

MAPLE LEAF REFORESTATION INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**TO BE HELD AT THE OFFICES OF MAPLE LEAF REFORESTATION INC.
SUITE 105-3510 29th Street N.E.
CALGARY, ALBERTA**

**ON FRIDAY, JUNE 10, 2011
AT 10:00 A.M. (MOUNTAIN STANDARD TIME)**

MANAGEMENT INFORMATION CIRCULAR

MAPLE LEAF REFORESTATION INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual and Special Meeting (the "**Meeting**") of the holders of Class "A" common shares (the "**Common Shares**") of Maple Leaf Reforestation Inc. (the "**Corporation**") will be held in the main boardroom at the offices of the Corporation, Suite 105-3510, 29th St. N.E., Calgary, Alberta on Friday, June 10, 2011 at 10:00 a.m. (Mountain Standard Time) for the purposes of:

1. receiving and considering the audited financial statements of the Corporation for the year ended January 31, 2011, and the auditors' report thereon;
2. considering, and if thought advisable, passing a resolution fixing the number of directors at six and authorizing the board of directors to increase or decrease the number of directors within the minimum and maximum provided in the Corporation's Articles;
3. electing directors for the ensuing year, as described in the accompanying information circular of the Corporation dated April 29, 2011 (the "**Circular**");
4. appointing the auditor of the Corporation for the ensuing year and authorizing the board of directors to fix the remuneration to be paid to the auditor;
5. considering, and if thought advisable, passing a resolution re-approving the Corporation's stock option plan; and
6. transacting such other business as may be properly brought before the Meeting or any adjournment thereof.

Pursuant to the Business Corporations Act (Alberta), a record date for the Meeting has been set for May 6, 2011 and only shareholders of record at the close of business on 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 Common Shares and the transferee, upon producing properly endorsed certificates evidencing such Common Shares or otherwise establishing that he owns such Common Shares, demands at any time not later than ten (10) days before the Meeting that the transferee's name be included in the list of shareholders before the Meeting, in which case such transferee is entitled to vote such Common Shares at the Meeting. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

Proxies are being solicited by the management of the Corporation. **Shareholders of the Corporation who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and to mail it or deposit it with Valiant Trust Company, Suite 600-750 Cambie Street, Vancouver, B.C., V6B 0A2, Vancouver, B.C., Attention: Proxy Dept. Alternatively, Shareholders of the Corporation may submit their proxy votes by internet voting or fax as per the instructions provided in the enclosed form of proxy. In order to be effective, forms of proxy must be returned to the aforesaid address, or otherwise submitted through the available alternative means, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the**

holding of the Meeting or any adjournment thereof, or unless it is delivered to the Chairman of the Meeting at the Meeting, or any adjournment thereof.

An information circular relating to the business to be conducted at the Meeting accompanies this Notice.

DATED at the City of Calgary, Alberta, this 29th day of April, 2011.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Raymond Lai*"

Raymond Lai

Chairman, President & Chief Executive Officer

TABLE OF CONTENTS

SOLICITATION OF PROXIES.....	2
RECORD DATE	2
VOTING BY INTERNET.....	2
APPOINTMENT AND REVOCATION OF PROXIES.....	2
EXERCISE OF DISCRETION BY PROXYHOLDER	3
DOCUMENTS INCORPORATED BY REFERENCE	3
VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF	4
APPROVAL REQUIREMENTS	4
ADVICE TO BENEFICIAL SHAREHOLDERS.....	5
STATEMENT OF EXECUTIVE COMPENSATION	5
Compensation Discussion and Analysis	5
Summary Compensation Table	6
Incentive Plan Awards During the Year Ended January 31, 2011.....	7
Securities Authorized for Issuance under Equity Compensation Plans as at January 31, 2011.....	8
Employment Contracts and Termination of Employment.....	8
Compensation of Directors	9
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....	9
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	9
AUDITORS, REGISTRAR AND TRANSFER AGENT	9
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON.....	9
MATTERS TO BE ACTED UPON AT MEETING	10
ADDITIONAL INFORMATION	16
AUDIT COMMITTEE DISCLOSURE.....	16
CORPORATE GOVERNANCE.....	17
Board Mandate.....	17
Directorships	17
Orientation and Continuing Education.....	17
Ethical Business Conduct.....	17
Nomination of Directors.....	18
Compensation.....	18
Other Board Committees.....	18
Assessments	18
APPENDIX "A" MAPLE LEAF REFORESTATION INC.....	19
APPENDIX "B" AUDIT COMMITTEE TERMS OF REFERENCE	27

