



**UNDUR TOLGOI MINERALS INC.
(Formerly Wedge energy International Inc. (“Wedge”))**

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS
TO BE HELD ON MONDAY, JULY 9, 2012**

AND

INFORMATION CIRCULAR

June 1, 2012

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisor.



Suite 900 – 595 Howe Street
Vancouver, British Columbia V6C 2T5

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “Meeting”) of the shareholders of *Undur Tolgoi Minerals Inc.* (the “Company”) will be held on **Monday, July 9, 2012** at the hour of **10:00 a.m.** (Vancouver time), at Suite 900, 595 Howe Street, Vancouver, BC for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the year ended December 31, 2011, and accompanying report of the auditors;
2. To set the number of directors of the Company for the ensuing year at six (6);
3. To elect James Passin, Donald Padgett, Paul Rapello, Orgilmaa Siizkhuu, Larry Van Hatten and Kenneth Farrell as the directors of the Company to serve until the next annual general meeting of the shareholders;
4. To appoint Ernst & Young LLP as the auditors for the Company for the financial year ending December 31, 2012;
5. To authorize the directors of the Company to fix the remuneration to be paid to the auditors for the financial year ending December 31, 2012; and
6. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The board of directors of the Company has fixed *Friday, June 1, 2012* as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company’s transfer agent, *Equity Financial Trust Company* (the “**Transfer Agent**”), at their offices located at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, or by toll-free fax within North America 1-866-393-4891 by 10:00 AM (Vancouver time) on *Thursday, July 5, 2012*, or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement thereof.

If you are a non-registered shareholder of the Company and received this Notice of Annual General Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing or any other person that holds your security on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia this 5th day of June 2012

BY ORDER OF THE BOARD OF DIRECTORS

Yours truly,

(signed) *Donald Padgett*

Donald Padgett
President and Chief Executive Officer

UNDUR TOLGOI MINERALS INC.

(Formerly Wedge Energy International Inc. ("**Wedge**")

Suite 900 – 595 Howe Street
Vancouver, British Columbia V6C 2T5

INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS TO BE HELD ON JULY 9, 2012

As at and dated June 1, 2012 (unless otherwise indicated)

SOLICITATION OF PROXIES

This Information Circular accompanies the Notice of Annual General Meeting of Shareholders (the "**Notice**") and is furnished to the shareholders (the "**Shareholders**") holding common shares (each, a "**Share**") in the capital of *Undur Tolgoi Minerals Inc.* (the "**Company**") in connection with the solicitation by the management of the Company of proxies to be voted at the annual general meeting (the "**Meeting**") of the Shareholders to be held at 10:00 a.m. on Monday, July 9, 2012 at Suite 900 – 595 Howe Street, Vancouver, BC, or at any adjournment thereof.

While it is expected that the solicitation will be made primarily by mail and may in addition be made by personal, electronic and telephone contact with shareholders by directors, officers and regular employees of the Company. All costs of this solicitation will be borne by the Company.

PROXIES AND VOTING RIGHTS

Management Solicitation

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxies

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each Share that such Shareholder holds on June 1, 2012 (the "**Record Date**") on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The individuals named as proxy holders (the "**Designated Persons**") in the enclosed form of proxy are directors and/or officers of the Company.

A shareholder has the right to appoint a person or corporation (who need not be a shareholder) to attend and act for or on behalf of that shareholder at the meeting, other than the designated persons named in the enclosed form of proxy.

A Shareholder may exercise this right by striking out the printed names of the Designated Persons and inserting the name of such other person and, if desired, an alternate to such person, in the blank space provided in the form of proxy

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Equity Financial Trust Company (the "Transfer Agent"), at its offices located at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, or by the Company at the address set forth above, by mail or fax, by 10:00 a.m. (Vancouver time) on Thursday, July 5, 2012.

A proxy will not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer, or attorney-in-fact, for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, should accompany the form of proxy.

Revocation of Proxies

A Shareholder who has given a proxy may revoke it at any time, before it is exercised, by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Transfer Agent at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Proxy Voting

A Shareholder may indicate the manner in which the designated persons named in the form of proxy is to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the form of proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. **The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.**

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE

THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice of 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 is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Shares in their own name. Shareholders who hold their Shares through their brokers, intermediaries, trustees, or other persons, or who otherwise do not hold their Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of Shares will be recognized and acted upon at the Meeting.

If the Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Shares will, in all likelihood, *not* be registered in the Shareholder’s name on the records of the Company. Such Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to**

vote Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Shares voted. Beneficial Shareholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their Shares at the meeting. If you have any questions respecting the voting of Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from Intermediaries for distribution of proxy related materials directly to NOBOs.

