

**BIRD RIVER RESOURCES INC.
(THE "COMPANY")
MANAGEMENT INFORMATION CIRCULAR**

SOLICITATION OF PROXIES

This management proxy circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the annual and special meeting of shareholders of the Company (the "Meeting") to be held at the Canad Inn (Garden City), 2100 McPhillips Street (at Jefferson Avenue), Winnipeg, Manitoba on Thursday the 17th day of January, 2013 at 3:00 P.M. Central Standard Time and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting.

The solicitation of proxies will be primarily by mail, but may be by telephone or other personal contact by directors of the Company, such directors receiving no compensation therefor. In addition, the Company shall, upon request, reimburse brokerage firms and other custodians for their reasonable expenses in forwarding proxies and related material to beneficial owners of shares of the Company. The cost of solicitation of proxies will be borne by the Company.

APPOINTMENT OF PROXIES

The persons designated as proxyholders in the enclosed Form of Proxy are directors of the Company. **A shareholder has the right to appoint as proxyholder a person (who need not be a shareholder of the Company) to represent such shareholder at the Meeting, other than the persons designated as proxyholders in the enclosed Form of Proxy. A shareholder wishing to appoint some other person to represent such shareholder at the Meeting may do so by striking out the names of the persons designated and by inserting such other person's name in the blank space provided in the Form of Proxy or by submitting another appropriate Form of Proxy.**

To be valid, proxies must be received by Computershare Investor Services Inc. ("Computershare"), Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 prior to 5:00 p.m. Eastern Standard Time on Tuesday, January 15, 2013 or no less than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment of the Meeting, unless they are delivered to the Chairman of the Meeting at the Meeting, or any adjournment thereof.

REVOCABILITY OF PROXIES

A shareholder giving a proxy for use at the Meeting may revoke the proxy at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or his or her attorney authorized in writing or, where the shareholder is a company, by a duly authorized officer or attorney of the company, at the above-mentioned office of Computershare Investor Services Inc., at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked.

VOTING OF SHARES

The persons named in the enclosed proxy will vote the shares in respect of which they are appointed in accordance with the instructions of the shareholder appointing them. **Unless otherwise indicated, the voting rights attaching to the shares represented by a Form of Proxy will be voted on all matters described herein.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting and with respect to matters other than those identified in the Notice of Meeting which may properly come before the Meeting. As of the date hereof, the management of the Company is not aware that any such amendments, variations, or other matters are to be presented for action at the Meeting. **If any matters which are not now known to the management of the Company should properly come before the Meeting, then on any ballot that may be called for, the enclosed Form of Proxy will be voted on such matters in accordance with the best judgment of the person voting it.**

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered holders of common shares of the Company, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, common shares of the Company beneficially owned by a holder (a "**Non-Registered Shareholder**") are registered either:

- (A) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds and registered educational savings plans and similar plans; or
- (B) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the notice of meeting, this management proxy circular, the form of proxy, financial statements for the year ended July 31, 2012, the related management's discussion & analysis (for the shareholders who have requested them) and a shareholder information request form (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders.

Intermediaries are required to forward Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (A) be given a proxy which has already been signed by the Intermediary (typically by facsimile, stamped signature) which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder, but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Shareholder. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the Form of Proxy and deposit it with Computershare as described above; or
- (B) more typically, be given a voting instruction form that must be completed and signed by the Non-Registered Shareholder in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting form by telephone or other means).

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

Non-Registered Shareholders who wish to vote their shares in person at the Meeting must insert their own name in the space provided on the request for voting instructions or proxy form, as the case may be, in order to appoint themselves as proxyholders and follow the signature and return instructions provided by their nominees. Non-Registered Shareholders who appoint themselves as proxyholders should present themselves at the Meeting to a representative of Computershare Investor Services Inc.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as specifically discussed in this management proxy circular, no director or senior officer, past, present or nominated hereunder, or any associate or affiliate of such persons, or any person on behalf of whom this solicitation is made, has any interest, direct or indirect, in any matter to be acted upon at the Meeting, except that such persons may be directly involved in the normal business of the Meeting or the general affairs of the Company, with the exception that certain directors and officers have been, or may in the future be, granted stock options.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Only shareholders registered at the close of business on Thursday, December 13, 2012 (the "Record Date") are entitled to receive notice of and to vote at the Meeting, unless after that date a shareholder of record transfers his shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns the shares, requests no later than 10 days before the Meeting that the transferee's name be included on the list of shareholders entitled to vote, in which case such transferee is entitled to vote such shares at the Meeting. As of the Record Date, there were 10,570,225 common shares of the Company issued and outstanding, each of which is entitled to one vote at the Meeting.

To the knowledge of the management of the Company, at the date hereof, with the exception of Nelson Shodine no person holds, directly or indirectly, nor exercises control or direction over shares carrying more than 10% of the voting rights attached to all shares of the Company. Mr. Shodine, the Company's President, controls 3,228,315 common shares (30.5% of the outstanding common shares of the Company).

