

# **McLAREN RESOURCES INC.**

## **MANAGEMENT INFORMATION CIRCULAR ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 9, 2011**

This information is given as of February 4, 2011 unless otherwise noted.

### **SOLICITATION OF PROXIES**

**This Management Information Circular is furnished in connection with the solicitation of proxies by the management of McLAREN RESOURCES INC., (the “Corporation”)** for use at the Annual General Meeting of Shareholders (the “**Meeting**”) of the Corporation to be held at Suite 520, 65 Queen Street West, Toronto, Ontario at 2:30 o’clock in the afternoon (Eastern Standard Time) on Wednesday, March 9, 2011 for the purposes set out in the Notice of Meeting, and at any adjournment or adjournments thereof.

Shareholders who are unable to be present at the Meeting in person are requested to fill in, sign, date and return the enclosed proxy instrument to the Corporation’s transfer agent and registrar, Trans Canada Transfer Inc., 25 Adelaide Street East, Suite 1301, Toronto, Ontario, M5C 3A1 or at the registered office of the Corporation at Suite 520, 65 Queen Street West, Toronto, Ontario M5H 2M5, in time for use at the Meeting. An addressed envelope accompanies this Management Information Circular and may be used for such purpose. The solicitation will be primarily by mail; however, proxies may be solicited by telephone or in writing by employees or designated agents of the Corporation. The Corporation will bear the cost of solicitation on behalf of management of proxies in the form furnished herewith.

### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the enclosed proxy instrument shall represent management at the Meeting. **A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him at the Meeting may do so either by inserting such person’s name in the blank space provided in the proxy instrument and striking out the names of the two specified persons or by completing another proxy instrument and in either case delivering the completed proxy instrument addressed to the Secretary of the Corporation at the address set forth above, or to the Secretary or Chairman of the Meeting at the time of the Meeting.**

A shareholder who has given a proxy instrument may revoke it:

- (a) by signing a proxy instrument bearing a later date and depositing it with the Secretary of the Corporation, or
- (b) as to any matter on which a vote shall not have already been cast pursuant to the authority conferred by such proxy instrument, by signing a written notice of revocation and delivering it to the Secretary or the Chairman of the Meeting, or
- (c) by attending the Meeting in person and personally voting the shares represented by the proxy instrument, or
- (d) in addition to the revocation in any other manner permitted by law, a proxy may be revoked under subsection 110(4) of the *Business Corporations Act* (Ontario) (the “**Act**”) by an instrument in writing executed by the shareholder or by his attorney authorized in writing (or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof authorized in writing), deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the proxy

instrument is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof and upon either of such deposits the proxy shall be revoked.

### EXERCISE OF DISCRETION BY PROXIES

The common shares represented by the enclosed form of proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions of the shareholder executing the proxy and, if such shareholder has specified a choice with respect to any matter to be acted on at the Meeting, the shares will be voted accordingly. **IN THE ABSENCE OF SUCH INSTRUCTIONS SUCH COMMON SHARES WILL BE VOTED in favour of each matter identified in the form of proxy to be voted upon at the Meeting.**

The enclosed proxy instrument confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting. At the time of printing this Management Information Circular, management knows of no such amendments or other matters to come before the Meeting other than matters referred to in the Notice of Meeting. However, if other matters not known to management should properly come before the meeting, the accompanying Proxy will be voted on such matters in accordance with the judgement of the person voting the Proxy.

### NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, common shares beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Shareholder deals in respect of the Common Shares (Intermediaries include, among others: banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited, in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Management Information Circular and its form of proxy (collectively the “**Meeting Materials**”) to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Trans Canada Transfer Inc., 25 Adelaide Street East, Suite 1301, Toronto, Ontario, M5C 3A1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

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

None of the Directors or Senior Officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of Directors, the matters set out under the heading "*Particulars of Other Matters to be Acted Upon*", and as otherwise disclosed herein.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

There are outstanding as of the date hereof 20,794,281 fully paid and non-assessable common shares of the Corporation. Each common share carries the right to one (1) vote per share. Each holder of outstanding common shares of record at the time of the close of business on February 4, 2011 (the "**record date**") will be given notice of the Meeting and will be entitled to vote at the Meeting the number of common shares of record held by him on the record date except if such shareholder subsequently transfers the ownership of his common shares and the transferee demands not later than 10 days before the Meeting that the transferee's name be included on the list of shareholders entitled to vote at the Meeting and establishes to the satisfaction of the Corporation that he owns such shares in which case the transferee is entitled to vote his common shares at the Meeting.

As of the record date, to the knowledge of the Directors and officers of the Corporation, there are no shareholders who beneficially own directly or indirectly or exercise control or direction over more than 10% of the common shares of the Corporation.

