

SYNERGY ACQUISITION CORP.

**NOTICE
OF ANNUAL
AND SPECIAL MEETING
OF THE SHAREHOLDERS OF
SYNERGY ACQUISITION CORP.**

FOR THE FINANCIAL YEARS ENDING
DECEMBER 31, 2009 AND 2008

- and -

MANAGEMENT INFORMATION CIRCULAR and
PROXY STATEMENT

Place: 1500 Manulife Place,
10180 - 101 Street,
Edmonton, Alberta, T5J 4K1

Time: 11:00 am (Edmonton Time)

Date: February 8, 2011

SYNERGY ACQUISITION CORP.
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of Synergy Acquisition Corp. (the “**Corporation**”) will be held at 1500 Manulife Place, 10180 - 101 Street, Edmonton, Alberta on Tuesday, February 8, 2011 at 11:00 a.m. (Edmonton time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the fiscal years ended December 31, 2009 and 2008, together with the auditors' report thereon;
2. to elect the board of directors to serve until the next annual meeting of the Shareholders or until their successors are duly elected or appointed;
3. to appoint Grant Thornton LLP, Chartered Accountants, as auditors and to authorize the directors to fix the auditors' remuneration;
4. to consider, and if thought fit, pass, with or without variation, a special resolution of the Corporation approving the consolidation of the outstanding Common Shares on the basis of one (1) new Common Share for each six (6) Common Shares presently issued and outstanding (the “**Consolidation**”), as more particularly described in the accompanying Information Circular;
5. to consider, and if thought appropriate, pass, with or without variation, an ordinary resolution approving the creation of a "control person" and approving a "change in control", as such terms are defined by TSX Venture Exchange policies, as a result of the Corporation's proposed private placement, as more particularly described in the accompanying Information Circular; and
6. to consider, and if thought fit, an ordinary resolution, the full text of which is set forth in the accompanying Information Circular, approving a new Stock Option Plan attached as Schedule C to this Information Circular reserving up to a maximum of 10% of the Shares issued and outstanding from time to time; and
7. to transact such other business as may properly be brought before the Meeting, or any adjournment or adjournments thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular, which Information Circular forms a part of this notice of the Meeting.

Each person who is a Shareholder of record at the close of business on January 4, 2011 (the “**Record Date**”), will be entitled to notice of, and to attend and vote at, the Meeting provided that, to the extent a Shareholder as of the Record Date transfers the ownership of any of such shares after such date and the transferee of those shares establishes that the transferee owns the shares and demands, not later than ten days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those shares at the Meeting.

January 14, 2011

By Order of the Board Of Directors

(Signed) Don Caron
Chief Executive Officer

*Shareholders who are unable to attend the Meeting in person are requested to **COMPLETE AND SIGN THE ACCOMPANYING FORM OF PROXY** and forward it in the enclosed envelope to Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, to be received not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment or adjournments thereof, as applicable, in order for such proxy to be used at the Meeting, or any adjournment or adjournments thereof.*

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GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this Management Information Circular and Proxy Statement.

“**ABCA**” means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, and includes regulations promulgated thereunder.

"**ASC**" means the Alberta Securities Commission.

“**Articles**” means the articles of incorporation of the Corporation, as amended.

"**BCSC**" means the British Columbia Securities Commission.

“**Board**” means the board of directors of the Corporation.

“**Corporation**” means Synergy Acquisition Corp., a corporation incorporated under the ABCA.

“**Information Circular**” means this management information circular and proxy statement dated January 14, 2011, including the appendix appended hereto.

“**Meeting Date**” means February 8, 2011.

“**Meeting**” means the annual and special meeting of the Shareholders to be held at 1500 Manulife Place, 10180 - 101 Street, Edmonton, Alberta on February 8, 2011 at 11:00 a.m. (Edmonton time) for the purposes set forth in the Notice of Meeting.

“**Named Executive Officer**” means an individual who at any time during a financial year was the (a) chief executive officer of the Corporation, (b) chief financial officer of the Corporation, (c) one of the Corporation’s three most highly compensated executive officers, other than the chief executive officer and chief financial officer of the Corporation, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000, and (d) any additional individuals for whom disclosure would have been provided under (c) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed year-end.

“**Notice of Meeting**” means the notice of the Meeting accompanying this Information Circular.

“**Options**” means options to purchase Shares.

“**Record Date**” means January 4, 2011.

“**SAR**” or “**stock appreciation right**” means a right, granted by the Corporation or any of its subsidiaries as compensation for employment services rendered or office to receive cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities.

"**SEDAR**" means system for electronic document access and retrieval.

“**Shareholder**” means a holder of Shares.

“**Shares**” means common shares in the capital of the Corporation.

"**TSXV**" means the TSX Venture Exchange Inc.

SYNERGY ACQUISITION CORP.

INFORMATION CIRCULAR

Unless otherwise stated herein, all capitalized terms herein shall have the meaning set forth in the Glossary of Terms.

This Information Circular is furnished to Shareholders in connection with the solicitation of proxies by the management of the Corporation for use at the Meeting and any adjournment or adjournments thereof.

This Information Circular and the accompanying forms of notice and proxy as well as other related meeting materials are being mailed or delivered to Shareholders on or about January 14, 2011. Unless otherwise indicated, information in this Information Circular is given as of January 14, 2011.

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

Reinstatement of Trading, Name Change and Management

The Corporation received TSXV approval for reinstatement of trading on the NEX effective December 20, 2010. The Corporation has changed its name to "Synergy Acquisition Corp." from "Neo Alliance Minerals Inc." to better reflect the nature of its business going forward. The new trading symbol is "SAQ.H". The proposed business activity for the Corporation will be to effect a merger, asset acquisition, share purchase, reorganization or other similar business combination with one or more synergistic operating businesses. The Corporation will focus on an acquisition or acquisitions in the industrial energy sector, but it may complete its initial business combination with a company outside that industry if an alternative acquisition opportunity presents itself.

GENERAL PROXY MATERIALS

Solicitation of Proxies

This Information Circular is provided in connection with the solicitation of proxies by the management of the Corporation for use at the Meeting for the purposes set forth in the Notice of Meeting. In addition to solicitation by mail, proxies may be solicited in person, by telephone or other means of communication, by directors, officers and employees of the Corporation who will not be specifically remunerated therefor. The cost of soliciting proxies will be borne by the Corporation.

Appointment of Proxyholder and Revocation of Proxies

The persons named in the enclosed form of proxy are directors or officers of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the form of proxy provided by the Corporation, to represent the Shareholder at the Meeting. To exercise this right, the Shareholder should insert the name of the desired representative in the blank space provided in the form of proxy or submit another appropriate form of proxy.** In order to be effective, a Shareholder must forward its proxy to Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1. All proxies must be forwarded not later than 48 hours (excluding Saturdays, Sundays and holidays) preceding the Meeting, or any adjournment or adjournments thereof, as applicable. In addition, a Shareholder may bring the proxy to the Meeting and deliver it to the chairman of the Meeting prior to the commencement of the Meeting. The proxy

shall be in writing and executed by the Shareholder or such Shareholder's attorney authorized in writing, or if such Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney, as applicable.

A proxy is revocable. The giving of a proxy will not affect a Shareholder's right to attend and vote in person at the applicable Meeting. In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy by instrument in writing executed by the Shareholder or such Shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited at the registered office of the Corporation located at 1500 Manulife Place, 10180 - 101 Street, Edmonton, Alberta, T5J 4K1, at any time up to and including the last business day preceding the day of the applicable Meeting, or any adjournment or adjournments thereof at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment or adjournments thereof.

Proxy Voting

The Shares represented by a valid proxy will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the proxy, the Shares represented by the proxy will be voted or withheld from voting in accordance with such specification. In the absence of any such specification, the management designees, if named as proxy, will vote IN FAVOUR of the proposed resolution. The enclosed form of proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, or any adjournment or adjournments thereof. As of the date hereof, management of the Corporation know of no amendments, variations or other matters to come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgement of the management of the Corporation.

Pursuant to the by-laws of the Corporation, business may be transacted at the Meeting if not less than two persons are present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or representative representing not less than 5% of the outstanding Shares carrying voting rights at the meeting.

Voting of Shares - Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many Shareholders as a substantial number of the Shareholders hold their Shares through intermediaries such as brokers and their agents or nominees and not in their own name. Shareholders who 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 whose names appear on the records of the Corporation as the registered holders of the Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered under the name of the Shareholder on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent or nominee of that broker. Shares held by brokers or their agents or nominees can only be voted or withheld from voting upon any resolution upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers, their agents or nominees are prohibited from voting Shares for their clients.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or agent or nominee thereof) is identical to the form of the proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder receiving a proxy from an intermediary cannot use that proxy to vote Shares directly at the Meeting, rather the proxy must be returned to the intermediary well in advance of the Meeting in order to have the Shares voted. A Beneficial Shareholder may however request the intermediary to appoint the Beneficial Shareholder as a nominee of it as a proxyholder. A Beneficial Shareholder should contact the intermediary, broker or agent and nominees thereof should it have any questions respecting the voting of the Shares.**

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

Other than as disclosed herein, management of the Corporation is not aware of 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, of any director or executive officer of the Corporation who has held that position at any time since the beginning of the Corporation's last financial year, or of any proposed nominee for election as director of the Corporation or any associate or affiliate of any of the foregoing, other than the election of directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares (issuable in series). As at the date hereof, 15,541,000 Shares of the Corporation are issued and outstanding and no preferred shares are issued and outstanding. The holders of Shares of record are entitled to vote such shares at the Meeting on the basis of one vote for each Share held, the Shares being the only class of shares entitled to vote at the Meeting.

The holders of Shares of record at the close of business on the Record Date, set by the directors of the Corporation to be January 4, 2011, are entitled to vote such Shares at the Meeting on the basis of one vote for each Share held, except to the extent that:

- a) such person transfers his Shares after the Record Date; and
- b) the transferee of those Shares produces properly endorsed share certificates or otherwise establishes his ownership to the Shares and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his name be included on the shareholders' list.