AGENDA FOR SHAREHOLDERS' MEETING

1. Receipt of Financial Statements for the year ending July 31, 2012 (Item 1 of the Notice of Meeting)

To receive and consider the audited financial statements of the Company for the year ended July 31, 2012, together with the report of the auditors thereon.

2. Number of Directors (Item 2 on the Notice of Meeting)

The Board of Directors of the Company currently consists of five directors. At the meeting, shareholders will be asked to set the number of directors at five and to elect five directors (the "Nominees"). The following table provides the names of the Nominees and information concerning them. **The persons in the enclosed form of proxy intend to vote for the election of the Nominees whose names are set forth below, all of whom are members of the Board of Directors and have been since the dates indicated herein.** Management does not contemplate that any of the Nominees will be unable to serve as a director. Each director elected will hold office until his successor is elected at the next annual meeting of the Company, or any adjournment thereof, or until his successor is elected or appointed in accordance with the By-laws of the Company.

3. Election of Directors (Item 3 of the Notice of Meeting)

At the Meeting, shareholders will be asked to elect five directors (the "Nominees"). The following table provides the names of the Nominees and information concerning them. **The persons in the enclosed form of proxy intend to vote for the election of the Nominees whose names are set forth below, all of whom are current members of the Board of Directors and have been since the dates indicated herein.** Management does not contemplate that any of the Nominees will be unable to serve as a director. Each director elected will hold office until his successor is elected at the next annual meeting of the Company, or any adjournment thereof, or until his successor is elected or appointed in accordance with the By-laws of the Company.

| Name & Municipality of Residence | Position with Company | Period of Service as a Director | Present Occupation if Different from Office Held ⁽¹⁾ | Number of Common Shares Beneficially Owned or Over Which Control is Exercised ⁽²⁾ |
|--|--|---------------------------------|---|--|
| Nelson Shodine Rosser, Manitoba | Director, Chairman, President & CEO | Since 1998 | Business Executive | 3,238,315 |
| Jon Bridgman (6) Toronto, Ontario | Director & CFO | Since 1998 | Business Consultant | 320,000 |
| Edward Thompson (4)(5) Winnipeg, Manitoba | Director, Secretary & Treasurer | Since 1998 | Financial Planner | 704,000 (3) |
| David M. Thom (7) Calgary, Alberta | Director | Nominated | Business Executive | nil |
| Shane Shodine (8) Ste. Anne, Manitoba | Director | Since 2009 | Businessman | 190,000 |

Notes

- (1) All of the above-named officers and directors have held their present position(s) with the same or associated firms or organizations during the past five years.
- (2) The information as to shares beneficially owned or over which the above-named officers and directors exercise control or direction not being within the knowledge of the Company has been furnished by the respective officers and directors individually.
- (3) 550,000 common shares are held indirectly through E. Thompson Holdings Ltd., a company 51% beneficially owned by Edward Thompson.
- (4) The Audit Committee was comprised of Messrs. Thompson and Greg Barrows.
- (5) The Compensation, Corporate Governance & Nominating Committee was comprised of Messrs. Thompson and Barrows.
- (6) Mr. Bridgman is a director of Aurquest Resources Inc. an Ontario reporting issuer. He is also a director of E-Ventures Inc. which is an Ontario reporting issuer. On May 23, 2003 the Ontario Securities Commission issued a cease trade order as a result of its failure to file required annual financial statements. Mr. Bridgman is also a director of Lakefield Marketing Corporation. On May 8, 2006 the Ontario Securities Commission issued a temporary cease trade order as a result of failure to file annual financial statements. He has remained a director of the two companies mentioned with the intention of assisting with the reactivation of the companies in the future on behalf of the shareholders.
- (7) Mr. Thom is CEO and director of ZEOX Corporation listed on the TSXV. He is also President of DMT Capital Corp. a private holding company which among other things provides corporate restructuring services and undertakes financial workouts. Due to the nature of this role, he became CEO of ZEOX immediately prior to the time of events that led to the imposition of a Cease Trade Order for failure to file financial statements by the required time. David was also a director and officer of Clement Systems Inc. and caused that company to file a Proposal to its Creditors, which was not fulfilled and thus led to its insolvency.
- (8) Mr. Shane Shodine is an entrepreneur and businessman who owns and operates two Winnipeg companies; Response Signs Ltd. and Tuffcoat Ure-Systems.

4. Appointment of Auditor (Item 4 of the Notice of Meeting)

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of Magnus Chartered Accountants LLP, as auditor of the Company for the 2011 – 2012 fiscal year and to authorize the directors to fix their remuneration.

The persons designated in the enclosed form of proxy intend to vote for the appointment of Magnus Chartered Accountants LLP, as auditor of the Company for the current financial year and for the authorization to the directors to fix their remuneration.

5. Other Matters (Item 5 of the Notice of Meeting)

Management of the Company knows of no other matter to come before the Meeting other than those referred to in the notice of meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation Discussion and Analysis

The Board of Directors assumes, among other things, the obligations sometimes delegated to the compensation committee. The Board of Directors establishes executive and senior officer compensation, determines the general compensation structure, policies and programs of the Company, including the extent and level of participation in incentive programs. Executive officers do not vote with respect to compensation matters affecting them.

