determined in each case by the Directors,
  - (a) create one or more classes or series of shares and, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares and alter the identifying name of any of its shares;
  - (b) establish, increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares;
  - (c) if the Company is authorized to issue shares of a class of shares with par value, decrease the par value of those shares or if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
  - (d) change unissued shares with par value into shares without par value or vice versa or change all or any of its fully paid issued shares with par value into shares without par value;
  - (e) create, attach, vary or delete special rights or restrictions for the shares of any class or series of shares, if none of those shares have been issued;
  - (f) subdivide all or any of its unissued, or fully paid issued, shares, and
  - (g) authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to the Articles are solely within the Directors' powers, control or authority.
2. if the Business Corporations Act does not specify the type of resolution and the Articles do not specify another type of resolution, by ordinary resolution otherwise alter its shares, authorized share structure or the Articles.

New Articles to Permit Utilization of New "Notice-and-Access" Rules under Applicable Canadian Securities Laws

Since the adoption of the Company's existing Articles, the Canadian Securities Administrators (the "CSA") adopted amendments to applicable securities law instruments to provide reporting issuers with a mechanism referred to as "notice-and-access" for sending proxy materials to shareholders, as described in more detail below. Accordingly, the Company is seeking shareholder approval to adopt new Articles, the

effect of which is to ensure the Company can make use of notice-and-access for sending proxy materials to shareholders, if and when the Company desires to do so.

### ***Background and Rationale***

Amendments to applicable Canadian securities law instruments adopting notice-and-access came into force on February 11, 2013.

Notice-and-access is a method for companies and other persons soliciting proxies to provide certain proxy-related materials to shareholders electronically. The rationale for notice-and-access is the reduction of costs associated with shareholder meetings (for example, paper and mailing costs) and the promotion of environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Under notice-and-access, companies and other persons soliciting proxies can send proxy-related materials to registered and/or beneficial shareholders by, among other requirements:

- posting the relevant management information circular and other proxy-related materials on a website that is not SEDAR;
- sending (by prepaid mail, courier or the equivalent, or any other agreed-upon method) a notice package containing the following information:
  - the date, time and location of the meeting for which the proxy-related materials are being sent;
  - the relevant voting document (a form of proxy or voting instruction form);
  - a description of each matter identified in the form of proxy or voting instruction form to be voted on (unless that information is already included in the relevant voting document);
  - the website address for SEDAR and the non-SEDAR website where the proxy-materials are posted, and a reminder to review the information circular before voting;
  - an explanation of how to obtain a paper copy of the information circular; and
  - a plain-language explanation of notice-and-access; and
- providing a toll-free telephone number for the shareholder to request a paper copy of the information circular (and if applicable, other proxy-related materials) at no charge.

In other words, under notice-and-access the Company generally will send shareholders a paper copy of the notice of meeting and the form of proxy in connection with a meeting, but will not send a paper copy of the management information circular. Instead, the Company will send the information circular by (i) posting the information circular on a website that is not SEDAR, and (ii) notifying shareholders of its availability and how to access the electronic document. All proxy-related materials will continue to be filed on SEDAR as required under securities legislation.

**Shareholders will still be entitled to receive paper copies of the information circular at no charge, if requested.** As stated above, shareholders will be notified that they can call the toll-free number provided by the Company to request that a paper copy of the information circular be sent to him or her free of charge. Upon receiving the request, the Company must send the information circular by first class mail, courier or the equivalent, within specified timeframes.

The Company may still choose to continue to deliver proxy-related materials by mail in connection with shareholder meetings. However, management believes it is in the best interests of the Company to adopt the new Articles to ensure notice-and-access may be utilized by the Company, if desired.

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

“UPON MOTION IT WAS RESOLVED, as a special resolution, that:

- (a) the Company adopt the Articles in substitution for the existing articles of the Company;
- (b) any Director or officer of the Company is authorized to execute and file such documents and take such further action, including any filings with the Registrar of Companies, that may be necessary to effect the amendment; and
- (c) the Board of Directors is hereby authorized, at any time in its sole discretion, to determine whether or not to proceed with this resolution without further approval, ratification or confirmation by the shareholders.”

The Articles shall have effect immediately on the date and time the Articles are deposited for filing in the Company’s records office.

**Management of the Company believes the adoption of new Articles, as described above, is in the best interests of the Company and recommends that shareholders vote in favour of the special resolution approving the adoption of new Articles.**

**Unless such authority is withheld, the persons named in the enclosed proxy intend to vote for the adoption of new Articles.**

**C. Ratification of Advance Notice Policy Governing the Process for Nomination of Directors of the Company**

On May 1, 2013, the Board adopted an advance notice policy (the "**Advance Notice Policy**") for the purpose of providing shareholders, directors and management of the Company with a clear framework for nominating directors of the Company in connection with any annual or special meeting of shareholders.