#### **STATEMENT OF EXECUTIVE COMPENSATION**

##### **Definitions**

In this section:

"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;

“**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, 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, 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, nor acting in a similar capacity, at the end of that financial year.

### **Compensation Discussion and Analysis**

The Corporation’s Board of Directors is responsible for the compensation program for the Corporation’s NEOs.

The compensation program’s objectives are:

- (e) to attract and retain qualified and experienced executives to drive the continued development of the Corporation and its current and future oil and gas exploration assets, thereby creating shareholder value; and
- (f) to provide executives with appropriate compensation and incentives so as to encourage the development of the Corporation.

Compensation for the Corporation’s NEOs consists of the following:

- (a) a base salary (for certain NEOs); and
- (b) long term incentive in the form of incentive stock options.

The Corporation does not provide the NEOs with any personal benefits, nor does the Corporation provide any additional compensation to its NEOs for serving as directors of the Corporation, other than the granting to them from time to time of incentive stock options under the Corporation’s Incentive Stock Option Plan.

The Board of Directors as a whole determines the level of compensation in respect of the Corporation’s senior executives. There were no long-term incentive awards other than options made to the Named Executive Officers of the Corporation during the September 30, 2010 financial year. There are no pension plan benefits in place for the NEOs and none of the NEOs, senior officers or directors of the Corporation is indebted to the Corporation. In addition, there are no plans in place with respect to the Named Executive Officers for termination of employment or change in responsibilities.

### **Option-based Awards**

The Corporation has in place a Stock Option Plan (the “**Plan**”) for the purpose of attracting and motivating Directors, Officers, Employees and Consultants of the Corporation and advancing the interests of the Corporation by affording such persons the opportunity to acquire an equity interest in the Corporation through rights granted under the Plan to purchase shares of the Corporation. See “*Stock Option Plan*” under “*Securities Authorized for Issuance*

under *Equity Compensation Plans*” below for details of the Plan. (A copy of the Plan will also be available for review at the Meeting.)

During the 2010 fiscal year, 1.4 million options were granted under the plan to officers, directors and consultants of the company, with an exercise price of \$0.20 per share, having an expiry date of December 30<sup>th</sup> 2014.

### **Summary Compensation Table**

Executive compensation is required to be disclosed for each Named Executive Officer. The following table and notes thereto states the name of each Named Executive Officer, their annual compensation consisting of salary, bonus and other annual compensation, and long term compensation, including stock options paid, for each of the three most recently completed financial years of the Corporation.

#### **Current Named Executive Officers**

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Options Based Awards (\$) <sup>1</sup>	Non Equity incentive plan compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plan	Long-Term Incentive plan			
Ivan Buzbuzian CEO <sup>(2)</sup>	2010	90,000	Nil	21,520	Nil	Nil	Nil	Nil	111,520
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael Meredith CFO <sup>(3)</sup>	2010	42,000	Nil	21,520	Nil	Nil	Nil	Nil	62,520
	2009	16,750	Nil	Nil	Nil	Nil	Nil	Nil	16,750
	2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
Alex Falconer CFO <sup>(6)</sup>	2010	30,000	Nil	16,140	Nil	Nil	Nil	Nil	46,140
	2009	16,250	Nil	Nil	Nil	Nil	Nil	Nil	16,250
	2008	6,000	Nil	Nil	Nil	Nil	Nil	Nil	6,000

#### **Former Named Executive Officers**

Dan Hamilton CFO <sup>(4)</sup>	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
	2009	27,780	Nil	Nil	Nil	Nil	Nil	Nil	27,780
	2008	33,336	Nil	23,400	Nil	Nil	Nil	Nil	56,736
George Liddy CEO <sup>(5)</sup>	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
	2009	66,500	Nil	Nil	Nil	Nil	Nil	Nil	66,500
	2008	150,000	Nil	Nil	Nil	Nil	Nil	Nil	150,000

- (1) Based on the closing price of the Corporation’s common shares on the CNSX Exchange on the day prior to the date of the grant of options. Market Value of the 1.4 million options was calculated to be \$150,640 (Black-Scholes).
- (2) Mr. Buzbuzian became President and Chief Executive Officer of the Corporation on May 4<sup>th</sup> 2010 replacing Michael Meredith. Mr. Buzbuzian was serving as CFO and Vice Chair as of January 7<sup>th</sup> 2010. Before then he was a member of The Board of Directors.