The Company's overall policy regarding compensation of the Company's executive officers is structured to provide competitive compensation levels and compensation incentives that support both the short-term and long-term goals of the Company, attract and retain suitable and qualified executive management, and establish a compensation framework which is industry competitive. The compensation program consists of the following three components:

Base Compensation

Base compensation of executives are determined by referencing salary levels in the industry in which the Company operates. The Board of Directors reviews information drawn from a variety of sources, including proxy statements of competitive companies of comparable size and complexity, and, when appropriate, surveys conducted by compensation

consultants. Criteria included in the determination of salary levels include the individual's experience level, the scope and complexity of the position held and salaries being paid for similar positions at other Canadian and United States companies of similar size.

Annual Performance Incentive

Bonuses may or may not be paid and are based on the achievement of corporate and individual performance objectives. Individual performance objectives are set at the beginning of the year and aligned with the Company's business plan.

Stock Options

The stock option component of the executive compensation package is provided to focus management attention on corporate performance over a period of time longer than one year in recognition of long-term horizons for return on investments and strategic decisions. The level of stock option awards given to each executive is determined by his or her position, his or her potential future contributions to the Company and the number and terms of stock option awards previously granted to the executive. All stock option awards are reviewed by the Board of Directors. The Board of Directors determines a meaningful level of award for employees ranging from key employees to the Chief Executive Officer. The level of stock option awards is also influenced by the number of executives and key employees in the current year and the likelihood of grants in future years to executives and key employees since the total number of stock options available under the Company's Stock Option Plan is limited.

Summary Compensation Table

The following table, sets forth all annual and long-term compensation for services rendered in all capacities to the Company for the fiscal year ended July 31, 2012 in respect of the individuals who were, at July 31, 2012, the President and Chief Executive Officer of the Company and the Chief Financial Officer, the two most highly compensated executive officers of the Corporation other than the Chief Executive Officer and Chief Financial Officer who were compensated more than \$150,000 (the "Named Executive Officers"):

| Name and Principal Position | Year | Compensation (Cdn\$) | Share based awards (Cdn\$) | Option-based awards (Cdn\$) | Non-equity incentive plan compensation | | Pension Value (Cdn\$) | All Other Compensation (Cdn\$) | Total Compensation (Cdn\$) |
|---|------|----------------------|----------------------------|-----------------------------|--|---------------------------|-----------------------|--------------------------------|----------------------------|
| | | | | | Annual incentive plans (Cdn\$) | Long-term incentive plans | | | |
| Nelson Shodine President, Chief Executive Officer and a Director | 2012 | 30,000 | - | 2,827 | - | - | - | 11,600 (1) | 44,427 |
| | 2011 | 30,000 | - | (3)(4) | - | - | - | 12,600 (1) | 47,652 |
| | 2010 | 30,000 | - | 5,052 (3) | - | - | - | 11,600 (1) | 42,863 |
| Jon Bridgman Chief Financial Officer and a Director | 2012 | 16,600 | - | 1,263 (3) | - | - | - | 2,000 (2) | 19,863 |
| | 2011 | 15,300 | - | 5,052 (3) | - | - | - | 3,000 (2) | 23,352 |
| | 2010 | 14,400 | - | 1,263 (3) | - | - | - | 2,000 (2) | 17,663 |

(1) This amount includes: 2012 - \$2,000 for directors' fees and \$9,600 for office rent, 2011 - \$3,000 for directors' fees and \$9,600 for office rent, and 2010 - \$2,000 for directors' fees and \$9,600 for office rent.

(2) Paid on account of directors' fees.

(3) The fair value for option-based awards is calculated using the Black-Scholes option-pricing model with the following assumptions:

| | |
|------------------------------|---------------|
| Grant date | June 18, 2010 |
| Dividend yield | 0% |
| Expected volatility | 85% |
| Risk-free rate of return | 0.25% |
| Expected option term - years | 5 |

(4) The fair value for option-based awards is calculated using the Black-Scholes option-pricing model with the following assumptions:

| | |
|------------------------------|---------------|
| Grant date | April 9, 2012 |
| Dividend yield | 0% |
| Expected volatility | 85% |
| Risk-free rate of return | 0.98% |
| Expected option term - years | 3 |