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

These security holder materials are being sent to both registered and non-registered owners of the shares of the Company. If you are a non-registered owner and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements for the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

All references to Shareholders in this Information Circular and the accompanying form of proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

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

None of the following persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting:

- (a) any 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
- (b) the proposed nominees for election as a Director of the Company; and
- (b) any associate or affiliate of any of the foregoing persons.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company consists of an unlimited number of Shares without par value. As of the Record Date, determined by the Company's board of directors (the "**Board**") to be the close of business on **June 1, 2012**, a total of **58,987,865** Shares were issued and outstanding. Each Share

carries the right to one vote at the Meeting.

Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. . (See “Advice to Beneficial Shareholders”, above)

To the knowledge of the Company’s directors and executive officers, as of June 1, 2012, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares of the Company, other than as set forth below:

Name ⁽¹⁾	Number of Shares	Percentage of Issued and Outstanding Shares ⁽²⁾
James Passin	26,805,972 ⁽³⁾	45.44%
SMDD	9,788,067	16.59%

Notes:

- (1) The above information is based upon information supplied by the Company’s registrar and transfer agent and the Company’s management.
- (2) Based on 58,987,865 Shares issued and outstanding on the Record Date.
- (3) Disclosed holding is controlled by James Passin, a director of the Company, who has direct control of 1,000,000 Shares and indirect control and direction of (i) 126, 250 Shares held by Passin Management Limited Partnership, (ii) 15,187,580 Shares held by Firebird Mongolia Fund, Ltd. (“**Firebird Mongolia**”), (iii) 530,749 Shares held by Firebird Global Master Fund, Ltd. (“**FGMF**”), (iv) 461,393 Shares held by Firebird Global Master Fund II, Ltd. (“**FGMF2**”) and (v) 9,500,000 Shares held by Firebird New Mongolia Fund, LP (“**Firebird New Mongolia**”).

NUMBER OF DIRECTORS

The Articles of the Company provide for a board of directors of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the Shareholders.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at six (6). The number of directors will be approved if the affirmative vote of at least a majority of Shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at six (6).

Management recommends the approval of the resolution to set the number of directors of the Company at six (6).

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 duly elected or appointed in accordance with the Company’s Articles, or until such director’s earlier death, resignation or removal. In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy, all of whom are presently members of the Board.

Management of the Company proposes to nominate the persons named in the table below for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Jurisdiction of Residence and Present Office Held ⁽¹⁾	Principal Occupation, Business or Employment for the Last Five Years ⁽¹⁾	Periods which Nominee has Served as a Director of the Company	Number of Voting Securities of the Company Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽²⁾
DONALD PADGETT ⁽³⁾⁽⁴⁾ British Columbia, Canada President, CEO & Director	Mining Executive; corporate finance and investment banking executive; director and officer of several public companies	November 14, 2011	466,440 Shares
JAMES PASSIN ⁽³⁾⁽⁴⁾ New York, USA Director	Principal, FGS Advisors LLC, Director, Firebird Global Master Fund, Ltd., Firebird Global Master Fund II, Ltd., Firebird Mongolia Fund, Ltd. and Firebird New Mongolia Fund, LP	November 14, 2011	26,805,972 Shares ⁽⁵⁾
PAUL RAPELLO Connecticut, USA Director	Partner at Great Circle Capital	November 14, 2011	59,225 Shares
ORGILMAA SIIZKHUU, Ulaanbaatar, Mongolia Director	Chief Legal Officer at the National Investment Bank (Mongolia)	November 14, 2011	N/A
LARRY VAN HATTEN ⁽³⁾⁽⁴⁾ British Columbia, Canada Director	Partner, Ernst & Young LLP May 2005 – June 2010, retired as of June 2010	November 14, 2011	125,000 Shares
KENNETH FARRELL Jakarta, Indonesia Director	CEO and Executive Director of Bumi Resources Minerals, executive of BHP Billiton	March 20, 2012	N/A

Notes:

- (1) The information as to province, state and country of residence, shares beneficially owned directly or indirectly or over which control or direction is exercised and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned directly or indirectly or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (3) Member of Audit Committee.
- (4) Member of the Compensation Committee.
- (5) James Passin has direct control of 1,000,000 Shares and indirect control and direction of (i) 126, 250 Shares held by Passin Management Limited Partnership, (ii) 15,187,580 Shares held by Firebird Mongolia, (iii) 530,749 Shares held by FGMP, (iv) 461,393 Shares held by FGMP2 and (v) 9,500,000 Shares held by Firebird New Mongolia.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

Management of the Company recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.

Corporate Cease Trade Orders and Bankruptcies

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

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Company is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

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

The above information was provided by management of the Company.