**MAPLE LEAF REFORESTATION INC.
("Maple Leaf" or the "Corporation")**

April 29, 2011

**MANAGEMENT INFORMATION CIRCULAR
FOR THE ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS TO BE HELD ON June 10, 2011**

THIS MANAGEMENT INFORMATION CIRCULAR (the "**Circular**") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES ON BEHALF OF THE MANAGEMENT OF THE CORPORATION for use at the Annual and Special Meeting of holders of Class "A" common shares of the Corporation to be held in the main boardroom at the offices of Maple Leaf Reforestation Inc., Suite 105-3510, 29th St. N.E., Calgary, Alberta on Friday, the 10th day of June, 2011, at the hour of 10:00 a.m. (Mountain Standard Time), and any adjournment or adjournments thereof (hereinafter called the "**Meeting**") for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders (the "**Notice of Meeting**").

SOLICITATION OF PROXIES

Although the solicitation of proxies by directors and officers of the Corporation will be primarily by mail, proxies may also be solicited personally, by telephone or by internet. The costs of any such solicitation will be borne by the Corporation. Enclosed with the Notice of Meeting and the Circular is an Instrument of Proxy for use at such Meeting.

RECORD DATE

Holders of the Class "A" common shares ("**Shareholders**") in the capital of the Corporation (the "**Common Shares**") of record on May 6, 2011 are entitled to notice of, and to attend and vote at, the Meeting, unless after the Record Date a holder of record transfers his or her Common Shares and the transferee upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he or she owns such shares, requests, not later than ten days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote in which case such transferee shall be entitled to vote such shares at the Meeting.

VOTING BY INTERNET

Shareholders may use the internet site at www.valianttrust.com to transmit their voting instructions. Shareholders should have the form of proxy in hand when they access the web site. Shareholders will be prompted to enter their Control Number, which is located on the form of proxy. If Shareholders vote by internet, their vote must be received not later than 10:00 a.m. (Mountain Standard Time) on June 8, 2011 or 48 hours prior to the time of any adjournment of the Meeting. **The website may be used to appoint a proxy holder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxy holder and submits their voting instructions through the internet and subsequently wishes to change their appointment, a Shareholder may re-submit their proxy and/or voting direction through the internet at any time prior to the deadline noted above. When re-submitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.**

APPOINTMENT AND REVOCATION OF PROXIES

An instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or an attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

The persons named in the Instrument of Proxy accompanying the Circular are officers and directors of the Corporation. **A Shareholder submitting an Instrument of Proxy shall have the right to appoint a person to represent the Shareholder at the Meeting other than the person or persons designated in the Instrument of Proxy furnished by the Corporation. To exercise this right, the Shareholder must cross out the names of the management designees and either legibly insert the name of the desired representative in the blank space provided in the Instrument of Proxy or submit another proxy.** An Instrument of Proxy will not be valid unless it is deposited at the offices of Valiant Trust Company, Suite 600-750 Cambie Street, Vancouver, B.C., V6B 0A2, Vancouver, B.C., Attention: Proxy Dept., not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof, or unless it is delivered to the Chairman of the Meeting at the Meeting, or any adjournment thereof.

A person giving a proxy has the power to revoke it. In addition to revocation in any other manner permitted by law, an Instrument of Proxy may be revoked by instrument in writing executed by the Shareholder or by an attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney duly authorized, and delivered to the offices of Valiant Trust Company, Suite 600-750 Cambie Street, Vancouver, B.C., V6B 0A2, Vancouver, B.C., Attention: Proxy Dept., at any time up to and including 4:00 p.m. (Eastern Standard Time) on the last business day preceding the day of the Meeting, or any adjournment thereof at which such Instrument of Proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deliveries, the Instrument of Proxy shall be revoked. No Instrument of Proxy shall be valid after expiration of twelve months from the date of its execution.