Incentive Plan Awards

a) Outstanding Share-based Awards and Option-based Awards

The following table presents all outstanding share-based awards and option-based awards held by each of the Named Executive Officers of the Company as of July 31, 2012:

| Name | Option-based Awards | | | | Share-based Awards | |
|---|---|-------------------------------|------------------------|---|--|---|
| | Number of securities underlying unexercised options | Option exercise price (Cdn\$) | Option expiration date | Value of unexercised in-the-money options (Cdn\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (Cdn\$) |
| Nelson Shodine President & Chief Executive Officer | 200,000 | 0.10 | June 10, 2015 | - | - | - |
| Jon Bridgman Chief Financial Officer | 200,000 | 0.10 | June 10, 2015 | - | - | - |

b) Incentive Plan Awards - Value Vested or Earned During The Year

The following table provides information regarding the value vested or earned of incentive plan awards for each Named Executive Officer of the Company as of July 31, 2012:

| Name | Option-based awards – Value vested during the year ⁽¹⁾ (Cdn\$) | Share-based awards – Value vested during the year (Cdn\$) | Non-equity incentive plan compensation – Value earned during the year (Cdn\$) |
|---|---|---|---|
| Nelson Shodine President & Chief Executive Officer | 833 | - | - |
| Jon Bridgman Chief Financial Officer | 833 | - | - |

(1) Calculation based on the difference between market value of the Company's common shares on the applicable date of vesting and the applicable exercise price of the options which vested.

Pension Plan Benefits

No pension or retirement benefits plans have been instituted and none are proposed at this time.

Termination and Change of Control Benefits

As at July 31, 2012, no payments, benefits or perquisites in an aggregate amount of greater than \$50,000 would be due to be paid to any Named Executive Officer upon any termination, resignation, retirement, change of control of the Corporation or change in responsibilities.

Compensation of Directors

During the year ended July 31, 2012, directors of the Company who were not Named Executive Officers were paid the amount of \$2,000 each for their services as directors for a total of \$8,000. There was no additional compensation for committee membership. Directors would also be eligible to receive a bonus in certain circumstances. Directors who are not officers would be entitled to receive compensation to the extent that they provide services to the Company at rates that would be charged by such directors for such services to arm's length parties.

(a) Director Compensation Table

The following table sets out the remuneration of the directors who were not Named Executive Officers for the year ended July 31, 2012:

| Name | Fees earned (Cdn\$) | Share-based awards (Cdn\$) | Option-based awards (Cdn\$) (1) | Non-equity incentive plan compensation (Cdn\$) | Pension value (Cdn\$) | All other compensation (Cdn\$) | Total (Cdn\$) |
|-----------------|---------------------|----------------------------|---------------------------------|--|-----------------------|--------------------------------|---------------|
| Greg Barrows | 2,000 | - | 782 | - | - | - | 2,782 |
| Edward Thompson | 2,000 | - | 1,263 | - | - | - | 3,263 |
| Shane Shodine | 2,000 | - | 632 | - | - | - | 2,632 |
| Mel de Quadros | 2,000 | - | 1,263 | - | - | - | 3,263 |

(1) The fair value for option-based awards is calculated using the Black-Scholes option-pricing model with the following assumptions:

| | |
|------------------------------|---------------|
| Grant date | April 9, 2012 |
| Dividend yield | 0% |
| Expected volatility | 85% |
| Risk-free rate of return | 0.98% |
| Expected option term - years | 3 |

(b) Incentive Plan Awards - Value Vested or Earned During The Year

The following table presents all outstanding share-based awards and option-based awards held by each of the directors of the Company who were not Named Executive Officers as of July 31, 2012:

| Name | Option-based Awards | | | | Share-based Awards | |
|-----------------|---|-------------------------------|------------------------|---|--|---|
| | Number of securities underlying unexercised options (#) | Option exercise price (Cdn\$) | Option expiration date | Value of unexercised in-the-money options (Cdn\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (Cdn\$) |
| Mel de Quadros | 200,000 | 0.10 | June 30, 2013 | - | - | - |
| Greg Barrows | 100,000 | 0.10 | Dec. 31, 2013 | - | - | - |
| Edward Thompson | 200,000 | 0.10 | June 10, 2015 | - | - | - |
| Shane Shodine | 100,000 | 0.10 | June 10, 2015 | - | - | - |

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

| Plan Category | Number of Common Shares to be Issued upon Exercise of Outstanding Options, Warrants and Rights | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights | Number of Common Shares Remaining Available for Future Issuance under Equity Compensation Plans |
|--|--|---|---|
| Equity compensation plans approved by security holders | 1,000,000 | \$0.10 | 892,000 |
| Equity compensation plans not approved by security holders | N/A | N/A | N/A |
| TOTAL | 1,000,000 | \$0.10 | 892,000 |

MANAGEMENT CONTRACTS

Management functions of the Company are not, to any substantial degree, performed by a person or persons other than the directors or senior officers of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors or executive officers of the Company were indebted to the Company, at any time during its last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as described in this Management Proxy Circular, no insiders of the Company have any interest in any material transactions involving the Company.

AUDIT COMMITTEE

Audit Committee and Relationship with Auditor

Multilateral Instrument 52-110 of the Canadian Securities Administrators ("MI 52-110") requires the Company, as a Venture Issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its audit committee and its relationship with its external auditor as set forth below.

Audit Committee Charter

The Company's audit committee is governed by an audit committee charter, the text of which is attached as Schedule "A" to this management proxy circular.

Composition of the Audit Committee

The Company's audit committee is comprised of two directors; Edward Thompson and David Thom (nominated). As defined in MI 52-110, two of the audit committee members are "independent". Also as defined in MI 52-110, all of the audit committee members are "financially literate".