The by-laws of the Corporation provide that at least two (2) persons present and representing in person or by proxy not less than five (5%) percent of the issued Shares entitled to vote at the Meeting constitute a quorum for the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the date hereof, no persons or companies beneficially own, directly or indirectly, 10% or more of the voting rights of the outstanding Shares.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Design and Objectives

The overall objectives of the Corporation's executive compensation program are to:

- **Align interests** - Our compensation program seeks to align the interests of the Executive Officers with those of the shareholders.
- **Attract and retain talent** - Our compensation program is designed to attract, retain, and motivate qualified executives who will contribute to the long-term success of the Corporation.
- **Competitive compensation** - Total compensation for an Executive Officer is both competitive and tied to achievement of short and long-term financial and strategic objectives.
- **Reward performance** - Our Executive Officers are expected to work together to contribute to the success of the Corporation as a whole. Our compensation program rewards both individual and company-wide achievement of objectives.

While the Corporation does not benchmark its executive compensation program, it does review compensation practices of comparable entities to ensure the compensation that it is paying to its Executive Officers is competitive with other entities. The Corporation's philosophy is to pay competitive base salaries similar to those executive officers holding comparable positions with other Canadian publicly traded entities, while rewarding executives for superior corporate and individual performance.

Base Salary

Each year, the Board of Directors reviews each Executive Officer's base salary and makes adjustments based on the position's duties and responsibilities, the degree of skill and knowledge required, corporate targets and the performance and contribution of the Executive Officer.

Discretionary Annual Incentives

Awards paid under the discretionary annual incentive program are based on certain quantitative and qualitative performance criteria established by the Board of Directors each year. The payment of any bonus is subject to the discretion of the Compensation Committee whether or not the particular performance criteria have been satisfied. In the determination of any bonus payments, the Board of Directors considers all of the information available at the time when determining the bonus, such as specific performance criteria, general market and economic conditions, and each individual Executive Officers performance.

Long Term Incentive Plan

The Corporation currently has no long-term incentive plans for the Executive Officers other than stock options granted from time to time by the Board of Directors under the provisions of the Corporation's incentive Stock Option Plan.

Stock Option Plan

The purpose of the Stock Option Plan is to advance the interests of the Corporation by encouraging directors, officers and certain employees to acquire shares of the Corporation, thereby increasing their interest in the Corporation, and providing incentive for their efforts. The Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time at which such options shall be granted and vested, and the number of shares to be subject to each option. For further information on the Stock Option Plan, see Schedule C – Stock Option Plan.

Perquisites and Personal Benefits

Perquisites and personal benefits provided to Executive Officers reflect competitive practices and particular business needs. They are considered a material component of the executive compensation program.

Retirement Policy

The Corporation does not have a retirement policy for its Executive Officers.

Review/Modifications

The executive compensation program is reviewed and considered annually by the Board of Directors, or more frequently if required, to determine if the objectives of the executive compensation program are still reasonable and to determine if any changes to the program are required.

Summary Compensation Table

The following table is a summary of the compensation paid to the Chief Executive Officer and Chief Financial Officer of the Corporation. The Corporation does not have any Executive Officers, other than those listed, who

earned over \$150,000 in total salary and bonus during the three most recently completed financial years, for services rendered to the Corporation or a subsidiary of the Corporation:

| Name and Principal Position | Year | Gross Salary (\$) | Share-based awards (\$) | Option-based awards (\$) | Non-Equity incentive plan compensation | | Pension value (\$) | All other compensation (\$) | Total compensation (\$) |
|-------------------------------------|------|-------------------|-------------------------|--------------------------|--|---------------------------|--------------------|-----------------------------|-------------------------|
| | | | | | Annual incentive plans | Long-term incentive plans | | | |
| Don Caron, CEO/CFO ⁽¹⁾ | 2009 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2008 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Teddy Cheng, CEO/CFO ⁽¹⁾ | 2008 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2007 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

(1) Don Caron has been the Chief Executive Officer and interim Chief Financial Officer since December 29, 2008 when Teddy M.C. Cheng ceased to act as Interim Chief Executive Officer and Interim Chief Financial Officer. On December 14, 2010, Eric Sauze was appointed as the Chief Financial Officer.

Long-Term Incentive Plans - Awards in Most Recently Completed Fiscal Year

As of the date hereof, the Corporation does not have any long-term incentive plans and no long-term incentive plan awards were granted to the Named Executive Officers during the Corporation's financial years ended December 31, 2009 and 2008. A "Long-Term Incentive Plan" is a plan under which awards are made based on performance over a period longer than one fiscal year, other than a plan for options, SARs or restricted share compensation.

Options/SARs Granted During the Most Recently Completed Fiscal Year

No Options or SARs were granted to the Named Executive Officers during the Corporation's financial years ended December 31, 2009 and 2008.

Aggregated Option/SARs Exercised During the Most Recently Completed Fiscal Year and Fiscal Year End Option/SAR Values

No Options or SARs were exercised by the Named Executive Officer during the Corporation's financial years ended December 31, 2009 and 2008. The following table sets out the value of Options held by the Named Executive Officer as at December 31, 2009. During fiscal 2009 and 2008, no SARs were held by the Named Executive Officer.

| Name | Option-based Awards | | | | Share-based Awards | |
|---|---|----------------------------|------------------------|--|--|---|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) ⁽²⁾ |
| Don Caron, Chief Executive Officer and interim Chief Financial Officer ⁽¹⁾ | 250,000 | \$0.20 | March 29, 2011 | Nil | Nil | Nil |

Notes:

- (1) Don Caron has been the Chief Executive Officer and interim Chief Financial Officer since December 29, 2008. On December 14, 2010, Eric Sauze was appointed as the Chief Financial Officer.
- (2) Market or payout value utilizes the market value as at the financial years ended December 31, 2009 and 2008.
- (3) Effective March 15, 2010, Don Caron agreed to surrender and cancel 250,000 Options held under the Corporation's current stock option plan.

Option/SAR Repricing During the Most Recently Completed Fiscal Year

No Options/Sars were repriced during the fiscal years ended December 31, 2009 and 2008.

Termination of Employment, Change in Responsibilities and Employment Contracts

At the end of the Corporation's most recently completed financial year there were no employment contracts between the Corporation or its subsidiaries and any Named Executive Officer.

At the end of the Corporation's most recently completed financial year, there were no compensatory plans, contracts or arrangements in place with respect to any Named Executive Officer in the event of the resignation, retirement or other termination of employment, a change of control of the Corporation or any of its subsidiaries or a change in the Named Executive Officer's responsibilities following a change in control.

Compensation of Directors

Directors of the Corporation receive no compensation for services rendered in such capacity (including salaries, director's fees, commissions, bonuses paid for services rendered, bonuses paid for services rendered in a previous year, and any compensation other than bonuses earned by the directors for services rendered), but are eligible to receive stock options pursuant to the Corporation's stock option plan.

The following table sets forth information in respect of compensation paid to the Directors for their services as Directors and the securities underlying the Options as at the Corporation's most recently completed financial year ended December 31, 2009 and 2008.

| Director | Total Compensation | Options Granted / Total Held⁽¹⁾ |
|-----------------|---------------------------|---|
| David S. Tam | Nil | Nil / 450,000 |
| Don Caron | Nil | Nil / 250,000 |

- (1) Effective March 15, 2010, David Tam and Don Caron agreed to surrender and cancel 450,000 and 250,000 Options respectively held under the Corporation's current stock option plan.

Directors' and Officers' Liability Insurance

The Corporation has provided insurance for its directors and officers in the amount of \$1,000,000. This insurance protects directors and officers against liability incurred by them in their capacities as directors and officers of the Corporation. The premium paid by the Corporation for such insurance was \$11,820 for a one year term ending May 2, 2009. The insurance was not renewed after this date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information in respect of compensation plans under which equity securities of the Corporation are authorized for issuance for the Corporation's financial year ended December 31, 2009 and 2008.

| 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 | 700,000 ⁽¹⁾ | \$0.20 | 2,073,600 ⁽¹⁾ |
| Equity compensation plans not approved by security holders | Nil | N/A | N/A |
| TOTAL: | 700,000 | \$0.20 | 2,073,600 |

Notes:

(1) Effective March 15, 2010, the Corporation cancelled all 700,000 Options issued under the Corporation's current stock option plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Information Circular, since the commencement of the last completed fiscal year, no insider of the Corporation, nominee for director, or any associate or affiliate of an insider or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

MANAGEMENT CONTRACTS

The Corporation had a service agreement (the "Service Agreement") with Western America Venture Management Inc., a company indirectly fifty percent controlled by Don Caron, a director and Executive Officer of the Corporation. Pursuant to the terms of the Service Agreement, For the year ended December 31, 2009, the Corporation paid office sharing and professional fees of \$nil (in 2008 the Corporation recovered \$169,516). The Service Agreement was terminated December 31, 2009.

CORPORATE GOVERNANCE

The Corporation is required to disclose on an annual basis its approach to corporate governance pursuant to the provisions of National Instrument 58-101- *Disclosure of Corporate Governance Practices* ("NI 58-101"). Corporate governance refers to the structures and processes employed by the Corporation to direct and manage its business and affairs, so as to best achieve the Corporation's objectives. Disclosure of the Corporation's corporate governance practices in accordance with NI 58-101 is attached hereto as Schedule A.

AUDIT COMMITTEE

The Corporation is required to have an audit committee under the ABCA and pursuant to the provisions of Multilateral Instrument 52-110, *Audit Committees* ("MI 52-110"). Pursuant to MI 52-110, the Corporation is required to have a written charter which sets out the duties and responsibilities of its audit committee.

Audit Committee Charter

The Corporation's Audit Committee Charter is attached hereto as Schedule B.