- (3) Mr. Meredith became President and Chief Executive Officer of the Corporation on March 10, 2009. Mr. Meredith also acted as President and Chief Executive Officer until May 17, 2007. Mr. Meredith currently holds the position of CFO and Vice Chair as of May 4<sup>th</sup> 2010.
- (4) Mr. Hamilton was appointed Chief Financial Officer on December 1, 2007 and resigned as Chief Financial Officer on March 16, 2009.
- (5) Mr. Liddy was appointed Chief Executive Officer on May 17, 2007 and ceased to be the Chief Executive Officer on March 10, 2009.
- (6) Mr. Falconer resigned as Chief Financial Officer on December 1, 2007. As of March 18, 2009, Mr. Falconer was reappointed as Chief Financial Officer of the Corporation. Mr. Falconer's compensation was paid to Revelstone Investments Inc. in 2007 and to Falconer and Associates Inc. in 2009, companies controlled by Mr. Falconer. Mr. Falconer was replaced as CFO by Ivan Buzbuzian on January 7<sup>th</sup> 2010.

### **Narrative Discussion**

The Corporation has a verbal consulting agreement with Ivan Buzbuzian, President and Chief Executive Officer, terminable on one month's notice and providing for payment of \$12,500 per month.

The Corporation has a verbal agreement with Michael Meredith as Chief Financial Officer of the Corporation, terminable on one month's notice and providing for payment of \$2,500 per month.

### **Outstanding Share-based awards and option-based awards**

The following table discloses the particulars of all awards for each NEO outstanding at the end of the Corporation's financial year ended September 30, 2010, including awards granted before this most recently completed financial year:

Name	Option Based Awards				Share-based Awards	
	Number of Securities underlying unexercised options <sup>(1)</sup>	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Ivan Buzbuzian CEO <sup>(2)</sup>	200,000	0.20	Dec. 30, 2014	N/A	N/A	N/A
Michael Meredith CFO <sup>(3)</sup>	200,000	0.20	Dec. 30, 2014	N/A	N/A	N/A

(1) All options are for common shares of the Corporation.

(2) Mr. Buzbuzian became President and Chief Executive Officer of the Corporation on May 4<sup>th</sup> 2010 taking over from Michael Meredith. Mr. Buzbuzian was serving as CFO and Vice Chair as of January 7<sup>th</sup> 2010. Before then he was a member of The Board of Directors.

(3) Mr. Meredith became President and Chief Executive Officer of the Corporation on March 10, 2009. Mr. Meredith also acted as President and Chief Executive Officer until May 17, 2007. Mr. Meredith currently holds the position of CFO and Vice Chair as of May 4<sup>th</sup> 2010.

### **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 NEO during the financial year ended September 30, 2010.

Name	Option-based awards - Value vested during the years (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Ivan Buzbuzian CEO <sup>(1)</sup>	N/A	N/A	N/A
Michael Meredith <sup>(2)</sup> CFO	N/A	N/A	N/A

- (1) Mr. Buzbuzian became President and Chief Executive Officer of the Corporation on May 4<sup>th</sup> 2010 taking over from Michael Meredith. Mr. Buzbuzian was serving as CFO and Vice Chair as of January 7<sup>th</sup> 2010. Before then he was a member of the Board of Directors.
- (2) Mr. Meredith became President and Chief Executive Officer of the Corporation on March 10, 2009. Mr. Meredith also acted as President and Chief Executive Officer until May 17, 2007. Mr. Meredith currently holds the position of CFO and Vice Chair as of May 4<sup>th</sup> 2010.

### **Narrative discussion**

There were no repricings of stock options under the Plan or otherwise during the Corporation's completed financial year ended September 30, 2010. No options were exercised during the fiscal year ended 2010. The total number of options to purchase common shares that were outstanding at September 30, 2010 were 1.6 million.

### **Pension Plan Benefits**

The Corporation has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement.

The Corporation also does not have any deferred compensation plans relating to any NEO.

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

Other than as disclosed herein, the Corporation does not have any pension or retirement plan which is applicable to the NEOs. The Corporation has not provided compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as an NEO of the Corporation, in connection with or related to the retirement, termination or resignation of such person, and the Corporation has provided no compensation to any such person as a result of a change of control of the Corporation. The Corporation is not party to any compensation plan or arrangement with an NEO resulting from the resignation, retirement or termination of employment of any such person.

The Corporation does not have any plan or arrangement with respect to compensation to its executive officers, which would result from the resignation, retirement or any other termination of employment of the executive officers' employment with the Corporation and its subsidiaries or which would result from a change of control of the Corporation or a change in the executive officers' responsibilities following a change in control.