Relevant Education and Experience

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities are as follows:

Edward L. Thompson, B.Sc., is president of a Money Concepts business in Winnipeg, which he opened in 1988, and is now affiliated with one of the largest financial institutions in the world – Aegon. Mr. Thompson graduated with a Bachelor of Science degree in agriculture from the University of Manitoba in 1967. He has since completed the work required for his chartered financial planner (CFP) designation. He is a past board member of the Canadian Association of Financial Planners (Manitoba Chapter) and is currently a member of that organization as well the Canadian Association of Pre-retirement Planners (CAPP) and the Canadian Association of Farm Advisors. Mr. Thompson is not considered independent as he is an officer of the Company.

David M. Thom, B.Sc. Eng., MBA is Chief Executive Officer of ZEOX Corp. and President of DMT Capital Corp., both located in Calgary Alberta. Mr. Thom graduated with a Bachelor of Applied Science (Civil Engineering) from Queen's University at Kingston, Ontario in 1979. He subsequently obtained his Master of Business Administration (MBA) from The University of Western Ontario in 1981. During his extensive career he held a senior management position with CANA Construction Co. Ltd. on various projects across western Canada, and has been a senior officer and/or director of a number of a number of companies which have traded on the TSX or the TSXV or their predecessor exchanges. During his career, David has gained extensive expertise in corporate strategy, operations management and finance.

The Audit Committee meets at least on an annual basis and audit committee issues are also discussed and recorded in the minutes at director's meeting.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board of Directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of MI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors and, where applicable, the audit committee, on a case-by-case basis.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditors in each of the last two fiscal years, by category, are as follows:

| Financial Year Ending | Audit Fees | Audit Related Fees | Tax Fees | All Other Fees |
|-----------------------|------------|--------------------|----------|----------------|
| July 31, 2012 | \$18,500 | Nil | \$1,525 | Nil |
| July 31, 2011 | \$16,450 | Nil | \$2,250 | Nil |

Reliance on Certain Exemptions

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

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the Company's shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interests of its shareholders and contribute to effective and efficient decision-making. The Company believes that its corporate governance practices ensure that the business and affairs of the Company are effectively managed so as to enhance shareholder value.

Disclosure of Corporate Governance Practices

The Company has reviewed its own corporate governance practices in light of the guidelines contained in National Instrument 58-201 – Corporate Governance Guidelines ("NI 58-201"). The Company's practices comply generally with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. Set out below is a description of the Company's corporate governance practices as required by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101").

Board of Directors

The Board has determined that two of its five directors proposed for election at the meeting are independent. An "independent" director is a director who is independent of management and free from any interest any business or other relationship that could, or could reasonably be perceived to materially interfere with the director's ability to act in the best interests of the Company, other than interests arising from shareholders. Messrs. Nelson Shodine, Jon Bridgman and Edward Thompson are not considered to be independent directors because they are officers of the Company.

Other Directorships

The following directors are currently directors of other reporting issuers or their equivalent in a domestic or foreign jurisdiction.

Messrs. Bridgman, and Thom are presently the only directors of the Company that have directorships outside of the Company. Mr. Bridgman is currently on the board of directors of Aurquest Resources Inc., E-Ventures Inc. and Lakefield Marketing Corporation. Mr. Thom is currently on the board of directors of ZEOX Corporation and a number of other private companies.

Orientation and Continuing Education

At present, each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues with the Company. New directors are also required to meet with management of the Company to discuss and better understand the Company's business and policies. As each director has a different skill set and professional background, their orientation will be tailored to the particular needs and experience of each director.

All new directors are provided with an information package regarding the business of the Company which includes a copy of the following materials: (a) the constating documents of the Company; (b) the latest management information circular and annual report including the annual financial statements; (c) all quarterly reports for the last financial year end; (d) any press releases or material change report for the last year; (e) the stock option plan of the Company; and (f) the Audit Committee Charter.

Continuing education is provided through relevant reading materials, board meeting presentations and discussions to ensure the directors maintain the knowledge and skill necessary to meet their obligations as directors. In addition, management of the Company makes itself available for discussion with all Board members.

Ethical Business Conduct

The Board of Directors monitors the ethical conduct of the Company to ensure that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions, stock exchanges and the *Companies Act*. The Board of Directors believes that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and common law, as well as the restrictions placed by applicable corporate legislation on the individual directors' participation in decisions of the Board of Directors in which the director has an interest, have been sufficient to ensure that the Board of Directors operated independently of management and in the best interest of the Company.

The Board of Directors has not adopted a formal written code of business conduct and ethics.

The Board of Directors has adopted a "Whistleblower Policy" wherein employees, directors, officers or consultants of the Company are provided with a mechanism by which they can raise concerns through a confidential, anonymous process, which is overseen by the Chairman of the Audit Committee.

Nomination of Directors

The Company's Compensation, Corporate Governance and Nominating Committee have the responsibility to identify new director candidates and make recommendations to the board.