Composition of the Audit Committee

The Audit Committee is currently comprised of three directors: Don Caron (Chief Executive Officer and interim Chief Financial Officer), David Tam and Jason Theiss. If re-elected, these directors will continue to serve on the audit committee:

| Name and Office if Any | Independent | Financially Literate |
|--|-------------|----------------------|
| Don Caron Chief Executive Officer and interim Chief Financial Officer ⁽¹⁾ | No | Yes |
| David S. Tam | Yes | Yes |
| Jason Theiss Audit Committee Chair | Yes | Yes |

Notes:

(1) On December 14, 2010, Eric Sauze was appointed as the Chief Financial Officer.

The Board has determined that each member of the proposed new Audit Committee is 'financially literate' within the meaning of applicable Canadian securities laws based on each member's education and experience.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each person appointed to the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Don Caron

Mr. Caron is President of Western America Capital Group, a private equity firm that takes an active interest in the management and growth of diversified companies. Mr. Caron has extensive experience in corporate finance and mergers and acquisitions for emerging companies. He has been involved in advising public companies with respect to a variety of transactions including initial public offerings, private placements, stock exchange listings, capital pool offerings, qualifying transactions, and mergers and acquisitions. He has also provided advice on a broad variety of corporate transactions including acquisitions and divestitures, equity and debt financings and corporate restructurings. Prior to his involvement with Western America, Mr. Caron articulated for an international chartered accounting firm in public practice.

David S. Tam

Mr. Tam obtained a Bachelor of Science degree in Pharmacy from the University of Alberta in 1985. He then obtained a law degree from the University of Alberta in 1989 at which time he joined the law firm Parlee McLaws LLP. He has been a partner with Parlee McLaws LLP, Edmonton, Alberta, since 1997. Since his call to the bar in 1990, Mr. Tam has focused his practice on securities transactions and has developed valuable experience in numerous securities and corporate transactions. He obtained a law degree from the Law Society of England and Wales in 1993.

Jason Theiss

Mr. Theiss obtained a Bachelor of Administration degree from the University of Regina and a Chartered Accounting designation. He is currently the Chief Financial Officer of Bri-Chem Corp., a publicly traded company on the

TSXV. Mr. Thiess has been involved in management positions in the past and has experience with other oilfield service companies. Mr. Thiess possesses a wealth of experience in financial accounting and disclosure.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services other than the general requirements under the heading "External Audit" of the Audit Committee Charter which states that the Audit Committee must pre-approve any non-audit services to the Corporation and the fees for those services.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two financial years for audit and non-audit related services are as follows:

| Financial Year | Audit Fees⁽¹⁾ | Audit-Related Fees⁽²⁾ | Tax Fees⁽³⁾ | All Other Fees⁽⁴⁾ |
|-----------------------|---------------------------------|---|-------------------------------|-------------------------------------|
| 2009 | \$9,000 | nil | \$1,000 | nil |
| 2008 | \$16,000 | nil | \$1,000 | nil |

Notes:

- (1) Audit fees were for professional services rendered for the audit of the Corporation's annual financial statements.
- (2) Audit-related fees were for assurance and related services rendered which reasonably related to the performance of the audit of the annual consolidated financial statements and are not reported under "Audit Fees" above. These services consisted of accounting consultations for quarterly reporting requirements.
- (3) Tax fees include tax compliance, tax advice and tax planning professional services.
- (4) Fees disclosed in the table above under the item "All Other Fees" relate to products and services other than the audit fees, audit-related fees and tax fees.

Exemption

As a venture issuer within the meaning of MI 52-110, the Corporation is relying upon the exemption provided by section 6.1 of MI 52-110, which exempts venture issuers from the requirements of Part 3, *Composition of the Audit Committee* and Part 5, *Reporting Obligations* of MI 52-110.

PARTICULARS OF MATTERS TO BE ACTED ON

ELECTION OF DIRECTORS

The affairs of the Corporation are managed by a the Directors who are elected annually for a one year term at each annual general meeting of the Shareholders and hold office until the next annual general meeting, or until their successors are duly elected or appointed or until a Director vacates his office or is replaced in accordance with the by-laws of the Corporation. The Shareholders are entitled to elect the Directors. At the Meeting, the Shareholders will be asked to fix the number of Directors at three (3) members. It is proposed that the persons named below will be nominated at the Meeting. Each director elected will serve until the next annual general meeting, or until their respective successors have been elected or appointed. **Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote for the election of said persons to the Board. Management does not contemplate that any of the 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 the management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his or her proxy that his or her Shares are to be withheld from voting in connection with the election of directors.**

The following table states the names of all persons proposed to be nominated for election as director, all other positions and offices with the Corporation now held by them, their principal occupations or employment currently and for the past five years, the date on which they became directors of the Corporation, and the number of Shares in the capital of the Corporation owned by them, directly or indirectly, or over which they exercise control or direction:

| Name and Municipality of Residence and Office Held, if any | Present Principal Occupation for past five years | Date First Elected as a Director | Number and Percentage of Voting Shares Beneficially Owned, Directly or Indirectly, or Controlled by Proposed Director ⁽²⁾ |
|---|--|----------------------------------|--|
| Don Caron ⁽¹⁾ Edmonton, Alberta Chief Executive Officer and interim Chief Financial Officer ⁽⁴⁾ | Partner of Western America Capital Group | March 29, 2006 | 690,000 ⁽³⁾ (4.44%) |
| David Tam ⁽¹⁾ Edmonton, Alberta Secretary | Partner in the law firm Parlee McLaws LLP | March 29, 2006 | 119,500 (0.77%) |
| Jason Theiss ⁽¹⁾ Edmonton, Alberta | Chief Financial Officer of Bri-Chem Corp. and prior thereto held a financial management position with an oilfield service company | December 29, 2008 | 0 |

Notes:

- (1) Member of the Audit Committee.
- (2) Information as to Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, is based upon information furnished to the Corporation by the nominees.
- (3) Of these Shares 50,000 Shares are held beneficially by Mr. Caron and an additional 640,000 Shares are owned by Brenco Capital Inc., a corporation controlled by Mr. Caron.
- (4) On December 14, 2010, Eric Sauze was appointed as the Chief Financial Officer.

Except for Don Caron and David Tam, no proposed director:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that,
 - (i) was the subject of a cease order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
 - (ii) was the subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Messrs. Caron and Tam were directors of the Corporation at the time the cease trade orders were issued by the ASC and BCSC. On November 29, 2010 and December 1, 2010 the ASC and BCSC respectively revoked their cease trade orders.

APPOINTMENT OF AUDITORS

The Shareholders will be asked at the meeting to vote for the appointment of Grant Thornton LLP, Chartered Accountants, of Edmonton, Alberta, as the auditors of the Corporation, for the ensuing year and to authorize the Directors to fix their remuneration. Prior to this proposed resolution, Schwartz Levitsky Feldman LLP, had been the auditors of the Corporation since first appointed on March 5, 2008.

Unless otherwise directed, Shares representing proxies in favour of management nominees will be voted in favour of the appointment of Grant Thornton LLP, Chartered Accountants, 1401 Scotia Place 2, Edmonton, Alberta, T5J 3R8 as auditors of the Corporation, to hold office until the next annual general meeting of the Shareholders, or until their successors are duly elected or appointed, and to authorize the Board to fix their remuneration.

A copy of the reporting package in connection with the change of auditors pursuant to NI 51-102 is attached hereto as Schedule D and form part of this Information Circular.

CONSOLIDATION

In preparation for certain initiatives being considered by the Corporation to enhance shareholder liquidity and to attract equity financing in order for the Corporation to meet its working capital requirements and to fund further acquisitions, the Board of Directors of the Corporation has determined that it is in the best interests of the Corporation to consolidate its authorized share capital. One of those initiatives is the Private Placement (see "Private Placement" below) discussed below. The Board of Directors believes the consolidation should be on the basis of one (1) Post-Consolidated Share for each six (6) Pre-Consolidated Shares (the "Consolidation"), or such other number of Pre-Consolidated Shares as the Board of Directors and management of the Corporation may determine appropriate and the regulatory bodies having jurisdiction may accept. The consolidation of the Shares will occur prior to the closing of the Private Placement.

As of the date of this Information Circular, the Corporation has 15,541,000 Common Shares issued and outstanding. The proposed one-for-six Consolidation would reduce the number of Common Shares outstanding to approximately 2,590,167 Common Shares. The effective date of the Consolidation of the Common Shares will be the date of filing of Articles of Amendment effecting the same with the Director under the Business Corporations Act (Alberta). If the Consolidation Resolution is approved, the Corporation anticipates filing the Articles of Amendment within a reasonable time following the Meeting. The Board, in its sole discretion, may revoke the Consolidation Resolution at any time prior to the issuance of a Certificate of Amendment of the Corporation's Articles and abandon the Consolidation without further approval of or notice to its Shareholders.

The Corporation shall not be required, upon the Consolidation, to issue fractions of Common Shares or to distribute certificates which evidence fractional shares. Any fractional Common Shares to which a Shareholder is entitled shall be aggregated to form whole Common Shares with any remaining fractional shares rounded to the nearest whole Common Share, provided that no Shareholder shall be entitled to more than one such rounding up.

Non-registered Shareholders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Consolidation than those that will be put in place by the Corporation for registered Shareholders, and their procedures may result, for example, in differences in the precise number of Common Shares issued to you in lieu of fractional share interests. If you hold your shares with such a bank, broker or other nominee and if you have questions in this regard, you are encouraged to contact your nominee.

If the Consolidation is approved and implemented on this basis, Shareholders of the Corporation will be required to surrender their share certificates representing pre-consolidation Common Shares in exchange for new certificates representing post-consolidation Common Shares. Registered Shareholders have been provided with the accompanying Letter of Transmittal which Shareholders are to complete and submit as instructed in order to exchange their old certificates for a new share certificate to reflect the Consolidation. Until surrendered, each share certificate representing pre-consolidation Common Shares will be deemed for all purposes to represent the applicable number of whole post-consolidation Common Shares.

Shareholders of the Corporation will be asked to consider and, if thought appropriate, approve and adopt with or without modification, a special resolution authorizing the Consolidation. The special resolution will confer discretionary authority on the Board of Directors to determine the specific consolidation ratio or, if it deems appropriate, to revoke the special resolution before it is acted upon. A special resolution requires approval by a majority of not less than two-thirds of the votes cast in respect of the special resolution. In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of this resolution.