Management of the Company recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year. In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Shares represented thereby in favour of the election to the Board of those persons hereinafter designated as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his proxy that his/her/its Shares are to be withheld from voting on the election of directors.

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Information Circular:

“CEO” means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“closing market price” means the price at which the company’s security was last sold, on the applicable date,

- (a) in the security’s principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security’s principal marketplace;

“company” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“equity incentive plan” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-based Payment*;

“external management company” includes a subsidiary, affiliate or associate of the external management company;

“grant date” means a date determined for financial statement reporting purposes under IFRS 2 *Share-based Payment*;

“incentive plan” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“incentive plan award” means compensation awarded, earned, paid, or payable under an incentive plan;

“NEO” or “named executive officer” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6), for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

“non-equity incentive plan” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“option-based award” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“plan” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“replacement grant” means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

“repricing” means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

“share-based award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

Executive Officers of the Company

Donald Padgett, Chief Executive Officer and President, and Sabino Di Paola, Chief Financial Officer, are each a NEO of the Company for the financial year ended December 31, 2011.

Currencies

All financial amounts are stated in United States dollars unless otherwise indicated

Compensation Discussion and Analysis

Philosophy and Objectives

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- to align executive compensation with shareholders' interests;
- to attract and retain highly qualified management;
- to focus performance by linking incentive compensation to the achievement of business objectives and financial results; and
- to encourage retention of key executives for leadership succession.

The Company's executive compensation program comprises three elements: base salary, bonus incentives and equity participation. The compensation program is designed to pay for performance. Employees, including senior executives, are rewarded for the achievement of annual operating and financial goals, progress in executing the Company's long-term growth strategy and delivering strong total shareholder return performance.

The Company reviews industry compensation information and compares its level of overall compensation with those of comparable sized mineral exploration companies. Generally, the Company targets base management fees at levels approximating those holding similar positions in comparably sized companies in the industry and hopes to achieve competitive compensation levels through the fixed and variable components.

The Company's total compensation mix places a significant portion of the executive's compensation at risk and relies heavily on the award of stock options. The design takes into account individual and corporate performance. Compensation practices, including the mix of base management fees, short-term incentives and long-term incentives, are regularly assessed to ensure they are competitive, take account of the external market trends and support the Company's long-term growth strategies. Due to the early stage of the Company's development programs, the flexibility to quickly increase or decrease appropriate human resources is critical. Accordingly, the Company does not enter into long-term commitments with its officers.

Base Compensation

In the Board's view, paying base salaries or management fees which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Base compensation is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executive. Annual adjustments take into account the market value of the role and the executive's demonstration of capability during the year.

Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the executive meeting those strategic objectives and milestones, the executive's individual performance and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon comparable compensation levels based on recommendations of the Board as a whole, and such recommendations are generally based on survey data provided by independent consultants.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board.

Option-Based Awards

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the long-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire and increase proprietary interest in the Company. The Company awards stock options to its executive officers based upon the recommendation of the Board, which recommendation is based upon the Board's review of a proposal from the CFO. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation and amendments to the existing stock option plan are the responsibility of the Board.

Summary Compensation Table

The following table sets forth the total compensation paid to or earned by the NEO's of the Company for the Company's three most recently completed financial years that end on or before December 31, 2011:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation ⁽¹⁾ (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Donald Padgett ⁽²⁾ President & CEO	2011	\$120,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil	\$120,000
	2010	55,000 ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	25,000	\$80,000
Sabino Di Paola ⁽³⁾ CFO	2011	\$39,645	Nil	Nil	Nil	Nil	Nil	Nil	\$39,645
	2010	\$32,945 ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	\$Nil	\$32,945

Notes:

- (1) The deemed fair value of option based awards was determined using the *Black Scholes Option Pricing Mode*. For options granted in the fiscal year ended December 31, 2011 please see Note 15 of the annual financial statements for that fiscal year for the terms and assumptions used.
- (2) Donald Padgett was appointed as President and CEO of the Company on November 14, 2011.
- (3) Sabino Di Paola was appointed as CFO of the Company on November 14, 2011.
- (4) This amount was paid to Primary Ventures Corporation, a company of which Don Padgett is associated with.
- (5) Prior to November 14, 2011, compensation was paid by Wedge. Post November 14, 2011, Wedge was acquired by the Company as part of a reverse takeover pursuant to a 2011 plan of arrangement agreement.

Narrative Discussion

During the most recently completed financial year, the significant terms of each NEO's employment agreement or arrangement is as follows:

- Mr. Padgett has a consulting contract with the Company that provides for monthly compensation of \$10,000 per month in cash for management services.
- Mr. Di Paola has a consulting contract to which he bills the Company at a rate of \$100 per hour when performing CFO functions.