The Board recruits, nominates, and endorses the appointment of new Directors based on the needs of the Board. Generally, new nominees for Directors must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Company's Compensation, Corporate Governance and Nominating Committee have the responsibility to periodically review compensation issues and to report their findings along with their recommendations to the board. All executive compensation is approved by the Board of Directors. The compensation policy of the Company endeavours to provide incentive to management from the perspective of share ownership and share appreciation. Management expects that

long term compensation will be primarily derived from the appreciation in the value of the common shares and options they hold. Management compensation is anticipated to consist of a small base salary, the entitlement to participate in a bonus program and incentives in the form of stock options granted pursuant to the Company's stock option plan. The Company has no executive pension plan.

Other Board Committees

The Company currently has two Board Committees: the Audit Committee and the Compensation, Corporate Governance and Nominating Committee. This latter committee is also responsible for encouragement of ethical business conduct and the assessment of the effectiveness of the board, its committees and its individual directors.

ADDITIONAL INFORMATION

Additional Information relating to the Company is on SEDAR at www.sedar.com. Financial information is provided in the Company's comparative financial statements and MD&A for the year ended July 31, 2012. Upon request, the Company will promptly provide a copy of any document posted on SEDAR to a shareholder free of charge.

DIRECTOR'S APPROVAL AND CERTIFICATE

The contents and sending of this Proxy Circular have been approved by the Directors of the Company.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED as of this 14th day of December, 2011.

BY ORDER OF THE BOARD OF DIRECTORS

(s) Nelson Shodine

Nelson Shodine, Chairman, President and
Chief Executive Officer

SCHEDULE "A"

BIRD RIVER RESOURCES INC. (the "Company")

AUDIT COMMITTEE CHARTER

The committee will provide independent review and oversight of the Company's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Company's external auditors.

The committee will also assist the Board in fulfilling its responsibilities in reviewing the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board of directors, management, and the external auditors and monitor the independence of those auditors. The committee will review the Company's financial strategies, its financing plans and its use of the equity and debt markets.

To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

AUTHORITY

The Board authorizes the committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to retain outside legal or professional counsel and other experts and to ensure the attendance of Company's officers at meetings as appropriate.

ORGANIZATION

a) Membership

- (a) The committee will be comprised of at least three directors, a majority of which are independent of management.
- (b) The chairman of the audit committee will be nominated by the committee from time to time. The secretary of the committee will be such person as nominated by the Chairman.
- (c) A quorum for any meeting will be two members.

b) Attendance at Meetings

- (a) The committee may invite such other persons to its meetings, as it deems appropriate.
- (b) The external auditors may be present at each audit committee meeting and be expected to comment on the financial statements in accordance with best practices.
- (c) The committee shall meet as frequently as required, and in compliance with Multilateral Instrument 52-110 and related applicable laws. Special meetings shall be convened as necessary. External auditors may convene a meeting if they consider that it is necessary.
- (d) The proceedings of all meetings will be minuted.

ROLES AND RESPONSIBILITIES

The committee:

- a) shall recommend to the Board of Directors the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
- b) shall recommend the compensation of the external auditor.

- c) shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- d) shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor unless the aggregate amount of all non-audit services is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiary entities to the Company's external auditor during fiscal year in which the services are provided.
- e) shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
- f) shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in subsection 3.5, and must periodically assess the adequacy of those procedures.
- g) shall establish procedures for: (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- h) shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

SCHEDULE "B"

BIRD RIVER RESOURCES INC. (the "Company")

STOCK OPTION PLAN

ADOPTED ON NOVEMBER 7, 2007

THE PLAN

A Stock Option Plan (the "**Plan**") for directors, officers and employees of Bird River Resources Inc. (the "**Company**") or any of its subsidiaries, together with persons providing ongoing services to the Company or any of its subsidiaries (collectively, the "**Admissible Persons**") to purchase authorized but unissued common shares (the "**Common Shares**") of the Company, is hereby established on the terms and conditions hereinafter set out.

PURPOSE

The purpose of the Plan is to encourage the participation of the Admissible Persons in the Company's growth and development by providing them with the opportunity through options on Common Shares to acquire a financial interest in the Company, or increase same.

GRANT OF OPTIONS

The Board of Directors of the Company or a committee appointed by the Board of Directors (the "**Committee**") may from time to time, in its discretion, grant to any Admissible Person who in the opinion of the Board of Directors or of the Committee is a key person (the "**Optionee**"), the irrevocable (subject to the terms hereof) option to acquire Common Shares of the Company (the "**Optioned Shares**") upon and subject to such terms, conditions and limitations as are herein contained and as the Board of Directors or the Committee may from time to time determine with respect to each option. The number of Common Shares that are to be available for option under the Plan shall be such number as may, from time to time, be approved by the Board of Directors.

At the time of grant, the Company and the Optionee shall enter into an option agreement in the form annexed hereto as Schedule "A".