The text of the special resolution in respect of the approval of the Consolidation which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

“BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE CORPORATION THAT,

- 1. the issued and outstanding Shares of the Corporation be consolidated on the basis of one Post-Consolidated share for each six (6) Pre-Consolidated Shares outstanding, or such other number of Pre-Consolidated Shares as the Board of Directors and management of the Corporation may determine and the regulatory bodies having jurisdiction may accept;**
- 2. the shareholders shall not be entitled to receive fractional Shares as a result of the Consolidation and the number of Shares issuable upon the Consolidation shall be rounded either up or down to the nearest whole number;**
- 3. the shareholders of the Corporation hereby expressly authorize the Board of Directors to exercise its discretion as circumstances may require to determine the specific number of Pre-Consolidated Shares that will be consolidated into one Post-Consolidated Share, or to revoke this resolution before it is acted upon, without requiring further approval of the shareholders in that regard; and**

4. any one or more directors and officers of the Corporation are hereby authorized on behalf of the Corporation to take all necessary steps and proceedings, to execute and deliver any and all declarations, agreements, documents and other instruments, including the filing of articles of amendment with the appropriate regulatory authorities to give effect to this Consolidation and to do all such other acts and things that may be necessary or desirable to give effect to this resolution including, without limitation, the delivery of articles of amendment in the prescribed form with the appropriate registry."

APPROVAL OF PRIVATE PLACEMENT AND THE CREATION OF A CONTROL PERSON

Certain initiatives are being considered by management to permit the Corporation to pursue opportunities that may lead to shareholder liquidity and increased shareholder value. These opportunities may include completing an acquisition of an operating company and pursuing a strategic plan entailing organic and acquisition growth or a combination of both.

The shareholders of the Corporation will be asked to consider and, if thought appropriate, approve and adopt an ordinary resolution for a private placement (the "Private Placement") of up to 4,000,000 Post Consolidated Shares at a price of \$0.05 per Post Consolidated Share or such other price as the Board of Directors and management of the Corporation may determine and the regulatory bodies having jurisdiction may accept. The Private Placement transaction authorized hereunder will be made with a company controlled by Don Caron, CEO and director of the Corporation and Eric Sauze, CFO of the Corporation. The Private Placement is non-arm's length to the Corporation and constitutes a related party transaction and will result in a new "control person" as such term is defined by TSXV policies.

Accordingly, in connection with the rules of NEX and the TSXV, which require that Shareholders approve the creation of a new "control person" the Corporation is seeking Shareholder approval to complete the Private Placement.

Related Party Transaction

Exemption from Formal Valuation Requirement

Under the rules of the TSXV and MI 61-101 governing related party transactions, the participation of Don Caron, and or Eric Sauze in the Private Placement constitutes a "related party transaction" The TSXV rules incorporate by reference MI 61-101 and MI 61-101 provides that an issuer involved in a related party transaction must obtain a formal valuation, unless an exemption from this valuation requirement can be relied upon. The Corporation has determined that a formal valuation exemption under MI 61-101 is available. The Corporation is relying upon the financial hardship exemption set out in paragraph (g) of section 5.5 of MI 61-101 because: (i) the Corporation is insolvent or in serious financial difficulty; (ii) the transaction is designed to improve the financial position of the Corporation; (iii) the Corporation is not subject to a court approval or a court order under bankruptcy or insolvency law; (iv) the Corporation has one or more independent directors in respect of the transaction; and (v) the Corporation's board of directors, acting in good faith, has determined, and at least two-thirds of the Corporation's independent directors, acting in good faith, has determined that subsections (i) to (ii) apply and that the terms of the transaction are reasonable in the circumstances of the Corporation.

Exemption from Minority Approval Requirement

As the Private Placement constitutes a "related party transaction" within the meaning of MI 61-101, the Corporation is also required to obtain minority approval of the Shareholders for the transaction unless an exemption from the minority approval requirement can be relied upon. Minority approval requires the approval of the majority of the votes cast by Shareholders at the Meeting excluding votes attached to shares that are beneficially owned or over which control is exercised by an interested party or a related party of an interested party. In reviewing the applicable minority approval exemptions, the Corporation has determined that the transaction size exemption set out in paragraph (b) in section 5.7 of MI 61-101 is applicable as neither the fair market value of the securities to be distributed in the Private Placement transaction nor the consideration to be received for those securities, insofar as

the transaction involves interested parties, exceeds \$2,500,000, and because:

1. no securities of the Corporation are listed or quoted on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plus;
2. the Corporation has one or more independent directors in respect of the transaction who are not employees of the Corporation; and
3. at least two-thirds of the directors described in subparagraph (2) have approved the transaction.

As well, the Corporation has determined that the financial hardship exemption set out in paragraph (e) in section 5.7 of MI 61-101, which circumstances are described in financial hardship under *Exemption from Formal Valuation Requirement* above, is an applicable exemption from minority approval subject to the ABCA.

Cease Trade Order

On May 7, 2007, the Corporation received a cease trade order issued by the ASC and on May 9, 2007, the Corporation received a cease trade order issued by the BCSC for failure to file its audited financial statements and Management's Discussion and Analysis for the year ended December 31, 2006 on a timely basis. The Corporation subsequently filed the December 31, 2006 financial statements and management's discussion and analysis on September 5, 2007. On September 28, 2009 the ASC issued a variation of cease trade order for the sole purpose of allowing the Corporation to enter into an agreement to effect the December 29, 2008 reorganization transactions approved by the Shareholders at the Annual and Special Meeting of Shareholders held on December 29, 2008. On February 24, 2010, the Corporation applied to the ASC for the full revocation order. On November 29, 2010 the ASC issued a full revocation order and on December 1, 2010 the BCSC issued a full revocation order. Effective December 20, 2010, the Corporation resumed trading on the NEX under the symbol SAQ.H.

Recommendation of the Board

The Board recommends that Shareholders vote in favour of the Resolution to approve and ratify the Private Placement which will create a new "control person" as defined by the TSXV policies.

At the Meeting Shareholders will be asked to consider, and if deemed advisable, to approve the Private Placement resulting in a "change of control" and the "creation of a control person", with or without variation, as follows:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE CORPORATION THAT,

1. **the Corporation complete a private placement (the "Private Placement"), subject to regulatory approval, for up to 4,000,000 Post-Consolidated Shares at a price of \$0.05 per share or such other price as the Board of Directors and management of the Corporation may determine and the regulatory bodies having jurisdiction may accept, and such Private Placement will result in a new "control person" as such term is defined by TSXV policies, be approved and ratified;**
2. **a "change of control", as defined by TSXV policies, be approved and ratified;**
3. **the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and**
5. **any director or officer be and is hereby authorized to execute subscription agreements for the private placement as provided for in this resolution and to execute and deliver all such other deeds, documents and writings and perform such acts as may be necessary in order to give effect to this resolution."**

NEW STOCK OPTION PLAN

The Corporation has in place a stock option plan dated March 29, 2006 whereby the directors of the Corporation were permitted to allocate up to a maximum of 5,400,000 Shares (the "Existing Plan"). At the December 29, 2008 Annual and Special Meeting of Shareholders, an amendment was made whereby the maximum number of the Corporation's listed securities that may be reserved for issuance under it was decreased from 5,400,000 Shares to 2,773,600 Shares.

Management of the Corporation now wishes to revise the Existing Plan and replace it with a new stock option plan (the "New Plan").

The objective of the New Plan is to provide for and encourage ownership of common shares of the Corporation by its directors, officers, key employees and consultants and those of any subsidiary companies so that such persons may increase their stake in the Corporation and benefit from increases in the value of the common shares. The New Plan is designed to be competitive with the benefit programs of other companies in the industry. It is the view of management the New Plan is a significant incentive for the directors, officers, key employees and consultants to continue and to increase their efforts in the Corporation's operations to the mutual benefit of both the Corporation and such individuals.

Management intends to seek shareholder approval to modify the Existing Plan and replace it with the New Plan, a full copy of which is attached hereto as Schedule C. Some of the more material attributes of the New Plan are as follows:

1. options may be granted to directors, employees, management company employees and consultants;
2. the exercise price of options granted shall be determined by the Board of Directors in accordance with the policies of the Exchange;
3. the number of Shares available for option under the Existing Plan shall not exceed 2,773,600 Shares. Under the New Plan, the aggregate number of Shares reserved for issuance shall not exceed ten (10%) percent of the Shares issued and outstanding from time to time;
4. no single participant may be issued options representing greater than five (5%) percent of the number of outstanding Shares in any 12 month period; the number of Shares reserved under option for issuance to any one consultant of the Corporation may not exceed two (2%) percent of the number of outstanding Shares in any 12 month period;
5. the aggregate number of options granted to persons employed in investor relation activities must not exceed two (2%) percent of the outstanding Shares in any 12 month period unless the TSXV permits otherwise. Options issued to consultants providing investor relations services must vest in stages over 12 months with no more than one quarter of the options vesting in any three month period;
6. the Board of Directors may determine the term of the options, but the term shall in no event be greater than five years from the date of issuance;
7. generally, the options expire 90 days from the date on which a participant ceases to be a director, officer, employee, management company employee or consultant of the Corporation; and
8. terms of vesting of the options, the eligibility of directors, officers, employees, management company employees and consultants to receive options and the number of options issued to each participant shall be determined at the discretion of the board of directors, subject to the policies of the TSXV.

In accordance with the policies of the TSXV, the Corporation requests Shareholders to consider, and if thought fit, approve an ordinary resolution substantially in the form set forth below:

"BE IT RESOLVED THAT,

1. Subject to such modifications as required by the TSXV, if any, the New Plan, as described in and substantially in the form as set forth in Schedule C to this Information Circular, is hereby ratified and approved.

2. Any one or more directors or officers of the Corporation is hereby authorized, for and on behalf of the Corporation to execute and deliver such documents and instruments and to take such other actions as such directors or officers may determine to be necessary or advisable to carry out the intent of the foregoing resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or instruments and the taking of any such actions."