There is no formal bonus structure in place and determination of bonuses is at the discretion of the Compensation Committee.

Incentive Plan Awards

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An "incentive plan award" means compensation awarded, earned paid, or payable under an incentive plan.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all share-based and option-based awards outstanding at the end of the most recently completed financial year end, namely December 31, 2011, for each NEO:

Name	Option-based Awards				Share-based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options ⁽¹⁾ (\$)	Number of Shares or Units of Share that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Donald Padgett ⁽²⁾ <i>President & CEO</i>	500,000	\$0.25	December 6, 2016	Nil	N/A	N/A	N/A
Sabino Di Paola ⁽³⁾ <i>CFO</i>	300,000	\$0.25	December 6, 2016	Nil	N/A	N/A	N/A

Notes:

- (1) Value of In-the-money options is calculated based on the difference between the closing market price of the Shares underlying the options at the end of the most recently completed financial year and the exercise price of the options. The last closing market price of the Shares on the CNSX as of December 31, 2011 was \$0.20 per share.
- (2) Donald Padgett was appointed as President and CEO of the Company on November 14, 2011.
- (3) Sabino Di Paola was appointed as CFO of the Company on November 14, 2011

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes, for each of the NEOs, the value of options vested during the year ended December 31, 2011:

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Donald Padgett <i>President & CEO</i>	Nil	N/A	Not Applicable
Sabino Di Paola <i>CFO</i>	Nil	N/A	Not Applicable

Notes:

- (1) For options that vested during the most recently completed financial year and were in-the-money on the vesting date, based on the difference between the closing market price on the vesting date and the exercise price of the options.

Narrative Discussion

There were no re-pricing of stock options under the Plan or otherwise during the Company's completed financial year ended December 31, 2011.

Refer to the section titled "Compensation Discussion and Analysis", beginning on page 12 and "Terms of Stock Option Plan" beginning on page 19 for a description of all plan based awards and their significant

terms.

Pension Plan Benefits

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

Termination and Change of Control Benefits

The Company has no plan or arrangement whereby any NEO may be compensated in the event of that NEO's resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a change in NEO's responsibilities following such a change of control (see "Narrative Discussion" above).

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth the value of all compensation provided to directors of the Company's who are not NEOs during the most recently completed financial year ended December 31, 2011:

Name ⁽¹⁾	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
James Passin ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Rapello ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Orgilmaa Siizkhuu ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Larry Van Hatten ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- (1) For the compensation of Donald Padgett, who is a NEO of the Company, see "Statement of Executive Compensation – Summary Compensation Table".
- (2) The deemed fair value of option based awards was determined using the *Black Scholes Option Pricing Mode*. For options granted in the fiscal year ended December 31, 2011 please see Note 15 of the annual financial statements for that fiscal year for the terms and assumptions used.
- (3) James Passin was appointed as director of the Company on November 14, 2011.
- (4) Paul Rapello was appointed as director of the Company on November 14, 2011.
- (5) Orgilmaa Siizkhuu was appointed as director of the Company on November 14, 2011.
- (6) Larry Van Hatten was appointed as director of the Company on November 14, 2011.

Narrative Discussion

Other than as set forth in the foregoing, no director of the Company who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or

- (c) any arrangement for the compensation of directors for services as consultants or expert.

Incentive Plan Awards for Directors

An “incentive plan” is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An “incentive plan award” means compensation awarded, earned paid, or payable under an incentive plan.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth certain information regarding all awards outstanding for each Director who is not a NEO of the Company as of December 31, 2011:

Name ⁽¹⁾	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
James Passin ⁽³⁾	500,000	\$0.25	December 16, 2016	Nil	N/A	N/A	N/A
Paul Rapello ⁽⁴⁾	350,000	\$0.25	December 16, 2016	Nil	N/A	N/A	N/A
Orgilmaa Siizkhuu ⁽⁵⁾	350,000	\$0.25	December 16, 2016	Nil	N/A	N/A	N/A
Larry Van Hatten ⁽⁶⁾	350,000	\$0.25	December 16, 2016	Nil	N/A	N/A	N/A

Notes:

- (1) For the outstanding option-based awards to Donald Padgett, who is a NEO of the Company, see “Statement of Executive Compensation – Incentive Plan Awards – Outstanding Share-Based and Option-Based Awards”.
- (2) Value of in-the-money options is calculated based on the difference between the closing market price of the Shares underlying the options at the end of the most recently completed financial year and the exercise price of the options. The closing market price of the Shares on the TSXV as of December 31, 2011 was \$0.20 per share.
- (3) James Passin was appointed as director of the Company on November 14, 2011.
- (4) Paul Rapello was appointed as director of the Company on November 14, 2011.
- (5) Orgilmaa Siizkhuu was appointed as director of the Company on November 14, 2011.
- (6) Larry Van Hatten was appointed as director of the Company on November 14, 2011.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of each incentive plan award vested or earned by each Director who is not a NEO during the financial year ended December 31, 2011:

Name ⁽¹⁾	Option-based awards – Value vested during the year (\$) ⁽²⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
James Passin ⁽³⁾	Nil	N/A	N/A
Paul Rapello ⁽⁴⁾	Nil	N/A	N/A
Orgilmaa Siizkhuu ⁽⁵⁾	Nil	N/A	N/A
Larry Van Hatten ⁽⁶⁾	Nil	N/A	N/A

Notes:

- (1) For the compensation of Donald Padgett, who is a NEO of the Company, see above.
- (2) For options that vested during the most recently completed financial year and were in-the-money on the vesting date, based on the difference between the closing market price on the vesting date and the exercise price of the options.
- (3) James Passin was appointed as director of the Company on November 14, 2011.
- (4) Paul Rapello was appointed as director of the Company on November 14, 2011.
- (5) Orgilmaa Siizkhuu was appointed as director of the Company on November 14, 2011.
- (6) Larry Van Hatten was appointed as director of the Company on November 14, 2011.

Narrative Discussion

There were no re-pricing of stock options under the Plan or otherwise during the Company's completed financial year ended December 31, 2011.

Refer to the section titled "Compensation Discussion and Analysis", beginning on page 12 and "Terms of Stock Option Plan" beginning on page 19 for a description of all plan based awards and their significant terms.

Pension Plan Benefits

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

Defined Benefits Plans

The Company does not have a pension plan that provide for payments or benefits at, following, or in connection with retirement, excluding defined contribution plans.

Defined Contribution Plans

The Company does not have a pension plan that provides for payments or benefits at, following or in connection with retirement, excluding defined benefit plans.

Deferred Compensation Plans

The Company does not have any deferred compensation plan with respect to any director.

Termination and Change of Control Benefits

The Company has no contract, agreement, plan or arrangement that provides for payments to directors, at, 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 the director's responsibilities.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has no compensation plans under which equity securities are authorized for issuance as at the fiscal year ended December 31, 2011, with the exception of the Company's Stock Option Plan.

The following table sets forth details of the Company's equity compensation plans as of December 31, 2011:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	4,525,000	\$0.25	1,373,785
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	4,525,000	\$0.25	1,373,785

Notes:

(1) Represents stock option plan of the Company, which reserves a fixed number of 5,898,786 Shares for issue pursuant to stock options under the plan.

TERMS OF STOCK OPTION PLAN

The Company's Board of Directors adopted its "fixed" Stock Option Plan (the "**Plan**") on May 29, 2012, pursuant to which its directors, officers, employees and consultants may be granted options to acquire common shares as an incentive mechanism to foster their interest in the success of the Company and to encourage their proprietary ownership of the Company.

2012 Plan

The aggregate number of Shares, reserved for issuance, from time to time, under the Plan shall be 5,898,786 Shares, or 10% of the issued and outstanding common shares. In connection with the granting of an Option, the number of Shares available for the granting of further Options shall be reduced by the number of Shares in respect of which the option is granted or denominated. Whenever any outstanding Option or portion thereof expires, is cancelled, exercised or otherwise terminated for any reason or payment having been made in respect of the entire Option, the Shares applicable to the expired, cancelled, settled, exercised or otherwise terminated portion of the Option may again be the subject of Options granted under the Plan.

Highlights of the Plan are listed below:

- (a) the aggregate number of Shares so available for issuance under the Plan to any one person in any 12 month period shall not exceed 5% of the issued and outstanding Shares (on a non-diluted basis) at the time of grant of any Option (including the Shares that are subject to such Option);
- (b) the aggregate number of Shares so available for issuance under the Plan to any Consultant in any 12 month period shall not exceed 2% of the issued and outstanding shares (on a non-diluted basis) at the time of grant of any Option (including the Shares that are subject to such Option);
- (c) the aggregate number of Options granted to persons employed in Investor Relations Activities in any 12 month period shall not exceed 2% of the issued and outstanding shares (on a non-diluted basis) at the time of grant of any Option (including the Shares that are subject to such Option);
- (d) the number of common shares reserved for issue to Insiders at any time, and in any 12 month period, may not exceed 10% of the outstanding common shares at the time of grant;

- (e) the exercise price per Share for an Option shall be determined by the Board on the date an Option is granted, provided that such price may not be less than the greater of (i) the Market Price for such Shares, or (ii) \$0.05;
- f) stock options may have a term not exceeding ten years;
- g) stock options expire three months from date the optionee ceases to be a director, officer, employee or consultant of the Company;
- h) stock options are non-assignable and non-transferable; and
- i) the Plan contains provisions for adjustment in the number of Common Shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the Common Shares, or an amalgamation, merger or other relevant change in the Company's corporate structure, or any other relevant change in its capitalization.

The Plan provides that other terms and conditions may be attached to a particular stock option at the discretion of the Board.

A copy of the Plan is available for review at the Company's office, Suite 100 – 2746 St. Joseph Blvd., Orleans, Ontario, Canada K1C 1G5 or at the registered offices of the Company, at Suite 900 – 595 Howe Street, Vancouver, British Columbia, Canada V6C 2T5, during normal business hours up to and including the date of the Meeting.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee, or associate of any such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

None of the directors or executive officers of the Company is or, at any time since the beginning of the most recently completed financial year, has been indebted to the Company. None of the directors' or executive officers' 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.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, no informed person of the Company, proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company has had any material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, if any.

"Informed person" means

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution of it; and

- (d) the Company has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass an ordinary resolution re-appointing Ernst & Young LLP, Chartered Accountants, to serve as auditor of the Company for the next ensuing year at a remuneration to be fixed by the Board. Ernst & Young LLP, was first appointed as the auditor of the Company by the Board on November 14, 2011.

Management recommends that shareholders vote in favour of the appointment of Ernst & Young LLP, Chartered Accountants, as the Company’s auditors for the Company’s fiscal year ending December 31, 2012 at remuneration to be fixed by the Board.

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices (“NI 58-101”)* prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through frequent communication with the management.

As of the date of this Information Circular, the following persons are the directors of the Company:

Donald Padgett	Not Independent ⁽¹⁾
James Passin	Not Independent ⁽¹⁾
Paul Rapello	Independent
Orgilmaa Siizkhuu	Independent
Larry Van Hatten	Independent
Kenneth Farrell	Independent

Notes:

- (1) The Company considers a member of the Board as “Not Independent” if he or she has a direct or indirect “material relationship” with the issuer as set out in NI 52-110.

Directorships

Certain of the directors, or nominee for director, are also directors or officers of other reporting issuers, as follows:

Director of Other Reporting Issuers

Director	Other Reporting Issuer
Donald Padgett	Vanoil Energy Ltd. War Eagle Mining Company Inc.
James Passin	Vanoil Energy Ltd. Sharyn Gol JSC BDSec JSC Baganuur JSC Fluormin PLC
Paul Rapello	None
Orgilmaa Siizkhuu	None
Larry Van Hatten	Kensington Court PNG Gold Corporation Vanoil Energy Ltd.
Kenneth Farrell	None

Orientation and Continuing Education

Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director. The Company provides continuing education for its directors as such need arises and encourages open discussion at all meetings which format encourages learning by the directors.

Ethical Business Conduct

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

In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President of the Company. The Board monitors but does not formally assess the performance of individual Board members or committee members on their contributions.

Compensation

The compensation committee is comprised of James Passin (chair), Donald Padgett and Larry Van Hatten.

The compensation committee assists the Board in all matters relating to Company policies and regulatory requirements associated with executive compensation. The compensation committee reviews compensation annually, or at any additional time deemed appropriate by the committee or board, and makes its recommendation to the Board. The compensation committee recommends changes to the Board taking into consideration the time commitment, risks, and responsibilities of the directors and executive officers.

Other Board Committees

The Company has an audit committee and a compensation committee.

Assessments

The Board collectively conducts and reviews informal annual assessments of the Board's effectiveness, its individual directors and its individual committees.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 Audit Committees of the Canadian Securities Administrators ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following.

The Audit Committee Charter

1. Members. The Board of Directors will appoint an Audit Committee of at least three (3) members, a majority of whom should be "independent" directors of the Board. "Independent" means a director who meets the definition of "independence" under National Instrument 52-110 or any successor policy promulgated by securities regulatory authorities.

All members of the Audit Committee should be "financially literate". An individual is financially literate if he or she has 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 reasonably be expected to be raised by the Company's financial statements. Each appointed member of the Audit Committee shall be subject to annual reconfirmation and may be removed by the Board of Directors at any time.

2. Purposes, Duties, and Responsibilities. The Audit Committee represents the Board of Directors in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and audit activities and legal compliance of the Company and its subsidiaries; however, the Audit Committee's function shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the independent accountants relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) Recommend to the Board the appointment (including terms of appointment such as compensation and scope of duties) and discharge the external auditor of the Company (the "auditor") who perform the annual audit or other audit, review or attest services in

accordance with applicable securities laws, which auditor shall be ultimately accountable to the Board of Directors through the Audit Committee. The auditor of the Company must report directly to the Audit Committee;

- (b) Have the authority to communicate directly with the auditor of the Company;
- (c) Review with the auditor the scope of the audit and the results of the annual audit examination by the auditor and any reports of the auditor with respect to reviews of interim financial statements or other audit, review or attest services. The Audit Committee will be responsible for resolving any disagreements between management and the auditor regarding financial reporting;
- (d) Review information, including written statements, if any, from the auditor concerning any relationships between the auditor and the Company or any other relationships that may adversely affect the independence of the auditor and assess the independence of the auditor;
- (e) Review and discuss with management and the auditor the Company's annual audited financial statements prior to their public disclosure, including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles;
- (f) Review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;
- (g) Review the services to be provided by the auditor to assure that the auditor does not undertake any engagement for services for the Company that would constitute prohibited services under applicable securities laws under the rules of any stock exchange or trading market on which the Company's shares are listed for trading, or could be viewed as compromising the auditor's independence. The Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries by the auditor;
- (h) Review with management and the auditor the results of any significant matters identified as a result of the auditor's interim review procedures prior to the filing of each quarterly financial statements or as soon thereafter as possible;
- (i) Review the annual program for the Company's internal audits, if any, and review audit reports submitted by the internal auditing staff, if any;
- (j) Periodically review the adequacy of the Company's internal controls;
- (k) Review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditor that may have a significant impact on the Company's financial reports, and make comments on the foregoing to the Board of Directors;
- (l) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer;
- (m) Periodically review the adequacy of this Audit Committee Charter;

- (n) Make reports and recommendations to the Board of Directors within the scope of its functions;
- (o) Approve material contracts where the Board of Directors determines that it has a conflict;
- (p) Establish procedures for receipt, retention and treatment of complaints received by the Company regarding auditing, internal accounting controls or accounting matters and establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (q) Where considered necessary by the Audit Committee to carry out its duties, have the authority to engage independent counsel and/or other advisors at the Company's expense upon the terms and conditions, including compensation, determined by the Audit Committee;
- (r) Satisfy itself that management has put into place procedures that facilitate compliance with the disclosure and financial reporting controls provisions of applicable securities laws, including adequate procedures for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements. The Audit Committee will assess the adequacy of these procedures annually;
- (s) Review all loans to officers;
- (t) Review and monitor all related party transactions which may be entered into by the Company as required by rules of the stock exchange or trading market upon which the Company's shares are listed for trading;
- (u) Ensure all public disclosure regarding the audit committee is made in compliance with applicable stock exchange rules and securities legislation.

3. Meetings. The Audit Committee will, when expedient, meet to review the Company's quarterly and annual financial statements and MD&A, and will hold special meetings as it deems necessary or appropriate in its judgment. The Audit Committee will endeavor to meet at any time that the auditor believes that communication to the Audit Committee is required. As it deems appropriate, but not less than once each year, the Audit Committee will meet in private session with the independent accountants. The majority of the members of the Audit Committee constitute a quorum and shall be empowered to act on behalf of the Audit Committee. The members of the Audit Committee will designate one member as chair. Meetings may be held in person or by telephone, and shall be at such times and places as the Audit Committee determines.

Composition of the Audit Committee

The following are the members of the audit committee:

	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Larry Van Hatten (chair)	yes	yes
Donald Padgett	no	yes
James Passin	no	yes
Paul Rapello	yes	Yes
Kenneth Farrell	Yes	yes

Notes:

(1) As defined by NI 52-110

The Company is relying on the exemption provided under Section 6.1 of NI 52-110.

Relevant Education and Experience

Larry Van Hatten

Mr. Larry Van Hatten was a partner of Ernst & Young LLP, from May 2005 to June 2010, leading its Vancouver assurance practice until announcing his retirement in June 2010. Prior to May 2005, Mr. Van Hatten was the managing partner of Ellis Foster, Chartered Accountants, a Vancouver based firm that merged into Ernst & Young LLP in May 2005. From June 2002 to May 2006, Mr. Van Hatten was a director of Saxon Oil Company, an international oil and gas company engaged in the acquisition, development and production of oil and natural gas reserves. Mr. Van Hatten also served on the board of the BC Children's Hospital Foundation, which he chaired from 1996 to 1999. Mr. Van Hatten is currently a director of Kensington Court Ventures Inc., a capital pool company, Vanoil Energy Ltd, an Africa focused oil and gas company with a comprehensive portfolio of oil and gas assets in Kenya and Rwanda and PNG Gold Corporation, a premier gold exploration and mine development company in Papua New Guinea. Mr. Van Hatten received his Chartered Accountant designation in 1975 and his Fellow Chartered Accountant designation in 2009. In 2010, he completed the academic requirements for the Directors Education Program.

Donald Padgett

Mr. Padgett is an experienced senior management leader with a proven track record of developing and executing successful strategies for profitable international business ventures. He has served as Chairman, President and director of several public and private companies. Mr. Padgett has also enjoyed a successful investment banking career in senior management positions including: Managing Director of the investment banking group at Canaccord Financial Ltd.'s Western Canadian office and more than 10 years as a senior member of the Investment Banking Group at Burns Fry, now Nesbitt Burns. Mr. Padgett holds a law degree from Dalhousie University, an MBA from McMaster and a BSc from University of Toronto.

James Passin

Mr. James Passin is a fund manager at Firebird Management LLC. He joined the firm in 1999. Mr. Passin is the Co-Founder and Manager of Firebird Mongolia, Firebird New Mongolia, FGMF, FGMF2 and a Principal at FGS Advisors LLC and FG2 Advisors LLC. He is a director of a number of both public and private Mongolian and Canadian companies, including Sharyn Gol JSC, Baganuur JSC, and NIBank. Mr. Passin served as Director of Wedge from January 28, 2010 until its arrangement with the Issuer. Mr.

Passin is a graduate of St. John's College, where he majored in Philosophy and Classical Literature. Mr. Passin has directed Firebird's portfolio and private equity investment activity in Mongolia since 2006.

Raul Rapello

Mr. Paul S. Rapello is a Partner at Great Circle Capital. He also founded the firm and works at The Great Circle Fund, L.P. Mr. Rapello has served in senior executive positions for United States based enterprises engaged in finance, capital markets, and investments in international shipping and emerging capital markets for over 15 years. He has extensive experience investing in and providing finance to transportation sector. From March 1999 to December 2000, Mr. Rapello was a Managing Director at Stanton Capital Corp., where his responsibilities included the monitoring the firm's portfolio in emerging markets. From March 1997 through December 1998, he was a Vice President of the Leveraged Finance Group at Credit Suisse First Boston. From January 1993 to March 1997, Mr. Rapello was in the Investment Banking Department of Paine Webber with a focus on basic industries. He serves as a Director of Wedge Energy International Inc. since January 28, 2010; STS Logistics; Russian Logistic Service; and Balnak Logistics Group. Mr. Rapello was a Director of Caspian Services Inc. He received an M.B.A. from Columbia University Graduate School of Business and a B.A. from Georgetown University.

Kenneth Farrell

Mr. Farrell is the CEO of Bumi Resources Minerals, the largest publicly traded Indonesian mineral company. Mr. Farrell is also an Executive Director of Bumi Resources, Indonesia's largest listed coal mining company. Prior to joining Bumi Resources in 2002, Mr. Farrell worked for BHP Billiton for 21 years in various executive and managerial capacities in iron ore, transport, manganese and coal business units. He is a Member of the Institution of Engineers, Australia; a Member of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors.

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.

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in Section 2(g) of the Audit Committee Charter which is reproduced above.

External Auditor Service Fees (By Category)

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

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees⁽⁴⁾
December 31, 2011	\$50,451.03	\$96,027.12	Nil	Nil
December 31, 2010	\$3,714.93	Nil	Nil	Nil

Notes:

- (1) The aggregate fees billed by the Company's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning. These services include the filing of the Company's annual tax returns.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

The Company is relying upon the exemptions set out in section 6.1 of National Instrument 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

MANAGEMENT CONTRACTS

The management functions of the Company, any subsidiary thereof, are not to any substantial degree performed by any person other than the senior officers and directors of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

No director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, or any associate or affiliates of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

ADDITIONAL INFORMATION

Additional Information relating to the Company is available on SEDAR at www.sedar.com or the Company's web site www.undurtolgoi.com. Financial Information concerning **Undur Tolgoi Minerals Inc.** is provided in the Company's comparative financial statements for the financial year ended December 31, 2011 and also available on SEDAR. Shareholders may contact the Company to request copies of financial statements at the following address:

Undur Tolgoi Minerals Inc.
Suite 100 – 2746 St. Joseph Blvd.
Orleans, ON K1C 1G5
Telephone: (613) 834-7708
Fax: (613) 834-8166 • E-mail: info@undurtolgoi.com

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Vancouver, British Columbia, on the **5th day of June 2012**

BY ORDER OF THE BOARD

(signed) ***Donald Padgett***
President and Chief Executive Officer