AUTHORIZED SHARES PURSUANT TO THE PLAN

Subject to adjustment as provided in Section 10 hereof, the aggregate number of Optioned Shares to be delivered upon the exercise of all options granted under the Plan shall not exceed the maximum number of Common Shares permitted under the rules of any stock exchange on which the Common Shares are then listed or of any other regulatory body having jurisdiction, which maximum number is presently 1,892,000 Common Shares. If any option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Optioned Shares subject thereto shall again be available for the purposes of the Plan.

Unless otherwise set forth herein, the total number of options granted to any one individual in any 12 month period, will not exceed 5% of the issued Common Shares of the Company.

The Optionee, other than persons employed in investor relations activities, may exercise his rights as to: 50% of the Common Shares covered by the option at the time of its award; an additional 25% of the Common Shares covered by the option at the time of the 6-month anniversary of its award; and the remaining 25% of the Common Shares covered by the option at the time of the 18-month anniversary of its award. The Optionee shall have the right, at any time during the remainder of the option period, to purchase such number of Common Shares subject to the option that were purchasable, but not purchased by the Optionee, during any earlier period.

The total number of options granted to any one person providing ongoing services to the Company, in any 12 month period, will not exceed 2% of the issued Common Shares of the Company at the time of grant.

The total number of options granted to persons employed in investor relations activities, in any 12 month period, will not exceed 2% of the issued Common Shares of the Company at the time of grant.

Options issued to persons employed in investor relations activities must vest in stages over 12 months with no more than $\frac{1}{4}$ of the options vesting in any three month period; provided, however, that if the number of Common Shares taken up under the option during any such three month period is less than $\frac{1}{4}$ of the Common Shares originally covered by the option, the Optionee shall have the right, at any time during the remainder of the option period, to purchase such number of Common Shares subject to the option that were purchasable, but not purchased by the Optionee, during such three month period.

EXERCISE PRICE

The purchase price of the Common Shares, upon exercise of each option granted under the Plan, shall be a price fixed for such option by the Board of Directors or by the Committee upon grant of each such option, but such price shall not be less than the market price at closing of transactions the day prior to the grant. If there were no transactions on such precedent day, the closing price is replaced by the average between the bid and ask prices.

The allotment of the shares and the Company's obligation to issue Common Shares pursuant to the Plan are subject to the Company's obtaining the required authorizations from the regulatory authorities pertaining to the allotment of these options or to the issuance and distribution of the shares under option and, if necessary, to the listing of the shares under option on any exchange where the Company's Common Shares are listed. The Company undertakes to use its best efforts to obtain all the required approvals to give effect to the Plan.

TERM

Each option, unless sooner terminated in accordance with the terms, conditions and limitations thereof, or unless sooner exercised, shall expire at the close of business on the date ("**Expiry Date**") determined by the Board of Directors or by the Committee when the option is granted or, failing such determination and in any event, not later than upon the fifth anniversary of the grant of the option. Common Shares under an option which is not exercised or which is cancelled shall be available for subsequent options under the Plan.

If at any time when an option granted under the Plan remains unexercised with respect to any common shares, and an offer to purchase all of the common shares of the Company is made by a third party, the Company may upon giving each Optionee written notice to that effect, require the acceleration of the time for the exercise of the option rights granted under the Plan and of the time for the fulfilment of any conditions or restrictions on such exercise.

TERMINATION AS ADMISSIBLE PERSON

In the event that an Optionee, prior to the close of business on the Expiry Date of his options, ceases to be an Admissible Person, then each option granted to such Optionee shall be exercisable only to the extent of the number of Optioned Shares which may be purchased under Section 4 above (determined as of the date he ceases to be an Admissible Person) for the following periods:

- i) in the event of the termination of the Optionee as an Admissible Person, by reason of disability or retirement with the consent of the Company, the options granted to such Optionee may be exercised in whole or in part by the Optionee, during a period commencing on the date of such termination and ending 90 days thereafter or on the Expiry Date, whichever comes first;
- j) in the event of the termination of the Optionee performing investor relations activities as an Admissible Person, the options granted to such Optionee may be exercised in whole or in part by the Optionee, during a period commencing on the date of such termination and ending 30 days thereafter or on the Expiry Date, whichever comes first;
- k) in the event of the termination for cause of the Optionee as an Admissible Person, the options granted to such Optionee will be terminated immediately;
- l) in the event of the death of the Optionee while an Admissible Person, the options granted to such Optionee may be exercised in whole or in part by the legal personal representative of the Optionee, during a period commencing on the date of death and ending 12 months thereafter or on the Expiry Date, whichever comes first; and

- m) in all other events where an Optionee ceases to be an Admissible Person, then each option granted to such Optionee shall expire 90 days from the date on which that Optionee ceases to be an Admissible Person, or on the Expiry Date, whichever comes first.

ISSUE OF COMMON SHARES

No Optionee shall have any of the rights of a shareholder with respect to any Optioned Shares until same have been paid for in full and issued to him.

The obligations of the Company to sell shares and deliver share certificates under the Plan are subject to such compliance by the Company and the Optionee as the Company deems necessary or advisable with all applicable corporate and securities laws, rules and regulations.