Unless otherwise directed, the management representatives' named in the accompanying Proxy intend to vote in favour of the above resolution at the Meeting. The approval by shareholders requires an ordinary resolution which means a favourable vote of the majority of the common shares voted in respect of the resolution at the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com.

Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management discussion and analysis as follows:

Synergy Acquisition Corp.
1604 City Center Place,
10025 – 102A Avenue,
Edmonton, Alberta, T5J 2Z2
Attention: Eric Sauze
Email: ejsauze@shaw.ca
Ph.: (780) 231-6417

SCHEDULE “A”
CORPORATE GOVERNANCE GUIDELINES

Mandate of the Board

- (a) The directors are elected by the shareholders and are responsible for the stewardship of the business and affairs of the Corporation. The Board of Directors (“the Board”) seeks to discharge this responsibility by reviewing, discussing and approving the Corporation’s strategic planning and organizational structure, and supervising management to ensure that its strategic planning and organizational structure enhances and preserves the business of the Corporation and its underlying value.
- (b) In furtherance of these responsibilities and duties, the principal concerns addressed by the Board are:
1. **Adoption of a strategic planning process:** The Board adopts a strategic planning process for the Corporation, which establishes the Corporation’s long-term goals and strategies and monitors the success of the Corporation’s management in achieving those goals and in implementing the strategy.
 2. **Identification of the principal risks of the Corporation’s business and ensuring the implementation of appropriate systems to manage these risks:** The Board recognizes the inherent risks of operating exploration projects, including political and currency risks, and ensures that there are systems in place to effectively monitor and manage such risks with a view to the long-term viability of the Corporation. The Board’s objective is to achieve a proper balance that considers the risks that may be incurred and the return that may potentially be realized by the Corporation’s shareholders.
 3. **Succession planning, including appointing, training and monitoring senior management:** The Board engages in succession planning, including the appointment, training and monitoring of senior management (which includes ensuring that objectives are in place against which management’s performance can be measured), establishing management training and development, providing for the orderly succession of management and assessing the performance and contribution of the executive officers of the Corporation.
 4. **Communications policy for the Corporation:** The Corporation endeavours to provide all shareholders and the public with timely and clear information in respect of its mining business, operations, joint ventures, exploration projects and financial matters in full compliance with applicable legal and regulatory requirements. The Corporation has designated the Chief Executive Officer and Corporate Secretary, who may be reached at the Corporation’s offices in Edmonton, respectively, to be responsible for receiving and replying to all communications from shareholders and interested parties of the Corporation. The Corporation has also engaged the services of an investor relations firm to assist with its shareholder communications program. The Corporation has appointed Computershare Trust Company of Canada to be its transfer agent and to effect the dissemination of printed reports to its shareholders.
 5. **Integrity of the Corporation’s internal control and management information systems:** The Corporation ensures that there are effective controls and information systems in place for the Board to discharge its responsibilities, including an audit system which provides information with respect to the integrity of its financial data and compliance with the appropriate accounting principles.
 6. **Development of a set of corporate governance principles and guidelines that are specifically applicable to the issuer:** The Board has developed a set of corporate governance principles and guidelines which considers all corporate governance issues involved in a publicly traded company, including those arising from its exploration and mining activities and in its compliance with all of the regulatory, safety and environmental requirements. The Board views corporate governance as an ongoing process and reviews and implements related policies accordingly.

Composition of the Board

- (c) The Board shall have a majority of independent directors. An “independent director” is a director who does not have a direct or indirect material relationship with the issuer. A “material relationship” is a relationship which, in the view of the Board, could or could reasonably be perceived to interfere with the director’s ability to objectively assess the performance of management.
- (d) The Chairperson of the Board shall be an independent director, unless an independent director is appointed to act as “Lead Director.” Either the independent Chairperson or independent Lead Director shall act as the effective leader of the Board and shall ensure that the Board’s agenda enables it to successfully carry out its duties. The independent directors shall regularly hold scheduled meetings at which non-independent directors and members of management are not in attendance.
- (e) Out of the current proposed Board of three (3) directors, 2 of the directors are independent. Don Caron would not be considered independent as Mr. Caron is the Chief Executive Officer of the Corporation. Mr. Theiss, and Mr. Tam are independent.
- (f) The following directors are directors of other reporting issuers as set out below:

| Director | Reporting Issuer(s) |
|-----------------|---|
| Don Caron | Bri-Chem Corp. |
| David S. Tam | Regent Pacific Properties Inc. Sola Resource Corp. |

Responsibilities and Duties of the Board

- (g) The Board discharges its responsibility for overseeing the management of the Corporation’s business by delegating to the Corporation’s senior officers’ responsibility for the day-to-day management of the Company. The Board discharges its responsibility for the oversight of its financial reporting process by delegating this responsibility to its Audit Committee. The Board may appoint *ad hoc* committees periodically to address issues of a more short-term nature. The Board may delegate to its committees matters for which the Board is responsible, to the extent that such delegation is permitted by law. Notwithstanding the delegation of any of its responsibilities to a committee, the Board retains its oversight function and ultimate responsibility for all delegated matters. The Board’s primary roles involve overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation’s strategic objectives. Other principal duties include, but are not limited to, the following:
 1. Selecting, appointing, evaluating and (if necessary) terminating the Chief Executive Officer.
 2. Adopting a strategic planning process, approving strategic plans, and monitoring performance against plans.
 3. Reviewing and approving annual operational budgets, budget limits and corporate objectives, and monitoring performance on each of the above.
 4. Reviewing policies and procedures to identify business risks, and ensuring that systems and actions are in place to monitor them.
 5. Reviewing policies and processes to ensure that the Corporation’s internal control and management information systems are operating properly.
 6. Approving the annual financial statements, management discussion and analysis of financial

condition, and annual information form and making a recommendation to shareholders with respect to the appointment of auditors.

7. Assessing the contribution of the Board members annually, and planning for the succession of the Board.
8. Evaluating the relevant relationships of each independent director and making an affirmative determination that such relationship does not preclude a determination that the director is independent.
9. Arranging formal orientation programs for new directors, where appropriate, and a continuing education program for all directors.
10. Reviewing and approving the compensation of members of the senior management team, as well as corporate objectives and goals applicable to each member, in order to ensure that compensation is competitive within the industry.
11. Ensuring that an adequate system of internal control is maintained to safeguard the Corporation's assets and the integrity of its financial and other reporting systems.
12. Ensuring that there is in place a system of internal disclosure controls and procedures that sets out the Corporation's disclosure policy and mandates activities relating to public disclosure, ensures all material information is properly gathered, reviewed and disseminated, and monitors and evaluates compliance with, and the effectiveness of, such controls and procedures.
13. Adopting a process for shareholders and other interested parties to communicate directly with the Board or the independent directors of the Board, as appropriate.
14. Reviewing and considering for approval all amendments or departures proposed by management from established strategy, capital and operating budgets, or matters of policy, which diverge from the ordinary course of business.
15. Ensuring that a process is established that adequately provides for management succession planning, including the appointing, training, and monitoring of senior management.
16. In addition to the above, adherence to all other Board responsibilities as set forth in the Corporation's by-laws and other statutory and regulatory requirements.

Orientation and Continuing Education

- (h) For prospective new directors, the Corporation and the Chief Executive Officer provide orientation material, including corporate governance policies and information on corporate operations, projects, Board committees, the Corporation's approach to environmental issues, the shareholder profile and the financial condition of the Corporation.
- (i) The Board encourages and provides continuing education opportunities to directors including regularly scheduled briefings on the Corporation's operations, business and key issues.

Ethical Business Conduct

- (j) The Board encourages and promotes a culture of ethical business conduct. Its responsibilities include the development of the Corporation's code of business conduct and ethics. It monitors compliance with the code and grants any waivers from the code for the benefit of directors or officers of the Corporation in accordance with applicable requirements of the securities regulatory authorities or the Exchanges.

Nomination of Directors

- (k) The Board's responsibilities include the identification of new candidates for Board nomination. Its responsibilities with respect to the nomination of directors include the identification of the appropriate competencies and skills considered to be necessary for the Board, as a whole; developing and annually updating a long-term plan for the Board's composition that takes into consideration the independence, age, skills and experience required for the effective conduct of the Corporation's business; identifying nominees for election or re-election to the Board or to fill any vacancy that is anticipated; identifying individual directors to serve as members or chairs of Board committees and reviewing; and making recommendations regarding the orientation and education of new Board members and their ongoing education.

Compensation

- (l) The Board's responsibilities include all matters related to the compensation of and contracts with senior management of the Corporation, including the consideration of specific contract terms and conditions consistent with industry practice. It is responsible for policies on performance reviews, stock option plans, allocation decisions with respect to stock options and matters related to compensation contracts and benefits.
- (m) The Board reviews from time to time the levels and form of compensation to be received by the directors to ensure that compensation adequately reflects the risks and responsibilities associated with being an effective director, taking into account the industry practice as it relates to companies of similar asset size and operations.

Audit Committee

- (n) The role of the Audit Committee is to assist the Board in its oversight of the Corporation's financial reporting process, including its internal controls and procedures for accounting and financial reporting, reviewing the independence, qualifications and performance of the external auditor, and monitoring compliance with laws and regulations. The Audit Committee monitors and reviews these processes by working closely with the senior organization staff members and the external auditors of the organization.
- (o) The Audit Committee's authority and responsibilities are described in its Charter, and are established to allow it to carry out its goals of internal control, accounting and financial reporting, internal auditing, audit compliance with law and regulations, a procedure for complaints regarding accounting matters, and independent counsel.

Assessments

- (p) The Board conducts an annual survey to assess the performance of the Board, the Committees and individual directors. It relies on a self-assessment approach to individual director performance together with follow-up interviews on the assessments with the Deputy Chairman and Lead Director.

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

1. Role of Audit Committee

The role of the Audit Committee is to assist the Board of Directors (the "Board") in its oversight of the Corporation's financial reporting process, including its internal controls and procedures for accounting and financial reporting, reviewing the independence, qualifications and performance of the external auditor, and monitoring compliance with laws and regulations. The Audit Committee monitors and reviews these processes by working closely with the senior organization staff members and the external auditors of the organization.

2. Structure and Organization

- a. **Size** – The Audit Committee will consist of a minimum of three directors. These members will be appointed by the Board and may be removed at any time by resolution of the Board in its discretion. A member of the Audit Committee shall automatically cease to be a member of the Audit Committee upon ceasing to be a director of the Corporation.
- b. **Qualifications** – Except as may be permitted by applicable securities laws, all members of the Audit Committee must be “financially literate” i.e., have the ability to read and understand a balance sheet, an income statement and a cash flow statement. At least one member of the Audit Committee should have “accounting or related financial expertise”, i.e., the ability to analyze and interpret a full set of financial statements, including the attached notes, in accordance with Canadian generally accepted accounting principles.
- c. **Meetings** – The Committee will meet at least three times a year.
- d. **Appointment of Chairperson** – The Audit Committee will appoint a Chairperson by a majority vote and the Chairperson shall have a second and deciding vote in the event of a tie. In the absence of the Chairperson at any meeting, the Audit Committee shall appoint one of its members to act as Chairperson at that meeting.

3. Authority and Responsibilities

The Audit Committee has the following authority and responsibilities to allow for the carrying out of its goals:

- a. **Internal Control**
 - i. Review the results of both internal and external audits and ensure that significant findings and recommendations are received, discussed, and acted upon in a timely manner.
 - ii. Review the policies and procedures for considering senior management’s expenses and prerequisites.
 - iii. Perform other governance functions as requested by the Board.
 - iv. Review, with management, the external auditor and others, as appropriate, the Corporation’s internal system of audit controls and the procedures that are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and the Audit Committee shall periodically assess the adequacy of such procedures.

- v. Review periodically the Audit Committee Charter and provide the Board with an annual evaluation of the adequacy of this Charter and recommend any proposed changes for Board approval.

b. Accounting and Financial Reporting

- i. Review, and, if necessary, discuss with management and the external auditor, prior to the public disclosure thereof, the following:
 - Annual and interim financial statements
 - Management's discussion and analysis
 - Auditor's opinions
 - Management letters
 - Annual reports
 - Annual and interim earnings press releases and any other releases containing information derived or taken from the Corporation's financial statements prior to their release.
- ii. Review significant financial policies, accounting issues and standards and reporting issues, including their impact on the financial statements.
- iii. Review and monitor the Corporation's major financial risks and risk management policies and the steps taken by management to mitigate those risks.

c. Internal Auditing

- i. Review the internal auditor's functions, objectives, scope of work, staffing plans, financial budget, and audit plans, including assessment of audit risk.
- ii. Ensure management takes appropriate corrective action in response to recommendations made in internal audit reports.

d. External Audit

- i. Recommend to the Board, for shareholder approval, the external auditor to examine the Corporation's accounts, controls and financial statements, and to provide an auditor's report.
- ii. Review, at least annually, the qualifications of the external auditor and to monitor and review, at least annually, the relationship of the Corporation and the external auditor to confirm the independence of the external auditor.
- iii. Recommend to the Board the compensation of the external auditor.
- iv. Evaluate and oversee the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
- v. Enquire into and determine the appropriate resolution of any conflict of interest in respect of the external auditor.
- vi. Oversee the resolution of disagreements between management and the external auditor regarding financial reporting.

- vii. Pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditor and the fees for those services.
- viii. Obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the external auditor's internal quality-control reviews and the steps taken to resolve those issues.
- ix. Review and approve hiring policies regarding partners, employees and former partners and employees of the Corporation's present and former external auditor.

e. Compliance with Laws and Regulations

- i. Review the effectiveness of the system for monitoring compliance with laws and regulations, including reports by internal auditors.

f. Procedure for Handling Complaints about Accounting Matters

- i. Complaints regarding accounting, internal accounting controls, or auditing matters can be mailed in to the Corporation's Head Office, Attention: Chairperson of the Audit Committee and marked "Private and Confidential".
- ii. Audit Committee members will receive a copy of all complaints and each complaint will be investigated by the Corporation's finance staff, unless otherwise directed by the Audit Committee.
- iii. The status of each complaint will be reported to the Audit Committee by the Chairperson on a quarterly basis and, if the Audit Committee so directs, to the full Board.
- iv. Any director, officer or employee of the Corporation is prohibited from retaliating or taking any adverse action against anyone for raising or helping to resolve a complaint.
- v. Audit Committee Members shall treat as confidential all complaints received by them, including the identity of any complainants who have submitted such complaints, and shall only disclose such complaints and the identity of such complainants to the President and Chief Executive Officer, the Chief Financial Officer, the Corporation's finance staff who are involved in the investigation of complaints, the Board of Directors of the Corporation, the legal, accounting or other advisers of the Corporation, any outside advisers appointed by the Chairperson of the Audit Committee to investigate complaints and such other persons as may be reasonably required in the investigation of a complaint. All persons will be required to keep this information confidential. Despite this confidentiality, disclosure may be required pursuant to legal proceedings or applicable laws.

g. Independent Counsel

- i. The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors.

SCHEDULE "C"

STOCK OPTION PLAN

ARTICLE 1- INTRODUCTION

1.1 Purpose

The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentives inherent in share ownership by the directors, management, employees and consultants of the Corporation who, in the judgment of the Board, will contribute to its future growth and success. It is generally recognized that a stock option plan of the nature provided for herein aids the Corporation in retaining and encouraging directors, management, employees and consultants who are considered as potential key contributors to the success of the Corporation, by providing to them the opportunity to acquire a proprietary interest in the Corporation.

1.2 Definitions

Whenever used herein, the following words and expressions shall have the following meanings, namely:

1.2.1 "Affiliate" means the following:

a Company is an Affiliate of another Company if:

- (a) one of them is the subsidiary (as such term is described in the *Business Corporations Act* (Alberta)) of the other; or
- (b) each of them is controlled by the same Person.

In addition, a Company is "controlled" by a Person if:

- (a) voting shares of the Company are held, directly or indirectly, other than by way of security only, by or for the benefit of that Person; and
- (b) the voting shares, if voted, entitle the Person to elect a majority of the directors of the Company.

1.2.2 "Board" means the board of directors of the Corporation as it may be constituted from time to time;

1.2.3 "Company" means, unless specifically indicated otherwise, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

1.2.4 "Consultant" means, in relation to the Corporation, an individual or Consultant Company, other than an Employee or a Director of the Corporation that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a Distribution (as defined in the *Securities Act* (Alberta));
- (b) provides the services under a written contract between the Corporation or the Affiliate of the Corporation, and the individual or the Consulting Company;
- (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the business and affairs of the Corporation or an Affiliate of the Corporation; and

- (d) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- 1.2.5 "Consultant Company" means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- 1.2.6 "Corporation" means Synergy Acquisition Corp., a corporation amalgamated under the laws of the Province of Alberta;
- 1.2.7 "Director" means a director, senior officer or Management Company Employee of the Corporation or an Affiliate of the Corporation to whom stock options can be granted in reliance on a prospectus exemption under applicable securities laws;
- 1.2.8 "Employee" means:
- (a) an individual who is considered an employee of the Corporation or an Affiliate of the Corporation under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at the source);
- (b) an individual who works full-time for the Corporation or an Affiliate of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at the source; or
- (c) an individual who works for the Corporation or an Affiliate of the Corporation on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at the source;
- 1.2.9 "Exchange" means any exchange upon which the Shares may be listed from time to time;
- 1.2.10 "Insider" of the Corporation means:
- (a) an insider as defined in the *Securities Act* (Alberta), other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation; and
- (b) an Associate (as such term is defined in the *Securities Act* (Alberta)) of any person who is an Insider by virtue of subparagraph 1.2.10(a);
- 1.2.11 "Investor Relations Activities" means any activities by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
- (a) the dissemination of information provided, or records prepared, in the ordinary course of the Corporation:
- (i) to promote the sale of products and services of the Corporation; or
- (ii) to raise public awareness of the issuer;
- that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;

- (b) activities or communications necessary to comply with the requirements of:
 - (i) applicable securities laws; or
 - (ii) the by-laws, rules, policies, or other regulatory instruments of any self-regulatory body or exchange having jurisdiction over the Corporation;
 - (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (i) the communication is only through the newspaper, magazine or publication; and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (d) activities or communications that may be otherwise specified by any exchange having jurisdiction over the Corporation;
- 1.2.12 "Management Company Employee" means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the corporation, but excluding a Person engaged in Investor Relations Activities;
- 1.2.13 "Option" means an option granted under the terms of the Plan;
- 1.2.14 "Option Agreement" means the form of option agreement attached hereto as Schedule "A";
- 1.2.15 "Option Period" means the period during which an Option may be exercised;
- 1.2.16 "Optionee" means the recipient of an Option;
- 1.2.17 "Participant" means a Consultant, Director, Employee or Management Company Employee who elects to participate in the Plan;
- 1.2.18 "Person" means a Company or an individual;
- 1.2.19 "Plan" means the plan established and operated pursuant to the terms hereof; and
- 1.2.20 "Shares" means the common shares of the Corporation from time to time authorized by the charter documents of the Corporation.

ARTICLE 2 - STOCK OPTION PLAN

2.1 Participation

Options shall be granted only to Participants or to Persons employed to provide Investor Relations Activities.

2.2 Determination of Option Recipients

The Board, or the President, if duly authorized by the Board, shall make all necessary or desirable determinations regarding the granting of Options to Participants and may take into consideration the present and potential contributions of a particular Participant to the success of the Corporation and any other factors which it may deem proper and relevant.

2.3 Price

The exercise price per Share shall be determined from time to time by the Board but, in any event, shall not be lower than the lowest exercise price permitted by any Exchange, if applicable.

Disinterested Shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Corporation at the time of the proposed amendment to reduce the exercise price.

2.4 Grant of Options

The Board, or the President, if duly authorized by the Board, may at any time authorize the granting of Options to Participants as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The Board, or the President, if duly authorized by the Board, at its or his discretion, may grant options on such terms and conditions as it or he considers appropriate provided that such terms and conditions are not inconsistent with the Plan and the policies of the Exchange, if applicable.

Each Option granted to a Participant shall be evidenced by an Option Agreement with terms and conditions consistent with the Plan and as approved by the Board or the President if duly authorized (which terms and conditions need not be the same in each case and may be changed from time to time).

2.5 Terms of Options and Vesting

The Option Period shall be of such length as is determined by the Board but in any event shall not be greater than a period of five (5) years after the date such Option is granted and may be reduced with respect to any such Option as provided in Section 2.7 hereof.

Subject to the other terms and conditions of this Plan, Options shall have such equitable vesting provisions as determined by the Board from time to time, provided that Options granted to Optionees who perform Investor Relations Activities must vest in stages over twelve (12) months with no more than one quarter (1/4) of the options vesting in any three (3) month period.

Any Options remaining unexercised after they became eligible for exercise may be exercised in whole or in part at any time during the remainder of the Option Period.

Except as set forth in Section 2.7 hereof, no Option may be exercised unless the Options have been vested and the Optionee is at the time of such exercise a bona fide Participant.

No Option may be granted to an Employee, Consultant or a Management Company Employee unless such person is a bona fide Employee, Consultant or a Management Company Employee.

The exercise of any Option will be contingent upon receipt by the Corporation of payment of the full purchase price for the Shares being purchased in cash or in some other manner acceptable to the Corporation and in compliance with applicable laws. No Optionee or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him or them under the terms of the Plan.

2.6 Lapsed Option

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options to the extent permitted by the Exchange, if applicable.

2.7 Effect of Termination of Employment or Death

- 2.7.1 If an Optionee shall die while an Employee, Director, Consultant (if an individual) or Management Company Employee, any vested Option held by him at the date of death shall be exercisable, but only by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution. All such Options shall be exercisable only for a period of one (1) year after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner.
- 2.7.2 If an Optionee ceased to be a Participant for cause, no Option held by such Optionee may be exercised following the date on which such Optionee ceases to be a Participant.
- 2.7.3 If an Optionee ceased to be a Participant for any reason other than cause or death, any vested Option held by such Optionee may be exercised only for a period of ninety (90) days after the date on which such Optionee ceases to be a Participant, or such other period as determined by the Board of Directors, or prior to the expiration of the Option Period in respect thereof, whichever is sooner, with the exception of Optionees who provide Investor Relations Activities whose Options may be exercised only for a period of thirty (30) days after the date on which such Optionee ceases to be a Participant, or prior to the expiration of the Option Period in respect thereof, whichever is sooner.
- 2.7.4 If an Optionee who is a Consultant ceased to be retained by the Corporation by virtue of a breach of the consulting agreement, no Option held by such Consultant may be exercised following such breach.

2.8 Effect of Takeover Bid

If a bona fide offer:

- (a) is made to all shareholders of the Corporation for the Shares, which offer, if accepted in whole or part, would result in the offeror exercising control over the Corporation within the meaning of the *Securities Act* (Alberta);
- (b) is made for all or substantially all of the assets of the Corporation (as such concept is interpreted under the *Business Corporations Act* (Alberta)); or
- (c) is made for a proposed transaction which a majority of the Board determines is reasonably likely to have a similar effect as either of the transactions referred to in Sections 2.8(a) or (b) hereof,

(collectively, the "Offer"),

then the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee currently holding an Option of the Offer, with full particulars thereof; whereupon, notwithstanding that such Option may not be fully vested at such time in accordance with Section 2.5 hereof, such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender or to vote, as applicable, the Shares received upon such exercise (the "Optioned Shares") pursuant to the Offer. If:

- 2.8.1 the Offer is withdrawn by the offeror;
- 2.8.2 the Optionee does not tender the Optioned Shares pursuant to the Offer, if applicable;
- 2.8.3 all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror in respect thereof, if applicable; or

2.8.4 the sale or reorganization does not close in accordance with its terms,

then the Optioned Shares or, in the case of Section 2.8.3 hereof, the Optioned Shares that are not taken up and paid for, shall be returned by the Optionee to the Corporation and reinstated as authorized but unissued Shares and the terms of the Option as set forth in Section 2.5 hereof shall again apply to the Option. If any Optioned Shares are returned to the Corporation under this Section, the Corporation shall refund the exercise price to the Optionee for such Optioned Shares. In no event shall the Optionee be entitled to sell the Optioned Shares otherwise than pursuant to the Offer (in the case of an Offer pursuant to Section 2.8(a) hereof) or to sell the Optioned Shares prior to the closing of any transaction (in the case of an Offer pursuant to Section 2.8(b) or 2.8(c) hereof).

2.9 Effect of Amalgamation, Consolidation or Merger

If the Corporation amalgamates, consolidates or merges with or into another corporation, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Participant would have received upon such amalgamation, consolidation or merger if the Participant had exercised his Option immediately prior to the record date applicable to such amalgamation, consolidation or merger, and the Option price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

2.10 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through a consolidation, subdivision or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the purchase price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

2.11 Loans to Service Providers

Subject to the *Business Corporations Act* (Alberta) or any other laws applicable to the Corporation, the Board may at any time authorize the Corporation to loan money to a Participant on such terms and conditions as the Board in its sole discretion may determine, to assist such Participant to exercise an Option held by him.

2.12 Approval

The terms of the Options granted from time to time hereunder, and the Optionees to whom Options are granted, are subject, if applicable, to any Exchange accepting notice of such terms and proposed Optionees.

ARTICLE 3- GENERAL

3.1 Number of Shares

The aggregate number of Shares that may be available for issuance, from time to time, under the Plan shall not exceed 10% of the issued and outstanding shares of the Corporation at the time of grant of the Options. Should the number of issued shares increase at any time after shareholder approval of this Plan, 10% of the additional shares shall be available for issuance, from time to time, under the Plan.

The aggregate number of Shares so available for issuance under the Plan to any one person in any 12 month period shall not exceed five (5%) percent of the issued Shares calculated at the time of grant of the Option. The aggregate number of Shares so available for issuance under the Plan to any one Consultant in any 12 month period shall not exceed two (2%) percent of all issued shares calculated at the time of the grant of any Option. The aggregate number of Options so available for issuance under the Plan in any 12 month period to an Employee conducting Investor Relations Activities shall not exceed two (2%) percent of all issued shares calculated at the time of the grant of the Option.

3.2 Transferability

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

3.3 Employment

Nothing contained in the Plan shall confer upon any Participant any right with respect to employment or continuance of employment or any retainer with the Corporation or interfere in any way with the right of the Corporation to terminate the Participant's employment or retainer at any time.

Participation in the Plan by a Participant is voluntary.

3.4 Record Keeping

The Corporation shall maintain a register in which shall be recorded:

3.4.1 the name and address of each Participant; and

3.4.2 the number of Options granted to a Participant and the number of Options outstanding.

3.5 Necessary Approvals

The obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to the approval of any regulatory body having jurisdiction, which may be required in connection with the authorization or issuance of such Shares by the Corporation. If any Shares cannot be issued to any Participant for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Option price paid to the Corporation shall be returned to the Participant.

3.6 Administration of the Plan

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate directors and/or officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

3.7 Income Taxes

As a condition of the Plan, the Corporation will withhold from any remuneration otherwise payable to such Participant any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

3.8 Amendments to Plan

The Board reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board. Any amendment to any provision of the Plan shall be subject to approval, if applicable and if required, by any regulatory body having jurisdiction over the securities of the Corporation and, if required, by the shareholders of the Corporation in the manner prescribed by any regulatory body having jurisdiction from time to time.

Any reduction to the exercise price of an Option held by an Insider shall require such approvals as may be required by any regulatory body having jurisdiction.

3.9 Representation or Warranty

The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

3.10 Governing Law

Except as otherwise set forth herein, the Plan shall be governed by the laws of the Province of Alberta excluding any conflicts of law, rule or principle which might refer such construction to the laws of another jurisdiction.

3.11 Interpretation

Words used herein importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

3.12 Compliance with Applicable Laws

If any provision of the Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any Exchange, if applicable, or any regulatory body having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

Edmonton, Alberta

Approved by the Shareholders on the ● day of ●, 2011.

Appendix "A"

STOCK OPTION AGREEMENT

THIS AGREEMENT made as of the ____ day of _____, ____.

BETWEEN:

, a body corporate, incorporated under the laws of the Province of Alberta
(the "Corporation")

OF THE FIRST PART

_____, a _____ of the Corporation
and a resident at the address set out opposite his/her name in Part 11 hereof
(the "Optionee")

OF THE SECOND PART

WHEREAS the Corporation has established a Stock Option Plan (hereinafter referred to as the "Plan") for the granting of stock options, a copy of which has been provided to the Optionee;

AND WHEREAS the Board of Directors of the Corporation has authorized the granting to the Optionee pursuant to the Plan of an option to purchase _____ common shares in the authorized unissued share capital of the Corporation in the number, at the time, at and for the price and upon the other terms and conditions hereinafter contained;

NOW THEREFORE in consideration of the mutual covenants and premises herein set forth, and for other good and valuable consideration (the receipt whereof is hereby acknowledged by the Corporation), the parties hereto agree as follows:

**PART 1
DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement, the following words and expressions, shall have the following meanings:
- 1.1.1 "Expiration Date" shall mean ●, 20●●;
 - 1.1.2 "Option" means the option to purchase Shares granted to the Optionee pursuant to this Agreement, and includes any portion of that option;
 - 1.1.3 "Option Period" means the period during which an Option may be exercised;
 - 1.1.4 "Option Shares" means the Shares the Optionee is entitled to purchase under this Agreement; and
 - 1.1.5 "Share" means a common share of the Corporation as constituted on the date hereof.

**PART 2
GRANT OF OPTION**

- 2.1 The Corporation hereby grants to the Optionee, subject to the terms and conditions set forth in this Agreement and the Plan, the right to purchase the following number of Shares at the following exercise price on or after the following vesting date(s) and prior to the close of business on the following Expiration date:

| # of Shares | Exercise Price (per Share) | Vesting Date | Expiration Date |
|-------------|-------------------------------|--------------|-----------------|
| | | | |
| | | | |
| | | | |

- 2.2 The Option is granted in accordance with and subject to the terms and conditions of the Plan.
- 2.3 Subject to sooner termination in accordance with the terms of the Plan, the Option shall expire and terminate upon the Expiration Date as to such of the Option Shares in respect of which the Option has not then been exercised.

**PART 3
RESERVATION OF SHARES**

- 3.1 The Corporation shall at all times during the term of this Agreement, keep available a sufficient number of unissued Shares in its authorized capital equal to those of the Option Shares which have not been issued.

**PART 4
ASSIGNMENT OF ENUREMENT**

- 4.1 The Option is personal to the Optionee and is non-assignable and non-transferable and neither this Agreement nor any rights hereunder shall be transferable or assignable by the Optionee except as expressly permitted under the terms of the Plan.
- 4.2 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their permitted successors and assigns.

**PART 5
EXERCISE OF THE OPTION**

- 5.1 The Option may be exercised by the Optionee by delivery of written notice of such exercise and by tendering therewith payment for the purchase price of the Option Shares to be purchased in cash or in any other manner that is acceptable to the Corporation and that is permitted by law, to the Corporation at its principal office in the City of Calgary, in the Province of Alberta, or at such other place as may be directed by notice in writing from the Corporation to the Optionee from time to time. Such notice shall state the number of Option Shares with respect to which the Option is then being exercised. The Option shall be deemed for all purposes to have been exercised to the extent stated in such notice upon delivery of the notice and a tender of payment in full for the Option Shares being purchased notwithstanding any delay in the issuance and delivery of the certificate(s) for the Shares so

purchased. The Corporation shall, within a reasonable period of time, issue the Shares so purchased in the name of the Optionee and deliver the certificate(s) therefor to the Optionee.

PART 6
RIGHTS OF THE OPTIONEE PRIOR TO THE EXERCISE DATE

- 6.1 The Option herein granted shall not entitle the Optionee to any right whatsoever as a shareholder of the Corporation with respect to any Shares subject to the Option until it has been exercised and the Option Shares thereby purchased have been issued as fully paid and non-assessable.
- 6.2 Nothing contained in this Agreement or done pursuant hereto shall obligate the Optionee to purchase and/or pay for any Option Shares except those Option Shares in respect of which the Optionee shall have validly exercised this Option.

PART 7
REGULATORY APPROVAL

- 7.1 Notwithstanding anything to the contrary in this Agreement, the Optionee hereby agrees that he will not exercise the Option, and that the Corporation will not be obliged to issue any Shares hereunder, if the exercise of the Option or the issuance of the Shares shall constitute a violation by the Optionee or the Corporation of any provision of any law or regulation or of any order, regulation, policy or rule of any governmental authority, regulatory body or stock exchange. Any determination in this connection made by the Board of Directors of the Corporation shall be final, binding and conclusive.
- 7.2 The Corporation shall in no event be obliged, by any act of the Optionee or otherwise, to issue, register or qualify for resale any securities issuable upon exercise of the Option pursuant to a prospectus or similar document or to take any other affirmative action in order to cause the exercise of the Option or the issue or resale of the Shares issuable pursuant thereto to comply with any law or regulation or any order, regulation, policy or rule of any governmental authority, regulatory body or stock exchange; provided that, if applicable, the Corporation shall notify the applicable stock exchange and other appropriate regulatory bodies in Canada of the existence of the Option and any exercise thereof.

PART 8
FURTHER ASSURANCES

- 8.1 The parties hereto covenant that they shall and will from time to time and at all times hereafter do and perform all such acts and things and execute all such deeds, documents and writings as may be required to give effect to the true intent of this Agreement.

PART 9
INTERPRETATION AND GENERAL

- 9.1 It is understood and agreed by the parties hereto that questions may arise as to the interpretation, construction or enforcement of this Agreement or the Plan and the parties are desirous of having the Board of Directors of the Corporation determine any such question or interpretation, construction or enforcement. It is, therefore, understood and agreed by and between the parties hereto that any question arising under the terms of this Agreement or the Plan as to interpretation, construction or enforcement shall be referred to the Board of Directors of the Corporation and their majority decision shall be final and binding on both of the parties hereto.
- 9.2 Neither the Corporation nor its directors or officers, or any of them, shall be liable to the Optionee or to the Optionee's personal representative by reason of any loss or anticipated loss of economic benefit by reason of any action or event, whether or not concurred in by them, which has the effect of curtailing or abrogating the benefits which have accrued or might have accrued to the Optionee hereunder, including, without limitation, the voluntary or involuntary winding up of the Corporation,

the sale of all or substantially all of its assets, the delisting of the Shares from public trading, or any decline in the value of the Shares for any reason whatsoever.

9.3 The payment of all income taxes or other taxes or assessments in the nature of taxes levied upon the Optionee as a result of the granting or exercise of the Option shall be solely the responsibility of the Optionee.

9.4 In this Agreement, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

9.5 This Agreement, including any schedules annexed hereto, constitute the entire agreement between the parties hereto and there are no oral statements, representations, warranties, undertakings or agreements between the parties modifying the provisions of this Agreement. No supplement, amendment, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties hereto.

9.6 Any term, condition or provision of this Agreement which is deemed to be void, prohibited or unenforceable, shall be severable herefrom, be ineffective to the extent of such avoidance, prohibition or unenforceability without in any way invalidating the remaining terms, conditions and provisions thereof.

9.7 The Optionee represents and warrants that he is a bona fide Eligible Participant (as defined in the Plan).

9.8 Time shall be of the essence of this Agreement.

**PART 10
GOVERNING LAW**

10.1 Except as otherwise set forth in the Plan, this Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Alberta excluding any conflicts of law, rule or principle which might refer such construction to the laws of another jurisdiction.

10.2 Each of the parties hereto hereby irrevocably attorns to the jurisdiction of the Courts of the Province of Alberta and the Supreme Court of Canada.

**PART 11
NOTICES**

11.1 Any notice to be given pursuant to the provisions hereof shall be conclusively deemed to have been given and received by a party hereto and to be effective on the day on which it is delivered to such party at the addresses set forth below (or at such other address that such party shall supply to the other parties in writing) or if sent by mail, on the fifth business day after the day on which mailed, addressed to such party at said address:

(a) If to the Optionee, at

(b) If to the Corporation, at

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

SIGNED, SEALED AND DELIVERED)
in the presence of:)
)
)
)

λ

Per: _____

Per: _____

SCHEDULE "D"

CHANGE OF AUDITOR REPORTING PACKAGE

NOTICE OF CHANGE OF AUDITOR

December 6, 2010

**Alberta Securities Commission
British Columbia Securities Commission**

RE: Change of Auditors – Notice Pursuant to National Instrument 51-102, Part 4

Pursuant to National Instrument 51-102 of the Canadian Securities Administrators, Neo Alliance Minerals Inc. (the “Corporation”) gives notice of a change of auditors as follows:

The current auditor of the Corporation, Schwartz Levitsky Feldman LLP, Chartered Accountants, have resigned as auditors of the Corporation effective December 6, 2010 pursuant to a request from the Corporation.

There were no reservations in the auditors’ reports on the Corporation’s financial statements during which Schwartz Levitsky Feldman LLP was the Corporation’s auditor nor were there any reservations in any period subsequent to the most recently completed period for which an audit report was issued and preceding December 6, 2010.

The resignation of Schwartz Levitsky Feldman LLP, Chartered Accountants, and the appointment of Grant Thornton LLP, Chartered Accountants, in their place have been approved by the audit committee and board of directors of the Corporation.

There were and are no reportable events.

Schwartz Levitsky Feldman LLP, Chartered Accountants, has stated their agreement with the information contained in the Notice. Such letter is attached hereto.

Grant Thornton LLP, Chartered Accountants, has stated their agreement with the information contained in the Notice. Such letter is attached hereto.

NEO ALLIANCE MINERALS INC.

Per “Don Caron”

Don Caron
Interim Chief Financial Officer



Grant Thornton

Grant Thornton LLP
1401 Scotia Place 2
10060 Jasper Avenue NW
Edmonton, AB
T5J 3R8
T (780) 422-7114
F (780) 426-3208
www.GrantThornton.ca

Alberta Securities Commission
British Columbia Securities Commission

December 15, 2010

Dear Sirs;

**Re: Neo Alliance Minerals Inc. (the "Corporation")
Change of Auditors – Notice Pursuant to National Instrument 51-102, Part 4**

Pursuant to Section 4.11 of National Instrument 51-102, Part 4, we confirm that we have reviewed the Notice dated December 6, 2010 sent to us by the Corporation in connection with a change of auditor and, based on our knowledge of the information at the time, agree with the information contained in the said Notice.

Yours very truly,
Grant Thornton LLP

Grant Thornton LLP

Schwartz Levitsky Feldman llp

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
TORONTO • MONTREAL



December 14, 2010

Alberta Securities Commission
British Columbia Securities Commission

Dear Sirs:

**Re: Neo Alliance Minerals Inc. (the "Corporation")
Change of Auditors- Notice Pursuant to National Instrument 51-102, Part 4**

Pursuant to Section 4.11 of National Instrument 51-102, Part 4, we confirm that we have reviewed the Notice dated December 6, 2010 sent to us by the Corporation in connection with a change of auditor and, based on our knowledge of the information at the time, agree with the information contained in the said Notice.

Yours very truly,

SCHWARTZ LEVITSKY FELDMAN LLP

A handwritten signature in cursive script that reads "Schwartz Levitsky Feldman LLP".

Per: Gerry Feldman, C.A.

GF/cc

1167 Caledonia Road
Toronto, Ontario M6A 2X1
Tel: 416 785 5353
Fax: 416 785 5663