The purpose of the Advance Notice Policy is to (i) ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of shareholders of the Company. The Advance Notice Policy fixes the deadlines by which shareholders of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a written notice to the Company for any director nominee to be eligible for election at such annual or special meeting of shareholders.

A copy of the Company's Advance Notice Policy is attached to this Information Circular as Schedule "A". In order to remain effective following the Meeting, the Advance Notice Policy must be ratified, confirmed and approved by the shareholders of the Company at the Meeting.

The following is a brief summary of certain provisions of the Advance Notice Policy and is qualified in its entirety by the full text of the Advance Notice Policy.

1. Other than pursuant to (i) a proposal made in accordance with the *Business Corporations Act* (British Columbia) (the "Act"), or (ii) a requisition of the shareholders made in accordance with



the provisions of the Act, shareholders of the Company must give advance written notice to the Company of any nominees for election to the board of directors.

2. The Advance Notice Policy fixes a deadline by which shareholders of the Company must submit, in writing, nominations for directors to the Corporate Secretary of the Company prior to any annual or special meeting of shareholders, and sets forth the specific information that such shareholders must include with their nominations in order to be effective. Only persons who are nominated in accordance with the Advance Notice Policy are eligible for election as directors of the Company.
3. For an annual meeting of shareholders, notice to the Company must be not less than 30 days and not more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, notice may be given not later than the close of business on the 10th day following such public announcement.
4. For a special meeting of shareholders (that is not also an annual meeting), notice to the Company must be given not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of such special meeting was made.
5. The time periods for giving notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting and/or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders, or the reconvening of any adjourned or postponed meeting of shareholders, or the announcement thereof, commence a new time period for the giving of notice as described above.

For the purposes of the Advance Notice Policy, "public announcement" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Board may, in its sole discretion, waive any provision or requirement of the Advance Notice Policy.

If approved at the Meeting, the Advance Notice Policy will continue to be effective in accordance with its terms. The Advance Notice Policy will be subject to annual review by the Board, and will be updated from time to time to reflect changes required by securities regulatory agencies or stock exchanges, or to conform to industry standards, as determined by the Board.

If not approved at the Meeting, the Advance Notice Policy will terminate and be of no further force and effect from and after the termination of the Meeting.

Accordingly, at the Meeting, shareholders will be asked to approve an ordinary resolution approving the Advance Notice Policy in the following form:

"UPON MOTION IT WAS RESOLVED that:

1. the Company's Advance Notice Policy (the "Advance Notice Policy") as set forth in the Company's Information Circular dated June 4, 2013 be and is hereby ratified, confirmed, authorized and approved;
2. the board of directors of the Company be and is hereby authorized, in its sole discretion, to administer the Advance Notice Policy and amend or modify the same from time to time in accordance with the provisions thereof, without further shareholder approval, to reflect the changes required by securities regulatory

agencies or stock exchanges, to conform to industry standards, or as otherwise determined to be in the best interests of the Company and its shareholders; and

3. any one director or officer of the Company is hereby authorized and directed to carry out any act for and on behalf of the Company and to execute and deliver such deeds, documents and other instruments in writing as he in his discretion may consider necessary for the purpose of giving effect to these resolutions and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the intent of these resolutions."

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval of the Advance Notice Policy.**

**The Board of Directors of the Company has reviewed the proposed resolution and concluded that adopting the Advance Notice Policy is fair and reasonable to the shareholders and in the best interests of the Company and recommends that shareholders vote in favour of the resolution to approve and ratify the Advance Notice Policy.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at Suite 303, 595 Howe Street, Vancouver, British Columbia, V6C 2T5 to request copies of the Company's financial statements and MD&A.

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

#### **OTHER MATTERS**

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

DATED this 4<sup>th</sup> day of June, 2013.

#### **APPROVED BY THE BOARD OF DIRECTORS**

*"Jurgen Wolf"*

Jurgen Wolf, President and CEO

**SCHEDULE "A"**

**ADVANCE NOTICE POLICY**

(see attached)

# CURLEW LAKE RESOURCES INC.

(the "Corporation")

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## ADVANCE NOTICE POLICY

### INTRODUCTION

The Corporation is committed to: (i) facilitating an orderly and efficient process for holding annual general meetings and, when the need arises, special meetings of its shareholders; (ii) ensuring that all shareholders receive adequate advance notice of the director nominations and sufficient information regarding all director nominees; and (iii) allowing shareholders to register an informed vote for directors of the Corporation after having been afforded reasonable time for appropriate deliberation.

### PURPOSE

The purpose of this Advance Notice Policy (the "**Policy**") is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors of the Corporation. This Policy fixes a deadline by which director nominations must be submitted to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that must be included in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the board of directors of the Corporation (the "**Board**") that this Policy is in the best interests of the Corporation, its shareholders and other stakeholders. This Policy will be subject to an annual review by the Board, which shall revise the Policy if required to reflect changes by securities regulatory authorities or stock exchanges, and to address changes in industry standards from time to time as determined by the Board.

### NOMINATIONS OF DIRECTORS

1. Only persons who are qualified to act as directors under the *Business Corporations Act* (British Columbia) (the "**Act**") and who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. At any annual meeting of shareholders, or at any special meeting of shareholders at which directors are to be elected, nominations of persons for election to the Board may be made only:
  - a. by or at the direction of the Board, including pursuant to a notice of meeting;
  - b. by or at the direction or request of one or more shareholders pursuant to a valid "proposal" as defined in the Act and made in accordance with Part 5, Division 7 of the Act;
  - c. pursuant to a requisition of the shareholders that complies with and is made in accordance with section 167 of the Act, as such provisions may be amended from time to time; or

- d. by any person (a "**Nominating Shareholder**") who:
  - (i) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below and at the close of business on the record date fixed by the Corporation for such meeting, (a) is a "registered owner" (as defined in the Act) of one or more shares of the Corporation carrying the right to vote at such meeting, or (b) beneficially owns shares carrying the right to vote at such meeting and provides evidence of such ownership that is satisfactory to the Corporation, acting reasonably. In cases where a Nominating Shareholder is not an individual, the notice set forth in paragraph 4 below must be signed by an authorized representative, being a duly authorized director, officer, manager, trustee or partner of such entity who provides such evidence of such authorization that is satisfactory to the Corporation, acting reasonably; and
  - (ii) in either case, complies with the notice procedures set forth below in this Policy.
2. In addition to any other requirements under applicable laws, for a nomination to be validly made by a Nominating Shareholder in accordance with this Policy, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.
3. To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:
  - a. in the case of an annual meeting of shareholders, not less than thirty (30) days nor more than sixty-five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the "**Notice Date**") on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be given not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date; and
  - b. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15<sup>th</sup>) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder's notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting and/or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders, or the reconvening of any adjourned or

postponed meeting of shareholders, or the announcement thereof, commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4. To be in proper written form, a Nominating Shareholder's notice must be addressed to the Corporate Secretary of the Corporation, and must set forth:
  - a. as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the present principal occupation or employment of the person and the principal occupation or employment within the five years preceding the notice; (iii) the citizenship of such person; (iv) the class or series and number of shares in the capital of the Corporation which are, directly or indirectly, controlled or directed or which are owned, beneficially or of record, by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (v) a statement as to whether such person would be "independent" of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110, *Audit Committees*, of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination;
  - b. the full particulars regarding any oral or written proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Corporation; and
  - c. any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that would reasonably be expected to be material to a reasonable shareholder's understanding of the experience, independence and/or qualifications, or lack thereof, of such proposed nominee. As soon as practicable following receipt of a Nominating Shareholder's notice (and such other information referred to above, as applicable) that complies with this Policy, the Corporation shall publish the details of such notice through a public announcement.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act or at the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in

accordance with the procedures set forth in the provisions of this Policy and, if the Chairman determines that any proposed nomination was not made in compliance with this Policy, to declare that such defective nomination shall be disregarded.

6. For purposes of this Policy:
  - a. "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com); and
  - b. "**Applicable Securities Laws**" means, collectively, the applicable securities statutes of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada, and all applicable securities laws of the United States.
7. Notwithstanding any other provision of this Policy, notice given to the Corporate Secretary of the Corporation pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of the Corporation, sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) or received by email (at the address as aforesaid); provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Pacific Time) on a business day, then such delivery or electronic communication shall be deemed to have been made on the next business day.
8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any provision or requirement of this Policy.

## GOVERNING LAW

This Policy shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## EFFECTIVE DATE

This Policy was approved and adopted by the Board on **May 1, 2013** and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date, provided that if this Policy is not ratified and approved by an ordinary resolution of shareholders of the Corporation at the Corporation's next shareholder meeting following the effective date of this Policy, the Policy shall, from and after the date of such shareholder meeting, cease to be of any force and effect.