### **Director Compensation**

The Corporation has no pension plan or other arrangement for non-cash compensation for its directors who are not NEOs, except incentive stock options. At the corporation's completed financial year ended September 30, 2010, The Directors of McLaren held the following options.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date
Vic Childs	100,000 150,000	\$0.50 \$0.20	May 17, 2012 Dec. 30, 2014
John Holko	100,000 150,000	\$0.50 \$0.20	May 17, 2012 Dec. 30, 2014
Ivan Buzbuzian	200,000	\$0.20	Dec. 30, 2014
Paul Crath	200,000	\$0.20	Dec. 30, 2014
Michael Meredith	200,000	\$0.20	Dec. 30, 2014

**Director Share-Based Awards, Option Based Awards, and Non-Equity Incentive Plan Compensation**

The following table discloses all amounts of compensation provided by the Corporation to its directors who are not NEOs for the financial year ended September 30, 2010:

Name	Option Based Awards				Share-based Awards	
	Number of Securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Vic Childs	100,000 150,000	\$0.50 \$0.20	May 17, 2012 Dec. 30, 2014	N/A	N/A	N/A
John Holko	100,000 150,000	\$0.50 \$0.20	May 17, 2012 Dec. 30, 2014	N/A	N/A	N/A
Paul Crath	200,000	\$0.20	Dec. 30, 2014	N/A	N/A	N/A

All directors of the Corporation receive directors' fees of \$1,500 per quarter in compensation. No other compensation during the most recently completed financial year was paid to directors pursuant to any other arrangement or in lieu of any standard arrangement save and except through the granting of stock options under the Corporation's Stock Option Plan (the "**Plan**"). All reasonable expenses incurred by directors in respect of their duties are reimbursed by the Corporation.

Other than as set forth in the foregoing, no director of the Corporation 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 experts.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, details of the Corporation's compensation plans under which equity securities of the Corporation were authorized for issuance at the end of the Corporation's most recently completed fiscal year.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plan
Equity compensation plans previously approved by security holders	1,600,000	0.24	294,428
Equity compensation plans not previously approved by security holders	N/A	N/A	N/A
<b>Total</b>	1,600,000	0.24	294,428

### Stock Option Plan

The Corporation has in place a Stock Option Plan (the "Plan") for the purpose of attracting and motivating Directors, Officers, Employees and Consultants of the Corporation and advancing the interests of the Corporation by affording such persons the opportunity to acquire an equity interest in the Corporation through rights granted under the Plan to purchase shares of the Corporation.

A summary of the material aspects of the Plan is as follows:

- the Plan will be administered by the Corporation's Board of Directors or, if the Board so designates, Committee of the Board appointed in accordance with the Plan to administer the Plan;
- the maximum number of shares in respect of which options may be outstanding under the Plan at any given time is set at 10% of the issued and outstanding common shares of the Corporation;
- following termination of an optionee's employment, directorship, consulting agreement or other qualified position, the optionee's option shall terminate upon the expiry of such period of time following termination, not to exceed 30 days;
- an option granted under the Plan will terminate six months following the death of the optionee. These provisions do not have the effect of extending the term of an option which would have expired earlier in accordance with its terms, and do not apply to any portion of an option which had not vested at the time of death or other termination;
- as long as required by Exchange policy, no one individual may receive options on more than 5% of the issued and outstanding shares of the Corporation (the "Outstanding Shares") in any 12 month period, no one consultant may receive options on more than 2% of the Outstanding Shares in any 12 month period, and options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the Outstanding Shares in any 12 month period;
- options may not be granted at prices that are less than the market price of the securities at the time the option is granted;
- any amendment of the terms of an option shall be subject to any required regulatory and shareholder approvals;

8. In the event of a reorganization of the Corporation or the amalgamation, merger or consolidation of the shares of the Corporation, the Board of Directors shall make such appropriate provisions for the protection of the rights of the optionee as it may deem advisable.

A copy of the Corporation's current Plan is available from the Corporation upon request.

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

None of the directors or senior officers of the Corporation or any associates or affiliates of the Corporation are or have been indebted to the Corporation at any time since the beginning of the last completed financial year of the Corporation.

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

To the knowledge of management of the Corporation, no informed person or nominee for election as a director of the Corporation, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries other than as set out herein. The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Corporation, or any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or company as underwriter in the course of a distribution.

#### **MANAGEMENT CONTRACTS**

Except as otherwise disclosed in this Information Circular, management functions of the Corporation are generally performed by directors and senior officers of the Corporation and not, to any substantial degree, by any other person to whom the Corporation has contracted.

#### **AUDIT COMMITTEE**

##### **Relationship with Auditors**

Multilateral Instrument 52-110 of the *Canadian Securities Administrators* ("MI 52-110") requires the Corporation, as a venture issuer, to disclose annually in its Management Information Circular certain information relating to the Corporation's Audit Committee and its relationship with the Corporation's independent auditors.

##### **Audit Committee Charter**

The Audit Committee Charter is annexed hereto as Schedule "A".

##### **Composition of the Audit Committee**

The Corporation's Audit Committee is currently comprised of three (3) members: Michael Meredith, Ivan Buzbuzian and Paul Crath. As defined in MI 52-110, Mr. Crath is independent and Mr. Meredith and Mr. Buzbuzian are not independent. All of the members of the Audit Committee are "financially literate" as defined in MI 52-110.

### **Relevant Education and Experience**

Mr. Meredith has over 25 years experience in the resource exploration industry. Mr. Meredith was previously the President of the Corporation from 1999 to 2007. From 2005 to 2008 he was Chairman of HY Lake Gold Inc., a gold exploration company active in Red Lake, Ontario. Mr. Meredith is also the Chairman of Genesee Resources Inc., a natural gas producer in the USA.

Mr. Buzbuzian is a private investor with over 30 years experience in public and private company development, including participation in management and fund raising. Formerly a registered investment adviser in Ontario, Mr. Buzbuzian is now a business consultant, a Partner and Director in a private real estate company and is President and CEO, Director, Partner of Digi Test Diagnostics Corp, and President and Director of IB Corporate Advisors.

Mr. Crath is a Senior Manager of Accilent Capital Management Inc. and a Director of Accilent Raw Materials Group Inc. He is currently an advisor to Ballantry Oil & Gas Inc., a private Ontario based oil and gas exploration company. Mr. Crath was appointed Managing Director of Norvista Resources Inc., a private merchant bank dedicated to investments in the natural resources sector. He is also a principal and Managing Director of Tarra Partners Inc., a merchant bank that acts as investment principal and/or provides advisory services in the areas of institutional real estate, infrastructure, private equity and lending transactions. Mr. Crath is a former Vice-President and Principal of Tricaster Capital Corporation, a family investment company and merchant bank he co-founded with the Campbell family of Toronto, and a former Vice-President and Principal of Hexagram & Co., a venture management company. He began his career as a corporate lawyer at White & Case, LLP in New York City, specializing in acquisition financings. Mr. Crath is an independent director of the Corporation for the purpose of MI 52-110.

### **Audit Committee Oversight**

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's board of directors has adopted all recommendations of the Audit Committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

Since the commencement of the Corporation's most recently completed financial year and the effective date of MI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or Part 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not reasonably expected to exceed 5% of the total amount of fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

### **Pre-Approved Policies and Procedures**

The Corporation has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

### **Exemption**

The Corporation is relying on the exemption provided by Part 6.1 of MI 52-110 for venture issuers which allows for an exemption from Part 5 (Reporting Obligations) of MI 52-110 and allows for the short form of disclosure of Audit Committee procedures set out in Form 52-110F2 and disclosed in this Management Information Circular.

**External Auditor Service Fees (by category)**

	Year ended September 30, 2010 (\$)	Year ended September 30, 2009 (\$)
Audit Fees <sup>(1)</sup>	23,325	\$45,550
Audit Related Fees <sup>(2)</sup>	-	-
Tax Fees <sup>(3)</sup>	4,325	
All Other Fees <sup>(4)</sup>	-	-

- Notes: (1) Aggregate fees billed for services provided in auditing the Corporation's annual financial statements. The 2009 audit fee will be proposed by the auditors of the Corporation and is subject to review and approval by the Audit Committee.
- (2) Aggregate fees not included in "audit fees" that are billed by the auditors for the assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's statements or as related to a prospectus.
- (3) Aggregate fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning.
- (4) Aggregate fees billed by the auditors for products and services not included in the foregoing categories.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**A. Appointment and Remuneration of Auditors**

It is proposed to re-appoint Edmund Cachia & Co., Chartered Accountants, Toronto, Ontario, as auditors of the Corporation for the next fiscal year and to authorize the Directors to fix their remuneration.

**Proxies received in favour of management will be voted for the approval of appointing Edmund Cachia & Co. LLP, Chartered Accountants, as the auditors of the Corporation for the current fiscal year and authorizing the Board to fix their remuneration, unless the shareholder has specified in the proxy that his shares are to be withheld from voting on such resolution.**

**B. Election of Directors**

The persons named in the accompanying form of proxy intend to vote for the election of the five (5) current nominees whose names are as follows: Ivan Buzbuzian, Victor H. Childs, Paul Crath, John Holko and Michael Meredith.

**Management does not contemplate that any of the five (5) current nominees will not be able to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy instrument reserve the right to vote for another nominee at their discretion. Each Director elected will hold office until the next annual meeting and until his successor is duly elected unless, prior thereto, he resigns or his office becomes vacant by death or other cause.**

The following table and the notes thereto state the names of all of the persons proposed to be nominated for election as Directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment, their periods of service as Directors of the Corporation and the approximate number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof and indicates those nominees who are members of the Corporation's Audit Committee.

<b>Name and Position with the Corporation</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Number of Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof <sup>(1)</sup></b>
VICTOR H. CHILDS <i>Chairman, Director</i> Berkshire, England	President Victor H Childs & Associates, Petroleum Consultants	2005	400,000
MICHAEL MEREDITH <sup>(2)</sup> <i>Vice Chair, Director</i> Toronto, Ontario	Vice Chair of McLaren Resources Inc.	2009	750,786
IVAN BUZBUZIAN <sup>(2)</sup> <i>President and CEO, Director</i> Toronto, Ontario	President and Director McLaren Resources Inc., President and CEO, Director and Partner Digi Test Diagnostics Corporation Partner and Director 348095 Ontario limited President and Director IB Corporate Advisors Inc.	2009	550,000
PAUL CRATH <sup>(2)</sup> <i>Director</i> Toronto, Ontario	Managing Director Norvista Resources Inc., a private merchant bank for investments in natural resources.	2009	Nil
JOHN HOLKO <i>Director</i> Alexander, New York	President Lenape Resources, Inc., a hydrocarbon exploration and production company.	2007	Nil

(1) The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the Directors individually.

(2) Member of the audit committee.

The terms of office of those nominees who are presently Directors will expire as of the date of the Meeting. All of the Directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting of the Corporation.

**Unless a proxy specifies that the shares it represents should be withheld from voting in the election of directors, the proxyholders named in the accompanying proxy intend to use it to vote for the election of the above nominees as directors of the Corporation.**

### **Corporate Cease Trade Orders**

The Ontario Securities Commission issued a Cease Trade Order against the Corporation on February 19, 2009, for failure to file certain financial statements and MD&A. The cease trade order was revoked by order of the Ontario Securities Commission on December 18, 2009. The Corporation is currently up to date on all public disclosure filings.

As of the date hereof, no director or officer of Corporation is, or has been within the past ten years, a director or executive officer of any company (including the Corporation) that, while such person was acting in that capacity, 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.

No director or officer of the Corporation has within the past ten years 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.

## **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board of Directors (the “**Board**”), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are approved by the Board and who are charged with the day-to-day management of the Corporation.

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires the Corporation to disclose its corporate governance practices by providing in its Management Information Circular the disclosure required by Form 58-101F2. National Policy 58-201 Corporate Governance Guidelines establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. The Corporation will continue to review and implement corporate governance guidelines as the business of the Corporation progresses and becomes more active in operations. NI 58-101 mandates disclosure of corporate governance practices in Form 58 101F2, which disclosure is set out below.

### **Form 58-101F2 – Corporate Governance Disclosure**

#### **Board of Directors**

The Board is currently composed of five directors, Messrs. Victor H. Childs, Michael Meredith, Ivan Buzbuzian, Paul Crath and John Holko. All the proposed nominees are current directors of the Corporation.

Form 58-101F2 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 58-101, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Corporation. “Material relationship” is defined as a relationship which could, in the view of the Corporation’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. Of the five (5) proposed nominees, Two (2) Ivan Buzbuzian as President and CEO and Michael Meredith, Vice Chair and CFO, are deemed to be “inside” or management director and accordingly are considered not “independent”. Each of the remaining three (3) proposed directors are considered by the Board to be “independent”, within the meaning of NI 58-101. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

#### **Directorships**

The directors of the Corporation do not currently hold directorships with other reporting issuers.

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

The Board does not have a formal orientation or education program for its members. The Board’s continuing education is typically derived from correspondence with the Corporation’s legal counsel to remain up to date with developments in relevant corporate and securities’ law matters. Additionally, historically board members have been nominated who are familiar with the Corporation and the nature of its business.

### **Ethical Business Conduct**

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having a majority of its board members independent of corporate matters.

### **Nomination of Directors**

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board are reviewed by the entire Board.

### **Compensation**

The directors decide as a Board the compensation for the Corporation's officers, based on industry standards and the Corporation's financial situation. The Total directors' fees for the fiscal year ended September 30, 2010 were \$30,000.

### **Other Board Committees**

The Audit Committee is the only standing committee of the board.

### **Assessments**

Currently the Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the board's decision-making processes and the quality of information provided by management, and among other things:

- overseeing strategic planning
- monitoring the performance of the Corporation's assets
- evaluating the principal risks and opportunities associated with the Corporation's business and overseeing the implementation of appropriate systems to manage these risks
- approving specific acquisitions and divestitures
- evaluating senior management
- overseeing the Corporation's internal control and management information systems

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). The Corporation's annual audited financial statements and management discussion and analysis ("MD&A") for the fiscal year ended September 30, 2010 is available for review under the Corporation's profile on SEDAR. A copy of these financial statements and MD&A have also been mailed out to those shareholders who returned the Corporation's Financial Statement Request Form provided with the Corporation's 2009 annual and special meeting material, in accordance with National Instrument 51-102 "*Continuous Disclosure Obligations*". Shareholders may contact the Corporation to request copies of the financial statements and MD&A by: (i) mail to Suite 520, 65 Queen Street West, Toronto, Ontario; or (ii) fax to 416-368-1539.

### **OTHER MATTERS**

Management knows of no other matter to come before the Meeting other than the matters referred to in the notice of meeting. If any matters which are not known should properly come before the Meeting, the accompanying proxy instrument will be voted on such matters, in accordance with the best judgement of the person voting it.

### **DIRECTORS' APPROVAL**

The contents and the sending of this Management Information Circular have been approved by the Board of directors of the Corporation. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

**DATED** at Toronto, Ontario this 4th day of February, 2011.

**BY ORDER OF THE BOARD OF DIRECTORS,**

*"Ivan Buzbuzian"*

Ivan Buzbuzian, President & CEO

## **SCHEDULE “A”**

### **AUDIT COMMITTEE CHARTER**

#### **1 PURPOSE**

The overall purpose of the Audit Committee (the “Committee”) of McLaren Resources Inc. (the “Corporation”) is to monitor the Corporation’s system of internal financial controls, to evaluate and report on the integrity of the financial statements of the Corporation, to enhance the independence of the Corporation’s external auditor and to oversee the financial reporting process of the Corporation.

#### **2 COMPOSITION, PROCEDURES AND ORGANIZATION**

- 2.1 The Committee shall consist of at least three members (each a “Member”) of the board of directors of the Corporation (the “Board”), the majority of whom shall not be employees, Control Persons or officers of the Issuer or any of its Associates or Affiliates (as such terms are defined in the TSX Venture Exchange Corporate Finance Manual (the “TSXV Manual”)), as amended from time to time.
- 2.2 At least 25% of the members of the Committee (the “Members”) shall be resident Canadians.
- 2.3 At least one Member shall be “independent” and “financially literate” as such terms are defined under the Securities Act (Ontario) and rules and policies promulgated thereunder, as such requirements may be amended from time to time. For reference, the terms “independent” and “financially literate” are set out in “Multilateral Instrument 52-110 Audit Committees.”
- 2.4 The Board, at its organizational meeting held in conjunction with each annual meeting of shareholders, shall appoint the members of the Committee to hold such office for the ensuing year or until their resignations or their successors are duly elected. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a director shall cease to be a member of the Committee.
- 2.5 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from amongst their number. The chair shall be an “unrelated” director and shall not have a second, or casting, vote.
- 2.6 Complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters shall be directed to the chair of the Committee. Once received, the chair will then review them and, if appropriate, seek advice from the Corporation’s legal counsel and/or the external auditors. The chair will then present such complaints to the Committee for discussion in order to determine a course of action. If appropriate, the chair will then notify management of the Corporation to discuss a resolution of such complaints.
- 2.7 The Corporation, with the assistance of the Committee, shall provide in the Corporation’s employee handbook, if any, a policy to enable employees to submit to the chair of the Committee, on a confidential and anonymous basis, concerns regarding questionable accounting or auditing matters or shall otherwise make known to employees that concerns can be submitted to the chair of the Committee on such basis.
- 2.8 Notice of every meeting shall be given to the external auditor, who shall, at the expense of the Corporation, be entitled to attend and to be heard thereat.
- 2.9 Meetings shall be held in accordance with the procedural rules outlined in the “Rules Governing Procedure of the Audit Committee.” In addition, meetings of the Committee shall be conducted as follows:

- (a) the Committee shall meet at least four times annually or more frequently as circumstances dictate and at such times and at such locations as the chair of the Committee shall determine;
  - (b) the Committee or at least its chair should also meet with the external auditor and management quarterly to review the Corporation's financials in accordance with Article 3 below;
  - (c) as part of its job to foster open communication, the Committee should meet at least annually with management and the external auditor separately to discuss any matters that the Committee or either of these groups believe should be discussed privately;
  - (d) the external auditor or any member of the Committee may call a meeting of the Committee;
  - (e) the external auditor and management employees shall, when required by the Committee, attend any meeting of the Committee; and
  - (f) the Committee may require any attendee at a meeting who is not an "unrelated" director to excuse himself or herself from any meeting.
- 2.10 The external auditor may communicate directly with the chair of the Committee and may meet separately with the Committee. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.
- 2.11 Compensation to members of the Committee shall be limited to directors' fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the Corporation (other than as members of the Board and/or Board committees).
- 2.12 The Committee is authorized, at the Corporation's expense, to retain independent counsel and other advisors as it determines necessary to carry out its duties.

### **3 DUTIES**

- 3.1 The overall duties of the Committee shall be to:
- (a) assist the Board in the discharge of its duties relating to the Corporation's accounting policies and practices, reporting practices and internal controls;
  - (b) establish and maintain a direct line of communication with the Corporation's external auditor and assess their performance;
  - (c) oversee the work of the external auditor, which shall be responsible to report directly to the Committee, including resolution of disagreements between management and the auditor regarding financial reporting;
  - (d) ensure that management of the Corporation has designed, implemented and is maintaining an effective system of internal controls and disclosure controls and procedures;
  - (e) monitor the credibility and objectivity of the Corporation's financial reports;
  - (f) report regularly to the Board on the fulfillment of the Committee's duties;
  - (g) assist, with the assistance of the Corporation's legal counsel, the Board in the discharge of its duties relating to the Corporation's compliance with legal and regulatory requirements; and

- (h) assist the Board in the discharge of its duties relating to risk assessment and risk management.

3.2 The duties of the Committee as they relate to the external auditor shall be to:

- (a) review management's recommendations for the appointment of external auditor, and in particular its qualifications and independence, and to recommend to the Board a firm of external auditors to be engaged;
- (b) review the performance of the external auditor and make recommendations to the Board regarding the appointment or termination of the external auditor;
- (c) review, where there is to be a change of external auditor, all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102 or any successor legislation, and the planned steps for an orderly transition;
- (d) review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor;
- (e) review and approve, in advance, the engagement letters of the external auditor, both for audit and permissible non-audit services, including the fees to be paid for such services;
- (f) review the performance, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditor; and
- (g) review the nature of and fees for any non-audit services performed for the Corporation by the external auditor and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

3.3 The duties of the Committee as they relate to audits and financial reporting shall be to:

- (a) review the audit plan with the external auditor and management;
- (b) review with the external auditor and management all critical accounting policies and practices of the Corporation, including any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, all material alternative accounting treatments that the external auditor has discussed with management, other material written communications between the external auditor and management, and key estimates and judgments of management that may in any such case be material to financial reporting;
- (c) review the contents of the audit report;
- (d) question the external auditor and management regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (e) review the scope and quality of the audit work performed;
- (f) review the adequacy of the Corporation's financial and auditing personnel;
- (g) review the co-operation received by the external auditor from the Corporation's personnel during the audit, any problems encountered by the external auditor and any restrictions on the external auditor's work;
- (h) review the internal resources used;

- (i) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditor, together with management's response to the recommendations, including subsequent follow-up of any identified weaknesses;
- (j) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) and any key financial executives involved in the financial reporting process;
- (k) review with management and the external auditor and approve the Corporation's annual audited financial statements in conjunction with the report of the external auditor thereon, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
- (l) review with management and the external auditor and approve the Corporation's interim unaudited financial statements, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public; and
- (m) review the terms of reference for an internal auditor or internal audit function.

3.4 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:

- (a) review the effect of regulatory and accounting initiatives and changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the Corporation's financial reporting as reported to the Committee by management and the external auditor;
- (b) review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements and consider recommendations for any material change to such policies;
- (c) review the status of material contingent liabilities as reported to the Committee by management;
- (d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by management;
- (e) review any errors or omissions in the current or prior years' financial statements;
- (f) review and approve before their release all public disclosure documents containing audited or unaudited financial information, including all press releases, prospectuses, annual reports to share holders, annual information forms and management's discussion and analysis; and
- (g) oversee and review all financial information and earnings guidance provided to analysts.

3.5 The other duties of the Committee shall include:

- (a) reviewing and reassessing, at least annually, the adequacy of this Charter and making recommendations to the Board, as conditions dictate, to update this Charter;
- (b) reviewing any inquiries, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (c) formulating a policy restricting the Corporation from hiring employees or former employees of the Corporation's external auditor without the prior approval of the Committee;
- (d) reviewing annual operating and capital budgets;

- (e) reviewing the funding and administration of the Corporation's compensation and pension plans;
- (f) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (g) inquiring of management and the external auditor as to any activities that may be or may appear to be illegal or unethical; and
- (h) any other questions or matters referred to it by the Board.