TRANSFERABILITY

No option shall be transferable otherwise than by will or the laws of succession and distribution.

In the event that an option is exercised within the four (4) months following the date it is granted, the Common Shares issued further thereto shall be legended with a four (4) month hold period from the date the option was granted. The wording of the legend shall be the following:

"Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded in Canada or to or for the benefit of a Canadian resident until [insert date]".

ALTERATION OF NUMBER OF SHARES SUBJECT TO THE PLAN

The number of Common Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of Common Shares of the Company, and in any such event, a corresponding adjustment shall be made changing the number of shares deliverable upon the exercise of any option theretofore granted without change in the total price applicable to the unexercised portion of the option, but with a corresponding adjustment in the price for each share covered by the option. In case the Company is reorganized or merged or consolidated or amalgamated with another Company, appropriate provisions shall be made for the continuance of the options outstanding under the Plan and to prevent their dilution or enlargement.

ADMINISTRATION

Within the limitations set forth in the Plan, the Board of Directors, or the Committee, is authorized to provide for the grant, exercise and method of exercise of options, on such terms (which may vary as between options) as it shall determine. All decisions and interpretations made by the Board of Directors, or the Committee, shall be binding and conclusive on the Company and all Admissible Persons to participate in the Plan. With respect to the Plan and to its administration, time shall be of the essence.

With respect to stock options granted to employees or persons providing ongoing services to the Company, the Company shall represent that the Optionee is a bona fide employee or person, as the case may be.

METHOD OF EXERCISE OF OPTION

Each option or part thereof may be exercised by the Optionee or his legal personal representative by giving notice in writing in the form annexed hereto as Schedule "B" addressed to the Company at its principal office at 1059 Selkirk Avenue, Winnipeg Manitoba R2X 0C2 and delivered or mailed by registered mail to the President or Secretary of the Company. Such notice shall specify the number of Optioned Shares with respect to which the option is being exercised and shall be accompanied by payment in full, by certified cheque or other form of payment acceptable to the Company, of the purchase price for such number of Optioned Shares so specified therein. Upon any such exercise of an option as aforesaid, the Company shall forthwith cause the transfer agent and registrar of the Company to deliver to the Optionee or his legal personal representative or to the order thereof a certificate representing the aggregate number of fully paid and non-assessable Common Shares as the

Optionee or his legal personal representative shall have then paid for. No Optionee shall have any of the rights of a shareholder with respect to the Optioned Shares until same have been paid for in full and issued to him. Notwithstanding the foregoing, no option shall be exercisable unless the Company shall be satisfied that the issuance of shares upon exercise thereof, will be in compliance with the applicable laws of Manitoba.

AMENDMENT AND TERMINATION

The Board of Directors may at any time terminate the Plan with respect to Common Shares not being, at that time, under option, and the Board of Directors may at any time amend any provision of the Plan subject to obtaining the necessary approval of any relevant stock exchange or other regulatory authorities, provided that any such amendment shall not adversely affect or impair any option previously granted to an Optionee, without its consent, under the Plan.

Without limiting the generality of the foregoing and notwithstanding any other provisions of this Plan, the approval of the disinterested shareholders must be obtained for any reduction in the exercise price if the Optionee is an insider of the Company at the time of the proposed amendment.

**SCHEDULE "A" TO
THE STOCK OPTION PLAN
ADOPTED ON NOVEMBER 7, 2007**

OPTION AGREEMENT

This Option Agreement is entered into between Bird River Resources Inc. (the "Company") and the Optionee named below pursuant to the Stock Option Plan (the "Plan"), and confirms that:

1. on _____, _____;
2. _____ (the "Optionee");
3. was granted an option to purchase _____ common shares (the "Optioned Shares") of the company;
4. for the price of \$ _____ per Optioned Share;
5. exercisable from time to time up but not after _____, _____, and subject to the Vesting Schedule contained in section 4 of the Plan if applicable;

all on the terms and subject to the condition set out in the Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and condition of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ____ day of _____, _____.

BIRD RIVER RESOURCES INC.

Per _____

THE OPTIONEE

Per _____

**SCHEDULE "B" TO
THE STOCK OPTION PLAN
ADOPTED ON NOVEMBER 7, 2007**

**BIRD RIVER RESOURCES INC.
1059 Selkirk Avenue,
Winnipeg, Manitoba R2X 0C2**

Attention: President

Re: Exercise of Option under the Stock Option Plan

Dear Sir:

The undersigned, being the holder of an option to purchase _____ Common Shares of Bird River Resources Inc. (the "Company") at \$_____ per share for the period expiring _____ pursuant to the Company's Stock Option Plan, does hereby elect to exercise the said option with a view to purchase _____ Common Shares and does hereby tender to the Company the purchase price of \$_____ therefor.

This leaves the undersigned with a balance of _____ options with the exercise price and expiry date stated above.

The closing share price on _____ was \$_____.

Yours very truly,

Optionee

This _____ day of _____ 200_____.

c.c. Corporate Secretary of the Company
CFO of the Company

Please deliver the shares as follows: