



# QUIA RESOURCES

**NOTICE OF ANNUAL AND SPECIAL MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**dated May 6, 2011**

**with respect to the**

**Annual and Special Meeting of Shareholders**

**to be held on June 9, 2011**

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# QUIA RESOURCES

## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 9, 2011

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares of Quia Resources Inc. (the "**Corporation**") will be held at the offices of Fogler, Rubinoff LLP, 95 Wellington Street West, Suite 1200, Toronto, Ontario on Thursday, June 9, 2011 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2010 together with the report of the auditors thereon and related management discussion and analysis;
2. to elect directors of the Corporation;
3. to re-appoint auditors and to authorize the directors to fix the auditors' remuneration;
4. to consider, and if deemed advisable, to ratify, confirm and approve the 10% rolling stock option plan of the Corporation, as amended, as more particularly described in the accompanying management information circular (the "**Information Circular**"); and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Information Circular. Please read the Information Circular carefully before you vote on the matters being transacted at the Meeting.

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof.** To be effective, the enclosed proxy must be mailed so as to reach or be deposited with the Corporation's transfer agent, Equity Financial Trust Company, at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 not later than forty eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof.

DATED this 6<sup>th</sup> day of May, 2011.

### **BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Yannis Banks*"  
Yannis Banks, Chief Executive Officer



## QUIA RESOURCES

### INFORMATION CIRCULAR

as at May 6<sup>th</sup> 2011

This information circular (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Quia Resources Inc. ("**Quia**" or the "**Corporation**") for use at the annual and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**common shares**" or "**shares**") of the Corporation to be held on the 9th day of June, 2011 at 10:00 a.m. (Toronto time) at the offices of Fogler, Rubinoff LLP, 95 Wellington Street West, Suite 1200, Toronto, Ontario, and at any adjournment(s) thereof, for the purposes set forth in the accompanying Notice of Meeting.

"**intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

#### REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

In this Information Circular, unless otherwise indicated, all references to "\$" and "CDN\$" refer to Canadian dollars and all references to "US\$" or "U.S. dollars" refer to United States dollars.

On May 6, 2011, the exchange rate for one Canadian dollar expressed in United States dollars, based upon the noon buying rates provided by the Bank of Canada, was US\$0.9617 (Cdn\$1.00 = US\$1.0398).

#### GENERAL PROXY INFORMATION

##### Solicitation of Proxies

Instruments of proxy must be received by the Corporation at the office of its transfer agent, Equity Financial Trust Company, at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 not less than forty-eight (48) hours, excluding Saturdays, Sundays and statutory holidays in the Province of Ontario, before the time set for the holding of the Meeting or any adjournment(s) thereof.

The instruments of proxy must be in writing and must be 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.

**The persons named in the enclosed instruments of proxy are either representatives or directors/officers of Quia. Each Shareholder has the right to appoint a proxyholder other than the persons designated in the accompanying instrument of proxy furnished by the Corporation, who need not be a Shareholder, to attend and act for such Shareholder and on such Shareholder's behalf at the Meeting. To exercise such right, the names of the persons designated by management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.**

##### Revocability of Proxy

**A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such**

person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked 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 office of the Corporation's transfer agent, Equity Financial Trust Company, at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 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 prior to voting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

### **Persons Making the Solicitation**

**The solicitation is made on behalf of the management of the Corporation.** The cost of solicitation by management will be borne by the Corporation. As well, proxies will be solicited by mail and may also be solicited personally or by telephone by the directors or officers of Quia, who will not be specifically remunerated therefor.

The Corporation may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of the common shares of the Corporation (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Information Circular, the notice of meeting (the "**Notice of Meeting**") and instrument of proxy to the beneficial owners of such securities. Quia will provide, without cost to such persons, upon request to the Corporation, additional copies of the foregoing documents required for this purpose.

### **Exercise of Discretion by Proxy**

**The common shares represented by the instrument of proxy enclosed with the accompanying Notice of Meeting and this Information Circular will be voted in accordance with the instructions of the Shareholder, but if no specification is made, the shares will be voted for the matters stated in the Notice of Meeting.** If any amendments or variations are proposed at the Meeting or any adjournment thereof to matters set forth in the proxy and described in the accompanying Notice of Meeting and this Information Circular, or if any other matters properly come before the Meeting or any adjournment thereof, the proxy confers upon the Shareholder's nominee discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting the proxy at the Meeting. At the date of this Information Circular, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

### **Advice to Beneficial Shareholders**

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of the public Shareholders do not hold common shares in their own names. Shareholders who do not hold their shares in their own names (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 Common Shares can be recognized and acted upon at the Meeting. If the 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 in the Shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The CDS Clearing & Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific

instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of Quia may not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/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 is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically applies a decal to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy with a Broadridge decal on it cannot use that proxy to vote shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.

Since only registered Shareholders and their proxies may attend and vote at the Meeting, if a Beneficial Shareholder attends the Meeting, the Corporation will have no record of the Beneficial Shareholder's shareholdings or of its entitlement to vote unless the Beneficial Shareholder's nominee has appointed the Beneficial Shareholder as proxyholder. Therefore, a Beneficial Shareholder who wishes to vote in person at the Meeting must insert its own name in the space provided on the voting instruction form sent to the Beneficial Shareholder by its nominee, and sign and return the voting instruction form by following the signing and returning instructions provided by its nominee. By doing so, the Beneficial Shareholder will be instructing its nominee to appoint the Beneficial Shareholder as proxyholder. The Beneficial Shareholder should not otherwise complete the voting instruction form as its vote will be taken at the Meeting.

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

No person who has been a director or executive officer of the Corporation since the beginning of the last financial year and no associate or affiliate of any such director or executive officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the approval of the Corporation's stock option plan, as amended (the "**Stock Option Plan**") (insofar as such directors and/or officers hold stock options. See "Executive Compensation" below for particulars on the options held by directors and officers).

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

Each holder of common shares of record at the close of business on May 6, 2011 (the "**Record Date**") is entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy, except to the extent that such holder has transferred any shares after the Record Date and the transferee of such share establishes proper ownership thereof and demands, not later than ten (10) days before the Meeting, to be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee is entitled to vote.

As of the Record Date, the Corporation had 62,180,146 issued and outstanding common shares. Each common share carries the right to one vote. The common shares are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "**QIA**."

To the knowledge of the directors and senior officers of the Corporation, no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of any class of voting securities of the Corporation, on a non-diluted basis.

## QUORUM

A quorum will be present at the Meeting if there are at least two (2) persons present, each of whom is either a Shareholder entitled to attend and vote at the Meeting or the proxyholder of a Shareholder appointed by means of a valid proxy, holding or representing by proxy, collectively, not less than twenty percent (20%) of the issued and outstanding common shares of Quia.

## STATEMENT OF CORPORATE GOVERNANCE MATTERS

### Corporate Governance

Corporate governance relates to the activities of the Board of Directors (the "**Board**"), the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**") establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Corporation is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

### Board of Directors

The Board is currently comprised of six directors: Messrs. Chris Davie, Daniel Noone, Richard Brown, Adam Szweras, Robert Manning and Paul Lin. The shareholders will be asked to increase the size of the board to seven directors. All of the aforementioned directors, as well as the Chief Executive Officer of the Corporation, Yannis Banks, are proposed to be nominated as directors at the Meeting.

NI 58-101 defines an "**independent director**" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment.

Richard Brown, Chris Davie, Paul Lin, Robert Manning and Adam Szweras are not considered "independent" as a result of their current or former positions as Vice President, Business Development, former Chief Executive Officer, former President, Chief Executive Officer and Chief Operational Officer of the Corporation, former President of the material subsidiary of the Corporation and a partner of Fogler, Rubinoff LLP which receives fees for legal services provided to the Corporation, respectively. If elected, Yannis Banks will also not be considered "independent" as a result of his current position as Chief Executive Officer of the Corporation. The remaining director is considered to be an independent director since he is independent of management and free from any material relationship with the Corporation. The basis for this determination is that, since the beginning of the fiscal year ended December 31, 2010, the independent director has not worked for the Corporation, received remuneration from the Corporation (other than in his capacity as a director) or had material contracts with or material interests in the

Corporation which could interfere with his ability to act with a view to the best interests of the Corporation.

The Board believes that it functions independently of management. To enhance its ability to act independent of management, the members of the Board may meet in the absence of members of management and the non-independent directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate. The current Board did not hold any meetings of the independent directors during the fiscal year ended December 31, 2010.

### **Other Reporting Issuer Directorships**

Certain of the directors of the Corporation are also directors of other reporting issuers (or the equivalent). The following table sets forth such directors who currently hold directorships in other reporting issuers:

Name	Name of Reporting Issuer
Daniel Noone	Guyana Goldfields Inc. (TSX) Amerix Precious Metals Corporation (TSXV) Guyana Precious Metals Inc. (formerly, Coronation Minerals Inc.) (TSXV) Odin Mining & Exploration Ltd. (TSXV) Canada Pacific Capital Corp. (TSXV)
Richard Brown	Amarillo Gold Corporation (TSXV) Leo Acquisitions Corp. (TSXV)
Paul Lin	Greater China Capital Inc. (TSXV)
Adam Szweras	Canada Pacific Capital Corp. (TSXV)

### **Orientation and Continuing Education**

Each new director is given an outline of the nature of the business of the Corporation, its corporate strategy and current issues within the Corporation. New directors are also required to meet with management of the Corporation to discuss and better understand the Corporation's business and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations as directors of the Corporation.

In addition, management of the Corporation takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole. The Corporation continually reviews the latest securities rules and policies. Any such changes or new requirements are then brought to the attention of the Corporation's directors either by way of director or committee meetings or by direct communications from management to the directors.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in the decision making of the Board in which the director has an interest as well as adherence to the standards contained in the Corporation's Code of Business Conduct and Ethics have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. Further, the Corporation's auditors have full and unrestricted access to the audit committee of the Corporation (the "**Audit Committee**") at all times to



discuss the annual audits of the Corporation's financial statements and any related findings as to the integrity of the financial reporting process.

### **Nomination of Directors**

The Corporation has established a Corporate Governance and Nominating Committee which is comprised of two (2) directors: Daniel Noone and Robert Manning, one of whom is independent of management within the meaning of NI 58-101. Mr. Daniel Noone serves as committee chair. The Corporate Governance and Nominating Committee meets at least twice annually and is responsible for: (a) reviewing the Board's Corporate Governance guidelines and all Committee's Charters to ensure that they are consistent with sound governance principles, and recommending any proposed changes to the Board for approval; (b) developing, and periodically updating, a Code of Business Ethics (the "Code") for approval by the Board, and ensuring that management has established a system to disseminate and monitor compliance of the Code and is enforcing its application; (c) in consultation with the Audit Committee, monitoring and reviewing the Corporation's policies and procedures relating to compliance with laws and regulations and its Code; (d) considering what competencies and skills the Board, as a whole, should possess and seeking individuals qualified to become board members, including evaluating persons suggested by share owners or others; (e) recommending to the Board the director nominees for the next annual meeting of shareholders; (f) evaluating and recommending to the Board when new members should be added to the Board, including factors of structure, size and composition of the Board and its committees; (g) reviewing the composition of each Board committee and presenting recommendations for committee memberships and committee chairmanships to the Board as needed; (h) developing and overseeing the annual performance assessment process for the Board and each Committee of the Board; and (i) reporting regularly to the Board on the Corporate Governance and Nominating Committee's activities and actions, as appropriate.

### **Compensation**

The Corporation has established a Compensation Committee which is composed of two (2) directors: Messrs. Daniel Noone and Paul Lin, one of whom is independent of management within the meaning of NI 58-101. Daniel Noone serves as committee chair. The Compensation Committee meets at least twice annually and is responsible for making recommendations to the Board regarding: (a) Chief Executive Officer compensation; (b) compensation of other executives; (c) incentive compensation plans; and (d) employment agreements, severance agreements, retirement agreements, change in control agreements and provisions, and any special or supplemental benefits for each officer of the Corporation. The Board then determines whether to adopt such recommendations as submitted or otherwise.

### **Other Board Committees**

In addition to the Corporate Governance and Nominating and Compensation Committees, the Board also has an Audit Committee, the details of which are provided below.

### **Assessment of Board Performance**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

## **AUDIT COMMITTEE INFORMATION**

The Audit Committee is responsible for the Corporation's financial reporting process and the quality of its financial reporting. In addition to its other duties, the Audit Committee reviews all financial statements, annual and interim, intended for circulation among Shareholders and reports upon these to the Board. In

addition, the Board may refer to the Audit Committee other matters and questions relating to the financial position of the Corporation. In performing its duties, the Audit Committee maintains effective working relationships with the board, management and the external auditors and monitors independence of those auditors. The Audit Committee has formally adopted an Audit Committee charter, which sets forth purposes of the Audit Committee and guidelines for its practices. The full text of the Audit Committee Charter is annexed hereto as Schedule "A".

The members of the Audit Committee are: Messrs. Daniel Noone, Paul Lin and Richard Brown, all of whom are financially literate two of whom are not Officers, employees or Control Persons of the Corporation or any of its Associates or Affiliates as such capitalized terms are defined in TSXV policies, and one of whom is also independent of management within the meaning of NI 58-101.

The Corporation is relying on the exemption in Section 6.1 of National Instrument 52-110 "Audit Committees" ("**NI 52-110**") (*Venture Issuers*). At no time since the commencement of the fiscal year ended December 31, 2010 has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Thus, the composition of the Audit Committee complies with the TSXV requirements and the provisions of NI 52-110 of the Canadian Securities Administrators.

## **MATTERS TO BE ACTED ON AT THE MEETING**

### **Financial Statements**

The Shareholders will receive and consider the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2010 together with the auditors' reports thereon.

### **Election of Directors**

The Articles of Incorporation of the Corporation provide that the Board shall consist of a minimum of three (3) and a maximum of fifteen (15) directors. The total number of directors is currently fixed at six (6). Accordingly, Shareholders will be asked to increase the size of the Board to seven (7) directors and elect seven (7) directors at the Meeting.

The following information relates to the election of directors of the Corporation and to the persons proposed to be nominated for election as directors. Management proposes that each of the persons named below be nominated at the Meeting for re-election or election, as the case may be, as directors of the Corporation to serve, until the next annual meeting of Shareholders of the Corporation or until his or her successor is elected or appointed. Management does not contemplate that any of the nominees will be unable to serve as a director. **However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Shares represented by proxies in favour of management nominees will be voted for the election of all of the nominees whose names are set forth below, unless a Shareholder has specified in his proxy that his shares are to be withheld from voting on the election of directors.**

The following table and the notes thereto state the names of all persons to be nominated for election as directors, all other positions or offices with the Corporation now held by them, their principal occupations of employment, the year in which they became directors for the Corporation, the approximate number of common shares beneficially owned, or controlled or directed, directly or indirectly, by each of them, as

of the date hereof, and the number of options to acquire common shares held by each of them as of the date hereof.

Name and Municipality of Residence	Present Principal Occupation	Year first became director	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Number of Options Held
Yannis Banks Toronto, Ontario, Canada	CEO of the Corporation	-	646,000 <sup>(9)</sup>	-
Chris Davie Denver, Colorado, USA	CEO of Andromeda Resources, Inc.	December 22, 2010	60,000	700,000
Richard Brown <sup>(2)</sup> Belo Horizonte, Brazil	Vice President, Business Development, Brazil, Amarillo Gold Corp	December 22, 2010	2,719,998	300,000
Daniel Noone <sup>(2)(3)(4)(5)(6)(7) (8)</sup> Toronto, Ontario, Canada	General Manager, Ironbark International Limited	December 22, 2010	918,666 <sup>(10)</sup>	300,000
Adam K. Szweras Thornhill, Ontario, Canada	Partner, Fogler, Rubinoff LLP	December 22, 2010	25,000 <sup>(9)</sup>	200,000
Robert A. Manning <sup>(5)</sup> Midland, Texas, USA	President of R.A. Manning & Associates	December 22, 2010	1,874,564	200,000
Paul Lin <sup>(2)(7)</sup> Toronto Ontario, Canada	Consultant, Fundex Investment Inc.	October 2, 2007	23,500	459,500

**Notes:**

- (1) Information supplied by nominees and does not include shares issuable upon exercise of options or other convertible securities.
- (2) Member of the Audit Committee.
- (3) Chairman of the Audit Committee.
- (4) Chairman of the Board of Directors.
- (5) Member of the Corporate Governance Committee.
- (6) Chairman of the Corporate Governance and Nominating Committee.
- (7) Member of the Compensation Committee.
- (8) Chairman of the Compensation Committee.
- (9) Yannis Banks is the Managing Director and a 31.6% owner of Foundation Markets Inc. ("Foundation") Adam Szweras is a Founding Partner and a family trust for the benefit of his children is a 31.6% owner of Foundation. Foundation, together with its affiliates, hold, in the aggregate, 2,248,024 common shares of the Corporation, and warrants to purchase an additional 1,188,919 common shares, totalling 3,436,943 common shares of the Corporation, or 5.53% of the outstanding on a fully-diluted basis. Neither Mr. Banks nor Mr. Szweras direct the trading of the securities of the Corporation held by Foundation.
- (10) 668,666 common shares are held by Daniel Noone directly and 250,000 common shares are held through Point Break Resources.

Set forth below is a description of the principal occupation of each of the Board nominees during the past five years:

*Yannis Banks – CEO and Director Nominee*

Mr. Banks has been with Foundation since 2007, a Toronto-based merchant bank focused on the natural resource sectors and one of the founders of the Corporation. Prior to that, Mr. Banks was an independent consultant and volunteered with Gram Vikas, a rural development NGO in India. Mr. Banks has been involved in financing and providing strategic advisory services to a number of early stage natural resource companies and evaluating and acquiring mineral projects in North and South America and Asia. Mr. Banks is also Managing Director of Foundation and CEO of Alpaca Resources. He also serves on the board of directors of Alpaca Resources, Lakeside Minerals, Caldera Geothermal and Arkose Energy, all of which are private companies.

*Chris Davie – Director*

Mr. Davie has over 35 years experience in the mining industry. Mr. Davie is currently CEO of Andromeda Resources, Inc. which has negotiated an agreement to purchase the Terrazas zinc-copper property located near Chihuahua City in Mexico and prior to that was CEO of Virgin Metals Inc., which was focused on two molybdenum-copper projects in Mexico. Prior to that, he was CEO of Queenstake Resources Ltd. ("**Queenstake Resources**") and predecessor companies where he successfully transformed the junior gold company with a \$15 million market capitalization to an intermediate producer with a greater than \$250 million market capitalization. Prior to Queenstake Resources, Mr. Davie has been involved in the construction and financing of a number of precious and base metal mining operations ranging from small to large scale. Mr. Davie holds a Master of Science degree in Mining Engineering from the University of London.

*Richard Brown – Vice-President, Business Development and Director*

Richard Brown is the Vice President, Business Development, Brazil for Amarillo Gold Corp. Mr. Brown has extensive worldwide experience in both mineral and petroleum exploration. For the last 17 years he has lived in South America, establishing local companies and acquiring a portfolio of mining properties in Ecuador, Peru, Argentina and Brazil. Mr. Brown combines a thorough knowledge of the local business culture with an extensive network of industry contacts and a track record of acquiring significant assets.

*Daniel Noone – Chairman of the Board and Director*

Mr. Noone has over 15 years experience in mineral exploration. He was President and CEO of Absolut Resources Corp. until its amalgamation with Aquiline Resources Inc. ("**Aquiline**") in April 2008 and was Vice-President, Peruvian Operations for Aquiline until its takeover by Pan American Silver Corp. in December 2009. From 1998 until 2001, Mr. Noone managed exploration in Peru for Homestake Mining Company. Mr. Noone was involved in the discovery of the Sinchao polymetallic skarn system for El Misti Gold in 1997 and also identified a number of high quality exploration plays including the Antaña gold project. Currently Mr. Noone is also Vice-President Exploration of Guyana Goldfields.

*Adam Szweras – Director*

Mr. Szweras, is a partner at Fogler, Rubinoff LLP, Toronto, Ontario, and founder and chairman of Foundation Markets Inc. and Foundation Opportunities Inc. Mr. Szweras joined Fogler, Rubinoff LLP in 2006, and prior thereto practiced securities and corporate law with another major Canadian firm. Prior to that he was the managing partner of a prominent Bay Street securities law boutique where he represented public issuers and investment dealers. His legal practice and investment bank activities have been focused on corporate finance and going public transactions.

*Robert Manning - Director*

Mr. Manning was Vice-President of International Exploration for Gulf Resources and Chemical Corporation from 1974 to 1982. He evaluated and negotiated terms for the La Equis polymetallic gold deposit in Western Colombia and negotiated JV terms with Texaco and the Colombian Ministry of Mines on the Alisales Copper property in Southern Colombia. For the past 20 years, Mr. Manning has been Senior Geologist and President of a number of junior oil & gas and mining companies.

*Paul Lin – Director*

Dr. Lin is currently a consultant with Fundex Investment Inc. and has over 15 years of experience in financial and investment industry in Canada. Dr. Lin was director and Chief Financial Officer of McVicar

Minerals Ltd. from 2000 to 2003. In 2003, Hanfeng Evergreen Inc. completed its IPO by way of an RTO with McVicar Minerals Ltd. Dr. Lin subsequently served as a director and Chief Financial Officer of a newly created company McVicar Resources Inc. between 2004 and 2007. Dr. Lin has extensive experience in acquisitions in China. Dr. Lin obtained his Ph.D. from the University of Toronto in 1995.

### **Corporate Cease Trade Orders, Penalties and Bankruptcies**

Except as disclosed below, to the best of the Corporation's knowledge, no existing or proposed director is, at the date of the Information Circular, or has been, within the 10 years prior to the date of the Information Circular, a director or chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity,

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

For the purposes of the above section, the term "order" means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant company access to any exemption under securities legislation

that was in effect for a period of more than 30 consecutive days.

Adam Szweras was a director and Secretary of Bassett Media Group Corp. ("Bassett"), a TSXV - listed company, until March 16, 2010. Bassett has been subject to a cease trade order since June 16, 2010.

Onsino Capital Corporation, the predecessor to Quia, was subject to a cease trade order in Ontario and British Columbia for failure to file interim financial statements and the related management discussion and analysis for the six-months period ended June 30, 2007, which was subsequently revoked on February 5, 2009. Paul Lin was the President, Chief Executive Officer and a director of the Corporation at the time when the cease trade order was issued.

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

To the Corporation's knowledge, no existing or proposed director of the Corporation has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

## **Appointment of Auditors**

Management recommends the re-appointment of Collins Barrow Toronto LLP, of Toronto, Ontario, as auditor of the Corporation to hold office until the close of the next annual meeting of the Shareholders, or until their successor is appointed by the Board. Collins Barrow Toronto LLP was first appointed as auditor of the Corporation in February 2009.

**Shares represented by proxies in favour of the management nominees will be voted in favour of the appointment of Collins Barrow Toronto LLP as auditor of the Corporation and authorizing the directors of the Corporation to fix their remuneration, unless a Shareholder has specified in his proxy that his shares are to be withheld from voting on the appointment of auditors.**

## **Audit Fees**

The aggregate fees billed by the Corporation's external auditors for professional services rendered for the audit of the consolidated financial statements of the Corporation and its subsidiaries were \$91,400 in the fiscal year ended December 31, 2010.

### Audit Related Fees

The aggregate fees (including reimbursed expenses) billed by the Corporation's external auditors for services related to the audit or review the Corporation's financial statements were \$10,810.

### Tax Fees

The aggregate fees (including reimbursed expenses) billed by the Corporation's external auditors for the preparation of corporate tax returns, tax compliance, tax advice and tax planning services were \$2,800 in the fiscal year ended December 31, 2010.

## **All Other Fees**

The aggregate fees, including expenses reimbursed, billed by the Corporation's external auditors for services rendered to the Corporation and its subsidiaries, other than the services described above, were \$Nil in the fiscal year ended December 31, 2010.

## **Ratification and Approval of the Stock Option Plan**

In accordance with the requirements of the TSXV, Shareholders will be asked annually to approve and ratify the Corporation's Stock Option Plan, as amended, pursuant to which the directors of the Corporation are authorized to grant options for up to 10% of the issued and outstanding common shares from time to time. The Board approved the Stock Option Plan in January 2010.

The following information is intended to be a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which is available for review by any Shareholder up until the day preceding the Meeting at the offices of the Corporation's solicitors, Fogler, Rubinoff LLP at 95 Wellington Street W., Suite 1200, Toronto, Ontario, M5J 2Z9 and will be available at the Meeting.

- The purpose of the Stock Option Plan is to authorize the grant to eligible persons (as such term is defined in the Stock Option Plan) of options to purchase common shares of the Corporation's capital and thus benefit the Corporation by enabling it to attract, retain and motivate eligible persons by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

- The Stock Option Plan is administered by the Board or a committee established by the Board for that purpose.
- The number of shares reserved for issuance cannot exceed 10% of the issued and outstanding common shares at the time of the grant.
- The total number of shares which may be reserved for issuance to any one individual under the Stock Option Plan within any one year period cannot exceed 5% of the issued and outstanding common shares at the time of the grant.
- The maximum number of shares which may be reserved for issuance to insiders under the Stock Option Plan, any other employer stock option plans or options for services, shall be 10% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).
- The maximum number of shares which may be issued to insiders under the Stock Option Plan, together with any other previously established or proposed share compensation arrangements, within any one year period shall be 10% of the outstanding issue. The maximum number of shares which may be issued to any one insider and his or her associates under the Stock Option Plan, together with any other previously established or proposed share compensation arrangements, within a one year period shall be 5% of the shares outstanding at the time of the grant (on a non-diluted basis).
- The maximum number of stock options which may be granted to any one consultant under the Stock Option Plan, any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).
- The maximum number of stock options which may be granted to investor relations persons under the Stock Option Plan, any other employer stock options plans or options for services, within any 12 month period must not exceed 2% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).
- The purchase price for the shares under each stock option shall be determined by the Board on the basis of the market price, where "market price" shall mean the prior trading day closing price of the common shares on any stock exchange on which the common shares are listed or last trading price on the prior trading day on any dealing network where the common shares trade, and where there is no such closing price or trade on the prior trading day, "market price" shall mean the average of the daily high and low board lot trading prices of the common shares on any stock exchange on which the shares are listed or dealing network on which the shares trade for the five (5) immediately preceding trading days. In the event the common shares are listed on the TSXV, the price may be the market price less any discounts from the market price allowed by the TSXV. The approval of disinterested shareholders will be required for any reduction in the price of a previously granted stock option to an insider of the Corporation.
- The stock options are exercisable for a period of up to five (5) years from the date of grant.
- If any optionee who is a service provider ceases to be an eligible person of the Corporation for any reason (whether or not for cause) the optionee may, but only within the period ending the later of (i) 12 months after the completion of the Qualifying Transaction (as defined in Policy 2.4, Capital Pool Companies, of the TSXV and (ii) 90 days (unless such period is extended by the Board or the committee, as applicable, and approval is obtained from the stock exchange on

which the shares of the Corporation trade), or 30 days if the eligible person is an investor relations person (unless such period is extended by the Board or the committee, as applicable, and approval is obtained from the stock exchange on which the shares of the Corporation trade), next succeeding such cessation and in no event after the expiry date of the optionee's option, exercise the optionee's option unless such period is extended.

- In the event of the death of an optionee during the currency of the optionee's option, the option theretofore granted to the optionee shall be exercisable within the period of one (1) year next succeeding the optionee's death (unless such period is extended by the Board or the committee, as applicable, and approval is obtained from the stock exchange on which the shares of the Corporation trade).
- Stock options issued under the Stock Option Plan may vest at the discretion of the Board, provided that, if required by any stock exchange on which the common shares trade, stock options issued to investor relations consultants must vest in stages over not less than 12 months with no more than one quarter (1/4) of the stock options vesting in any three (3) month period.
- Stock options granted under the Stock Option Plan are non-assignable and non-transferable.
- The Board or committee, as applicable, may at any time amend or terminate the Stock Option Plan, but where amended, such amendment is subject to regulatory approval.
- Upon exercise of an option, the optionee shall, upon notification of the amount due and prior to or concurrently with the delivery of the certificates representing the shares, pay to the Corporation amounts necessary to satisfy applicable withholding tax requirements or shall otherwise make arrangements satisfactory to the Corporation for such requirements. In order to implement this provision, the Corporation or any related corporation has the right to retain and withhold from any payment of cash or shares under the Stock Option Plan the amount of taxes required to be withheld or otherwise deducted and paid with respect to such payment. At its discretion, the Corporation may require an optionee receiving shares to reimburse the Corporation for any such taxes required to be withheld by the Corporation and withhold any distribution to the optionee in whole or in part until the Corporation is so reimbursed. In lieu thereof, the Corporation has the right to withhold from any cash amount due or to become due from the Corporation to the optionee an amount equal to such taxes. The Corporation may also retain and withhold or the optionee may elect, subject to approval by the Corporation at its sole discretion, to have the Corporation retain and withhold a number of shares having a market value not less than the amount of such taxes required to be withheld by the Corporation to reimburse the Corporation for any such taxes and cancel (in whole or in part) any such shares so withheld.

As of May 6, 2011, the Corporation has 62,180,146 common shares issued and outstanding. This means that a total of 6,218,014 options are currently available to be granted pursuant to the Stock Option Plan. As of May 6, 2011, options had been granted pursuant to the Stock Option Plan and 1,246,713 options were still available to be granted.

At the Meeting, Shareholders will be asked to pass an ordinary resolution substantially in the following form:

"RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the stock option plan (the "**Stock Option Plan**") of Quia Resources Inc. (the "**Corporation**"), as amended, is hereby ratified, confirmed and approved;



2. the Corporation is authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan, as amended, entitling all of the option holders in aggregate to purchase up to such number of common shares of the Corporation as is equal to ten percent (10%) of the number of common shares of the Corporation issued and outstanding on the applicable grant date; and
3. any one officer or director of the Corporation is authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Corporation or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commission forms, as may be required to give effect to the true intent of this resolution."

**Shares represented by proxies in favour of management nominees will be voted in favour of the approval of the Stock Option Plan, unless a Shareholder has specified in his proxy that his shares are to be withheld from voting on the approval of the Stock Option Plan.**

### EXECUTIVE COMPENSATION

Securities laws require that a "Statement of Executive Compensation" in accordance with Form 51-102F6 be included in this Information Circular. Form 51-102F6 prescribes the disclosure requirements in respect of the compensation of executive officers and directors of reporting issuers. Form 51-102F6 provides that compensation disclosure must be provided for the Chief Executive Officer and the Chief Financial Officer of an issuer and each of the issuer's three mostly highly compensated executive officers whose total compensation exceeds Cdn\$150,000. Based on these requirements, the executive officers of the Corporation for whom disclosure is required under Form 51-102F6 are Yannis Banks (Chief Executive Officer), Andres Tinajero (Chief Financial Officer), Iain Kelso (Vice-President, Exploration), Chris Davie (former Chief Executive Officer) and Paul Lin (former President, Chief Executive Officer and Chief Financial Officer) who are collectively referred to as the "**Named Executive Officers**" or "**NEO's**".

SUMMARY COMPENSATION TABLE							
Name and Principal Position of Named Executive Officer	Year	Salary (CDN\$)	Option-Based Awards (CDN\$)	Non-Equity Incentive Plan Compensation		All Other Compensation (CDN\$)	Total Compensation (CDN\$)
				Annual Incentive Plans (CDN\$)	Long-Term Incentive Plans (CDN\$)		
Yannis Banks <sup>(1)</sup> Chief Executive Officer	2010	N/A	N/A	N/A	N/A	N/A	N/A
	2009	N/A	N/A	N/A	N/A	N/A	N/A
	2008	N/A	N/A	N/A	N/A	N/A	N/A
Andres Tinajero <sup>(2)</sup> Chief Financial Officer	2010	58,000 <sup>(5)</sup>	4,000 <sup>(7)</sup>	N/A	N/A	Nil	62,000
	2009	N/A	N/A	N/A	N/A	N/A	N/A
	2008	N/A	N/A	N/A	N/A	N/A	N/A
Iain Kelso <sup>(2)</sup>	2010	144,000 <sup>(5)</sup>	69,000 <sup>(7)</sup>	N/A	N/A	50,000	263,000

Vice-President, Exploration	2009	N/A	N/A	N/A	N/A	N/A	N/A
	2008	N/A	N/A	N/A	N/A	N/A	N/A
Chris Davie <sup>(3)</sup> Former Chief Executive Officer	2010	109,550 <sup>(6)</sup>	70,000 <sup>(7)</sup>	N/A	N/A	Nil	179,550
	2009	N/A	N/A	N/A	N/A	N/A	N/A
	2008	N/A	N/A	N/A	N/A	N/A	N/A
Paul Lin <sup>(4)</sup> Former President, Chief Executive Officer and Chief Financial Officer	2010	Nil	33,614 <sup>(8)</sup>	N/A	N/A	Nil	33,614
	2009	Nil	Nil	N/A	N/A	Nil	Nil
	2008	Nil	Nil	N/A	N/A	Nil	Nil

**Notes:**

- (1) Mr. Banks was appointed as the Chief Executive Officer on April 1, 2011.
- (2) Messrs. Tinajero and Kelso were appointed the Chief Financial Officer and Vice President, Exploration, respectively, on December 22, 2010 upon completion of the Qualifying Transaction between Onsinco Capital Corporation (now Quia Resources Inc.) and Quia Resources Inc. (now Quia Resources Corp.) ("Quia Corp.") on December 22, 2010 (the "Qualifying Transaction"). The compensation received from both the Corporation and Quia Corp. are included.
- (3) Mr. Davie was appointed as the Chief Executive Officer on December 22, 2010 upon completion of the Qualifying Transaction and ceased to be the Chief Executive Officer on April 1, 2011. The compensation received from both the Corporation and Quia Corp. are included.
- (4) Paul Lin resigned as the President, Chief Executive Officer and Chief Financial Officer on December 22, 2010 upon completion of the Qualifying Transaction.
- (5) This amount was paid as consulting fees
- (6) This amount is presented in U.S. dollars and was paid as consulting fees.
- (7) Andres Tinajero, Iain Kelso and Chris Davie were granted options as former officers of Quia Corp., which were exchanged for options of the Corporation on the closing of the Qualifying Transaction. See "NEO Outstanding Option-Based Awards" below. The fair value of each option granted is estimated at the time of grant using the Black-Scholes option-pricing model with weighted average assumptions for grants as follows: a 1.5 year expected term, 100% volatility, risk-free interest rate of 1.44% per annum, a dividend rate of 0% and weighted average grant-date fair value of stock options of \$0.10 for Mr Tinajero, a 5.5 year expected term, 100% volatility, risk-free interest rate of 2.57% per annum, a dividend rate of 0% and weighted average grant-date fair value of stock options of \$0.17 for Mr Kelso and Davie and a 5.5 year expected term, 100% volatility, risk-free interest rate of 2.57% per annum, a dividend rate of 0% and weighted average grant-date fair value of stock options of \$0.18 for Mr Davie.
- (8) The fair value of each option granted is estimated at the time of grant using the Black-Scholes option-pricing model with weighted average assumptions for grants as follows: a 5 year expected term, 100% volatility, risk-free interest rate of 2.77% per annum, a dividend rate of 0% and weighted average grant-date fair value of stock options of \$0.1.

**NEO Outstanding Option-Based Awards**

The table below reflects all option-based awards for each Named Executive Officer outstanding as at December 31, 2010. The Corporation does not have any other equity incentive plans other than the Stock Option Plan.

NEO OPTION-BASED AWARDS OUTSTANDING AS AT DECEMBER 31, 2010				
Name of Named Executive Officer	Number of Securities Underlying Unexercised Options <sup>(1)</sup>	Option Exercise Price (CDN\$/Security)	Option Expiration Date	Value of Unexercised In-the-Money Options (CDN\$)
Yannis Banks Chief Executive Officer	Nil	N/A	N/A	N/A
Andres Tinajero Chief Financial Officer	40,000	\$0.30	May 20, 2015	Nil <sup>(2)</sup>

**NEO OPTION-BASED AWARDS OUTSTANDING AS AT DECEMBER 31, 2010**

<b>Name of Named Executive Officer</b>	<b>Number of Securities Underlying Unexercised Options<sup>(1)</sup></b>	<b>Option Exercise Price (CDN\$/Security)</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised In-the-Money Options (CDN\$)</b>
Iain Kelso Vice President, Exploration	400,000	\$0.40	May 20, 2015	Nil <sup>(2)</sup>
Chris Davie Former Chief Executive Officer	200,000	\$0.40	May 20, 2015	Nil <sup>(2)</sup>
Paul Lin Former President, Chief Executive Officer and Chief Financial Officer	259,500 <sup>(4)</sup>	\$0.15 <sup>(4)</sup>	March 9, 2015	Nil <sup>(3)</sup>

**Notes:**

- (1) Each option entitles the holder to purchase one common share.
- (2) Andres Tinajero, Iain Kelso and Chris Davie were granted options as former officers of Quia Corp., which were exchanged for options of the Corporation on the closing of the Qualifying Transaction.
- (3) All of the options vested on the day they were granted. Calculated using the closing price per common share on the NEX on February 12, 2010, the last day on which the common shares traded prior to the public announcement of the Qualifying Transaction, of \$0.09 less the exercise price of the applicable stock options. The trading of the shares on the TSXV commenced on January 5, 2011.
- (4) This number of options and the exercise price are provided on the post-share consolidation basis of one (1) post-share consolidation share for every one and one-half (1.5) pre-share consolidation shares, which was effected immediately prior to the completion of the Qualifying Transaction.

**Incentive Award Plans**

The following table provides information concerning the incentive award plans of the Corporation with respect to each Named Executive Officer during the fiscal year ended December 31, 2010. The only incentive award plan of the Corporation during fiscal 2010 was the Stock Option Plan.

**INCENTIVE AWARD PLANS –  
VALUE VESTED OR EARNED DURING THE FISCAL YEAR ENDED DECEMBER 31, 2010**

<b>Name of Executive Officer</b>	<b>Option-Based Awards – Value Vested During Fiscal 2010 (CDN\$)</b>	<b>Non-Equity Incentive Plan Compensation – Value Earned During Fiscal 2010 (CDN\$)</b>
Yannis Banks <sup>(3)</sup>	N/A	N/A
Andres Tinajero <sup>(4)</sup>	Nil <sup>(1)</sup>	Nil
Iain Kelso <sup>(4)</sup>	Nil <sup>(1)</sup>	Nil
Chris Davie <sup>(5)</sup>	Nil <sup>(1)</sup>	Nil
Paul Lin <sup>(6)</sup>	Nil <sup>(2)</sup>	Nil

**Notes:**

- (1) All of the options vested on the day they were granted. On May 20, 2010, Andres Tinajero, Iain Kelso and Chris Davie were granted options as former officers of Quia Corp., which were exchanged for options of the Corporation on the closing of the Qualifying Transaction. The deemed acquisition price of common shares of Quia Corp. was \$0.30 per common share of Quia Corp. The trading of the common shares on the TSXV commenced on January 5, 2011.
- (2) All of the options vested on the day they were granted, March 9, 2010. The trading prices of the Corporation's common shares on February 12, 2010, the last day on which the common shares traded prior to the public announcement of the Qualifying Transaction, was \$0.09.

- (3) Mr. Banks was appointed as the Chief Executive Officer on April 1, 2011.
- (4) Messrs. Tinajero and Kelso were appointed the Chief Financial Officer and Vice President, Exploration, respectively, on December 22, 2010 upon completion of the Qualifying Transaction.
- (5) Mr. Davie was appointed as the Chief Executive Officer on December 22, 2010 upon completion of the Qualifying Transaction and ceased to be the Chief Executive Officer on April 1, 2011.
- (6) Paul Lin resigned as the President, Chief Executive Officer and Chief Financial Officer on December 22, 2010 upon completion of the Qualifying Transaction.

## **Compensation Discussion and Analysis**

### *Introduction*

The Compensation Discussion and Analysis section of this Information Circular sets out the objectives of the Corporation's executive compensation arrangements, the Corporation's executive compensation philosophy and the application of this philosophy to the Corporation's executive compensation arrangements. It also provides an analysis of the compensation design, and the decisions that the Board made in fiscal 2010 with respect to the Named Executive Officers. When determining the compensation arrangements for the Named Executive Officers, the Compensation Committee considers the objectives of: (i) retaining an executive critical to the success of the Corporation and the enhancement of shareholder values; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and Shareholders of the Corporation; and (iv) rewarding performance, both on an individual basis and with respect to the business in general. See the "Statement of Corporate Governance" above for more discussion on the Compensation Committee.

### *Benchmarking*

The Compensation Committee considers a variety of factors when designing and establishing, reviewing and making recommendations for executive compensation arrangements for all executive officers of the Corporation. The Corporation typically does not position executive pay to reflect a single percentile within the junior mining industry for each executive. Rather, in determining the compensation level for each executive, the Compensation Committee looks at factors such as the relative complexity of the executive's role within the organization, the executive's performance and potential for future advancement, the compensation paid by the other companies in the junior mining and oil and gas industry, and pay equity considerations.

### *Elements of Compensation*

The compensation paid to the Named Executive Officers in any year consists of two (2) primary components:

- (a) base salary; and
- (b) long-term incentives in the form of stock options granted under the Stock Option Plan.

The Corporation believes that making a significant portion of the Named Executive Officer's compensation based on a base salary and long-term incentives supports the Corporation's executive compensation philosophy, as these forms of compensation allow those most accountable for the Corporation's long-term success to acquire and hold the Corporation's shares. The key features of these two primary components of compensation are discussed below:

#### 1. Base Salary

Base salary recognizes the value of an individual to the Corporation based on his or her role, skill, performance, contributions, leadership and potential. It is critical in attracting and retaining

executive talent in the markets in which the Corporation competes for talent. Base salaries for the Named Executive Officers are reviewed annually. Any change in base salary of a Named Executive Officer is generally determined by an assessment of such executive's performance, a consideration of competitive compensation levels in companies similar to the Corporation (in particular, companies in the junior mining industry) and a review of the performance of the Corporation as a whole and the role such executive officer played in such corporate performance.

## 2. Stock Option Awards

The Corporation provides long-term incentives to the Named Executive Officers in the form of stock options as part of its overall executive compensation strategy. (For a description of the material terms of the Stock Option Plan, see "Ratification and Approval of the Stock Option Plan" above). The Compensation Committee believes that stock option grants serve the Corporation's executive compensation philosophy in several ways: firstly, it helps attract, retain, and motivate talent; secondly, it aligns the interests of the Named Executive Officers with those of the Shareholders by linking a specific portion of the officer's total pay opportunity to share price; and finally, it provides long-term accountability for Named Executive Officers.

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

As at December 31, 2010, there were no contracts, agreements or plans of arrangement that provide for payment to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of Quia or a change in a Named Executive Officer's responsibilities.

### **Compensation of Directors**

The Corporation did not pay any fees to directors for serving on the board (or any subcommittee) beyond reimbursing such directors for travel and related expenses.

#### *Individual Director Compensation for Fiscal 2010*

The following table provides a summary of all amounts of compensation provided to the directors of the Corporation during the fiscal year ended December 31, 2010.

<b>DIRECTOR COMPENSATION TABLE FOR FISCAL 2010</b>					
<b>Name<sup>(1)</sup></b>	<b>Fee Earned (CDN\$)</b>	<b>Option-Based Awards (CDN\$)</b>	<b>Non-Equity Incentive Plan Compensation (CDN\$)</b>	<b>All Other Compensation (CDN\$)</b>	<b>Total (CDN\$)</b>
Daniel Noone <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil
Richard Brown <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil
Adam Szweras <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil
Robert Manning <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil
John Paterson <sup>(3)</sup>	Nil	\$23,530 <sup>(4)</sup>	Nil	Nil	\$23,530
Carl DiPlacido <sup>(3)</sup>	Nil	\$10,084 <sup>(4)</sup>	Nil	Nil	\$10,084

**Notes:**

(1) The relevant disclosure for Messrs. Chris Davie and Paul Lin is provided in the Summary Compensation Table for NEO's above.

- (2) Messrs. Noone, Brown, Szweras and Manning were appointed to the Board on December 22, 2010 upon completion of the Qualifying Transaction.
- (3) Messrs. Paterson and DiPlacido resigned on December 22, 2010 upon completion of the Qualifying Transaction.
- (4) These option based awards were granted on March 9, 2010. The fair value of each option granted is estimated at the time of grant using the Black-Scholes option-pricing model with weighted average assumptions for grants as follows: a 5 year expected term, 100% volatility, risk-free interest rate of 2.77% per annum, a dividend rate of 0% and weighted average grant-date fair value of stock options of \$0.1.

### *Director Outstanding Option-Based Awards*

The table below reflects all option-based awards for each director of the Corporation outstanding as at December 31, 2010. The Corporation does not have any other equity incentive plans other than the Stock Option Plan.

<b>DIRECTOR OPTION-BASED AWARDS OUTSTANDING AS AT DECEMBER 31, 2010</b>				
<b>Name of Director</b>	<b>Number of securities Underlying Unexercised Options</b>	<b>Option Exercise Price (CDN\$/Security)</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised In-the-Money Options<sup>(1)</sup> (CDN\$)</b>
Daniel Noone	Nil	N/A	N/A	N/A
Richard Brown	Nil	N/A	N/A	N/A
Adam Szweras	Nil	N/A	N/A	N/A
Robert Manning	Nil	N/A	N/A	N/A
John Paterson	181,650 <sup>(1)</sup>	\$0.15 <sup>(1)</sup>	March 9, 2015	Nil <sup>(2)</sup>
Carl DiPlacido	77,850 <sup>(1)</sup>	\$0.15 <sup>(1)</sup>	March 9, 2015	Nil <sup>(2)</sup>

**Notes:**

- (1) This number of options and the exercise price are provided on the post-share consolidation basis of one (1) post-share consolidation share for every one and one-half (1.5) pre-share consolidation shares, which was effected immediately prior to the completion of the Qualifying Transaction
- (2) All of the options vested on the day they were granted. Calculated using the closing price per common share on the NEX on February 12, 2010, the last day on which the common shares traded prior to the public announcement of the Qualifying Transaction, of \$0.09 less the exercise price of the applicable stock options. The trading of the shares on the TSXV commenced on January 5, 2011.
- (3) Messrs. Paterson and DiPlacido exercised their options on March 6, 2011 and March 10, 2010, respectively.

The following table provides information concerning the incentive award plans of the Corporation with respect to each director of the Corporation during the fiscal year ended December 31, 2010. The only incentive award plans of the Corporation during fiscal 2010 was the Stock Option Plan.

<b>INCENTIVE AWARD PLANS – VALUE VESTED OR EARNED DURING THE FISCAL YEAR ENDED DECEMBER 31, 2010</b>		
<b>Name of Director</b>	<b>Option-Based Awards – Value Vested During Fiscal 2010 (CDN\$)</b>	<b>Non-Equity Incentive Plan Compensation – Value Earned During Fiscal 2010 (CDN\$)</b>
Daniel Noone	Nil	Nil
Richard Brown	Nil	Nil
Adam Szweras	Nil	Nil
Robert Manning	Nil	Nil

John Paterson	Nil <sup>(1)</sup>	Nil
Carl DiPlacido	Nil <sup>(1)</sup>	Nil

**Note:**

- (1) All of the options vested on the day they were granted, March 9, 2010. The trading prices of the Corporation's common shares on February 12, 2010, the last day on which the common shares traded prior to the public announcement of the Qualifying Transaction, was \$0.09

## MANAGEMENT CONTRACTS

### *Andres Tinajero – Chief Financial Officer*

Quia Corp. entered into consulting agreement with Andres Tinajero and 2222263 Ontario Inc., a corporation incorporated pursuant to the laws of the Province of Ontario, of which Mr. Tinajero is the principal, dated August 1, 2010, (replacing the consulting agreement dated February 22, 2010) pursuant to which Mr. Tinajero serves as the Chief Financial Officer of Quia. Mr. Tinajero's time and expenses are charged to 2222263 Ontario Inc. on the basis of \$5,000 per month and reimbursement of his expenses. In addition to the consulting fee, Mr. Tinajero is eligible to receive bonuses as determined by the Board and stock options. In the event of termination for cause, Mr. Tinajero is entitled to receive only the payments received up to the date he receives the notice of termination.

### *Iain Kelso – Vice-President, Exploration*

Quia Corp. entered into an amended and restated consulting agreement with Iain Kelso and I.K. Geological Corp., a corporation incorporated pursuant to the laws of the Province of Ontario, of which Mr. Kelso is the principal, dated September 1, 2010, (replacing the consulting agreement dated November 17, 2008), pursuant to which Mr. Kelso serves as the Vice-President, Exploration of Quia. Pursuant to the agreement, the Corporation shall pay to I.K. Geological Corp. a monthly fee of \$12,000.00, payable monthly on the first business day of each calendar month. In addition, Mr. Kelso is entitled to receive monthly living expenses in the amount of \$3,500, to be reimbursed for exploration related costs and for travel expenses. The Corporation also pays the insurance premium for Mr. Kelso and his wife and two children, and maintains kidnap and ransom and life insurance. In the event of termination for cause, Mr. Kelso is entitled to receive only the payments received up to the date he receives the notice of termination.

### *Chris Davie – Former Chief Executive Officer*

On February 1, 2010, Quia Corp. entered into a consulting agreement with RIM Resources Inc., a corporation incorporated pursuant to the laws of the State of Colorado, of which Chris Davie is the principal, pursuant to which Mr. Davie served as the Chief Executive Officer of Quia. Mr. Davie's time and expenses were charged to RIM Resources Inc. on the basis of US\$9,000 per month and reimbursement of his expenses. In addition to the consulting fee, Davie was eligible to receive the stock options and received a cash bonus in the amount of US\$80,000 equal to 2% of all funds in excess of \$1,000,000 raised by Quia Corp. by way of equity financings after January 31, 2010. In the event of termination for cause, Mr. Davie was entitled to receive only the payments received up to the date he receives the notice of termination.

Mr. Davie ceased to be Chief Executive Officer on April 1, 2011. Mr. Davie is continuing to receive compensation from the Corporation in accordance with the terms of his consulting agreement for a period of two months ending June 1, 2011.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set out below is information as of December 31, 2010 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance. The only incentive award plan of the Corporation during fiscal 2010 was the Stock Option Plan. See "Matters to be Acted on at the Meeting – Ratification and Approval of the Stock Option Plan".

### Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights as at December 31, 2010 (a)	Weighted average exercise price of outstanding options, warrants and rights as at December 31, 2010 (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) as at December 31, 2010 (c)
Stock Option Plan	1,559,000	\$0.29	4,574,462

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the last completed financial year and up to the date hereof, no director, executive officer or employee or former executive officer, director or employee of the Corporation or any of its subsidiaries has been indebted to the Corporation.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, no informed person, director, executive officer, nominee for director, any person who beneficially owns, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation, nor any associated or affiliate of such persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation. Foundation, of which Yannis Banks and Adam Szweras are officers and shareholders, has received fees in connection with financings of the Corporation and the Corporation has granted Foundation a right of first refusal on future financings of the Corporation until December 22, 2012. Adam Szweras is a partner in a law firm which has received legal fees for legal services provided to the Corporation.

## OTHER BUSINESS

Management of the Corporation knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if matters not now known to management should come before the Meeting, common shares represented by proxies solicited by management will be voted on each such matter in accordance with the best judgment of the nominees voting same.

## REGISTRAR AND TRANSFER AGENT

Equity Financial Trust Company, at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, is the registrar and transfer agent for the Corporation's common shares.



### **OTHER MATTERS**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matter properly comes before the Meeting, the forms of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's comparative financial statements and management discussion and analysis. Copies of the Corporation's financial statements and management discussion and analysis may be obtained, without charge, upon request to the Corporate Secretary at Fogler, Rubinoff LLP, 95 Wellington St. W, Suite 1200, Toronto, Ontario M5J 2Z9.

### **APPROVAL OF DIRECTORS**

The contents and the sending of this Information Circular have been approved by the directors of the Corporation.

**DATED at Toronto, Ontario this 6<sup>th</sup> day of May, 2011.**

*(signed)* "Yannis Banks"

Yannis Banks  
Chief Executive Officer

## **SCHEDULE "A"**

### **QUIA RESOURCES INC. (the "Company")**

#### **AUDIT COMMITTEE CHARTER**

##### **1 Purpose**

The committee will assist the Board of Directors of the Company (the "Board") in fulfilling its responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct as it relates to financial reporting and disclosure. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. The committee will also be responsible for reviewing 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.

##### **2 Committee Membership**

The Committee shall consist of no fewer than three members, a majority of whom shall not be officers or employees of the Company or any of its affiliates and who shall meet the independence requirements of Canadian securities laws and the TSX Venture Exchange. The members and chair of the Committee shall be appointed and removed by the Board in accordance with the rules of the Corporate Governance and Directors Nominating Committee.

##### **3 Committee Meetings**

The Committee shall meet quarterly each year. The Chairman will schedule regular meetings, and additional meetings may be held at the request of two or more members of the Committee, the CEO, or the Chairman of the Board. External auditors may convene a special meeting if they consider that it is necessary.

The committee may invite such other persons (e.g. the CEO) to its meetings, as it deems appropriate. The external auditors should be present at each quarterly audit committee meeting and should be expected to comment on the financial statements in accordance with best practices.

The Committee shall keep adequate minutes of all its proceedings, and the Committee Chairman will report its actions to the next meeting of the Board. Committee members will be furnished with copies of the minutes of each Committee meeting and any action taken by unanimous consent.

##### **4 Committee Authority and Responsibilities**

In carrying out its responsibilities, the Committee will:

- 4.1 Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

- 4.2 Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- 4.3 Review the Company's strategic and financing plans to assist the Board's understanding of the underlying financial risks and the financing alternatives.
- 4.4 Review management's plans to access the equity and debt markets and to provide the Board with advice and commentary.
- 4.5 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- 4.6 Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.
- 4.7 Review the annual and quarterly financial statements including Management's Discussion and Analysis and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles, stock exchange requirements and governmental regulations.
- 4.8 Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- 4.9 Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- 4.10 Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- 4.11 Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- 4.12 Assess the fairness of the interim financial statements and disclosures, and obtain explanations from management on whether:
  - a. actual financial results for the interim period varied significantly from budgeted or projected results;
  - b. generally accepted accounting principles have been consistently applied;
  - c. there are any actual or proposed changes in accounting or financial reporting practices; and
  - d. there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- 4.13 Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- 4.14 Review the performance of the external auditors and approve in advance provision of services other than auditing.

- 4.15 Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company.
- 4.16 Make recommendations to the Board regarding the reappointment of the external auditors.
- 4.17 Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- 4.18 Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- 4.19 Obtain regular updates from management and the Company's legal counsel regarding compliance matters, as well as certificates from the Chief Financial Officer as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.
- 4.20 Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- 4.21 Perform other functions as requested by the full Board.
- 4.22 If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.
- 4.23 Review and update the charter; receive approval of changes from the Board.