EXERCISE OF DISCRETION BY PROXYHOLDER

The persons named in the enclosed Instrument of Proxy will vote or withhold from voting the Common Shares in respect of which they are properly appointed proxies in accordance with the direction of the Shareholder appointing them. **IN THE ABSENCE OF SUCH SPECIFICATION, SUCH COMMON SHARES WILL BE VOTED (A) "FOR" SETTING THE NUMBER OF DIRECTORS OF THE CORPORATION AT SIX, (B) "FOR" THE ELECTION AS DIRECTORS OF THOSE NOMINEES OF MANAGEMENT LISTED IN THE CIRCULAR, (C) "FOR" THE APPOINTMENT OF CHANG LEE LLP, AS THE AUDITOR OF THE CORPORATION, AND (D) "FOR" THE RE-APPROVAL OF THE CORPORATION'S STOCK OPTION PLAN.** The enclosed Instrument of Proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.

As at the date of the Circular, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting, other than those matters referred to in the Notice of Meeting.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in the Circular from documents filed with securities commissions or similar authorities in certain provinces of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporation, Suite 105, 3510-29th Street NE, Calgary, Alberta, T1Y 7H9, by phone: (403) 668-7560, or by accessing the disclosure documents available through the internet on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com. For the purpose of the Province of Québec, the Circular contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the CFO of the Corporation at the above mentioned address and telephone number. Financial information respecting the Corporation is provided in the Corporation's financial statements and management's discussion and analysis, copies of which can be obtained by Shareholders upon contacting the above-named officer.

The following documents of the Corporation, filed with the various provincial securities commissions or similar authorities in Canada, are specifically incorporated into and form an integral part of the Circular:

1. the audited consolidated financial statements of the Corporation as at and for the years ended January 2011, 2010 and 2009, the auditor reports thereon and management's discussion and analysis for such years; and
2. any material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the auditors' report thereon, information circulars, annual information forms and business acquisition reports filed by the Corporation with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of the Circular and prior to the Meeting shall be deemed to be incorporated by reference in the Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of the Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Circular.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Only Shareholders registered on May 6, 2011 (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 Common Shares and the transferee, upon producing properly endorsed certificates evidencing such Common Shares or otherwise establishing that he owns the Common Shares, requests not later than ten (10) days before the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee is entitled to vote such Common Shares at the Meeting.

As at the date hereof, there are 80,682,875 Common Shares of the Corporation issued and outstanding, each carrying the right to one vote per Common Share, the Common Shares being the only outstanding class of securities entitled to vote at the Meeting.

Voting at the Meeting shall be by a show of hands, except when a ballot is demanded by a Shareholder or proxyholder entitled to vote at the Meeting. The By-Laws of the Corporation provide that two (2) persons present in person at the Meeting, each being a Shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent Shareholder so entitled, representing in the aggregate not less than 5% of the outstanding Common Shares entitled to vote at the Meeting, constitute a quorum for the purpose of the Meeting.

To the best of the knowledge of the directors and executive officers of the Corporation, no Shareholder beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation carrying ten (10%) percent or more of the voting rights attached to the outstanding voting securities of the Corporation.

As at the date hereof, the directors and executive officers as a group, beneficially own, or control or direct, directly or indirectly, 2,057,785 Common Shares, representing 2.55% of the currently issued and outstanding Common Shares of the Corporation.

APPROVAL REQUIREMENTS

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of the Shareholders present in person or represented by proxy at the Meeting.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this section 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 Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Corporation. Such Common 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 CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Common Shares held by brokers or their agents or 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 the Corporation do not know for whose benefit the Common 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 shareholder's 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 Common 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 by the Corporation to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications Corporation ("**ADP**").

ADP mails a scannable Voting Instruction Form in lieu of the form of proxy provided by the Corporation.

The Voting Instruction Form will name the same person as the proxy to represent the Beneficial Shareholder at the Meeting. A Beneficial Shareholder has the right to appoint a person (who need not be a Shareholder of the Corporation) other than the persons designated in the Voting Instruction Form, to represent the Beneficial Shareholder at the Meeting. To exercise this right the Beneficial Shareholder should insert the name of the desired representative in the blank space provided in the Voting Instruction Form. You are asked to complete and return the Voting Instruction Form to ADP by mail or facsimile. Alternatively, you can call ADP's toll-free telephone number to vote your Common Shares. ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting shares to be represented at the Meeting. **If you receive a Voting Instruction Form from ADP, it cannot be used as a proxy to vote your Common Shares directly at the Meeting and must be returned to ADP well in advance of the Meeting in order to have those Common Shares voted or to appoint an alternative representative to attend the Meeting in person to vote such shares.**

STATEMENT OF EXECUTIVE COMPENSATION

On December 31, 2008 the Canadian Securities Administrators adopted the amended Form 51-106F6 – *Statement of Executive Compensation* (the "**New 51-102F6**") forming part of National Instrument 51-102 – *Continuous Disclosure Obligations*. The following has been prepared in accordance with the requirements of the New 51-102F6.

Compensation Discussion and Analysis

The Corporation's process with respect to executive compensation is not based on any formal criteria or analysis, however, in determining compensation the Board of Directors will ensure that compensation is internally equitable and competitive when compared with similar businesses. When determining compensation

of the Corporation's Named Executive Officers ("NEO's"), the Board of Directors takes into account the limited resources of the Corporation and certain general principles including:

- i. Fair and competitive compensation should commensurate with an individual's experience and expertise in order to attract and retain qualified executives;
- ii. The financial interests of the executives must be aligned with those of the shareholders of the Corporation; and
- iii. Stock option grants are an appropriate tool to reward individual performance and contribute to the achievement of corporate performance and objectives.

The two elements to the Corporation's executive compensation program are the base fee salary and the long-term compensation incentives (stock option plan) related to long-term increase in share value.

Base Fee Salary

The base fee salary is based on the executive officer's personal performance and expertise, contribution to the business of the Corporation and the stage of development of the Corporation. The base fee salary of each executive is reviewed from time to time to ensure comparability and competitiveness with industry norms.

Long-Term Compensation Incentives/Option-Based Grant

Long-term incentive compensation for NEO's is provided through grants of stock options pursuant to the Corporation's Stock Option Plan. Stock option grants to executive officers are generally reviewed annually by the Board of Directors. The number of stock options granted is based on each individual's salary range, responsibility, performance and number of options held by such executives.

Summary Compensation Table

The following table discloses, for each NEO, the total compensation paid during the Corporation's financial year ending January 31, 2011:

Name and Principal Position	Year	Salary (\$)	Share-based Awards	Option-based Awards (\$) (2)(3)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plan	Long-Term Incentive Plans			
Raymond Lai Chairman, President & CEO ⁽¹⁾	2011	\$90,000	N/A	\$96,000	N/A	N/A	N/A	N/A	\$186,000
	2010	\$90,000		N/A					\$90,000
	2009	\$90,000		N/A					\$90,000
Derek Liu, Chief Financial Officer	2011	\$12,500	N/A	\$24,000	N/A	N/A	N/A	N/A	\$36,500
	2010	N/A		N/A					N/A
	2009	N/A		N/A					N/A

Daniel Chu, Former Chief Financial Officer	2011	N/A	N/A	\$18,000	N/A	N/A	N/A	N/A	\$18,000
	2010	N/A		N/A					N/A
	2009	N/A		N/A					N/A

- (1) Mr. Lai is entitled to four weeks of paid holiday per year pursuant to an Executive Employment Agreement.
- (2) The Corporation uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. During the year ended January 31, 2011, the following assumptions were used when calculating the fair value of share purchase options at the date of grant: (a) average risk-free rate of 1.26%; (b) expected life of two years; (c) expected volatility of 155%; and (d) no expected dividends.
- (3) Stock option awards issued to NEO's are both to compensate the NEO for his role as an officer of the Corporation and also to compensate the NEO for his role as a director of the Corporation. As such, NEO's are excluded from the director compensation table below.

Incentive Plan Award

The following table provides for each NEO, a summary of all awards outstanding at the end of the fiscal year ended January 31, 2011:

Name and Principal Position	Option-based Awards				Share-based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised in-the-money Options (\$)	Number of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards that have not Vested (\$)
Raymond Lai, Chairman, President & CEO	500,000	0.135	2013/03/12	N/A	N/A	N/A
	800,000	0.125	2013/02/04			
	500,000	0.20	2012/04/27			
Derek Liu, Chief Financial Officer	300,000	0.14	2013/08/31	N/A	N/A	N/A
Daniel Chu, Former Chief Financial Officer	N/A	N/A	N/A	N/A	N/A	N/A

Incentive Plan Awards – Value or Earned during Fiscal 2011

Name and Principal Position	Option-based Awards – Value Vested during the Year (\$)	Share-based Awards – Value Vested during the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned during the Year (\$)
Raymond Lai, Chairman, President & CEO	24,000	N/A	N/A
Derek Liu, Chief Financial Officer	NIL	N/A	N/A
Daniel Chu, Former Chief Financial Officer	4,500	N/A	N/A

Securities Authorized for Issuance under Equity Compensation Plans as at January 31, 2011

Plan Category	Equity Compensation Plan Information		
	Number of securities to be Issued Upon Exercise of Outstanding Options (a)	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans [excluding securities reflected in column (a)]
Equity Compensation Plans approved by security holders ⁽¹⁾	6,085,000	\$0.14	1,160,850 ⁽²⁾
Equity Compensation Plans not approved by security holders	N/A	N/A	N/A
Totals	6,085,000	\$0.14	1,160,850

- (1) Under the Exchange policies, a “rolling” stock option plan which sets the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares at the time of the grant must be approved and ratified by shareholders on an annual basis. A complete copy of the Stock Option Plan is appended as Appendix “A” hereto.
- (2) The number of common shares remaining available for future issuance under the Corporation’s 10% rolling Stock Option Plan as at the end of the Corporation’s most recently completed financial year is calculated on the basis of the Corporation’s issued and outstanding common shares at that date (10% of 80,682,875 = 8,068,287)

Employment Contracts and Termination of Employment

As at January 31, 2011, Maple Leaf was only party to an Executive Employment Agreement with its President & C.E.O., Mr. Raymond Lai and had not terminated any employment agreements with any executive officers of the Corporation. Mr. Lai’s employment agreement is valid until June 30, 2012, at which time the Corporation’s board of directors will review the suitability of the terms of the agreement in light of the Corporation’s financial position and stage of operational development. Pursuant to his employment agreement, Mr. Lai is entitled to a \$90,000 annual salary, 4-weeks of paid vacation time and an annual issuance of incentive stock options in an amount and at an exercise price determined by the board of directors.

Compensation of Directors

The following table discloses, for each director, the total compensation paid during the Corporation's financial year ending January 31, 2011:

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
				Annual Incentive Plan	Long-Term Incentive Plans			
Bill McKnight	N/A	N/A	12,000	N/A	N/A	N/A	N/A	\$12,000
Brad R. Docherty	60,000 ⁽¹⁾	N/A	66,000	N/A	N/A	N/A	N/A	\$126,000
Joe Wong	N/A	N/A	24,000	N/A	N/A	N/A	N/A	\$28,000

(1) Mr. Docherty provides legal and corporate secretarial services to the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors or executive officers of the Corporation, or any of their associates or affiliates, is or has been indebted to the Corporation since the commencement of the last completed fiscal year of the Corporation or to any other entity, which indebtedness is, or at any time since the commencement of the last completed fiscal year, has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, there are no material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any informed persons of the Corporation, directors, proposed directors or officers of the Corporation, any shareholder who beneficially owns more than ten (10%) percent of the Common Shares of the Corporation, or any associate or affiliate of these persons in any transaction since the commencement of the Corporation's last completed year or in any proposed transaction, which has materially affected or would materially affect the Corporation other than as disclosed herein or in the financial statements of the Corporation for the year ended January 31, 2011. Reference should be made to the notes to the audited financial statements for a more detailed description of any material transactions.

AUDITORS, REGISTRAR AND TRANSFER AGENT

Chang Lee LLP of Vancouver, B.C. is the auditor of the Corporation and has been so since October 2010. Lo Porter Hetu of Calgary, Alberta was the prior auditor of the Corporation from July, 2007. The registrar and transfer agent for the Corporation's Common Shares is Valiant Trust Company at its offices in Calgary, Alberta.

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

Other than as set forth in the Circular, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer of the Corporation, any nominee for election as a director of the Corporation or any associate or affiliate of any such person in any matter to be acted upon at the Meeting.

MATTERS TO BE ACTED UPON AT MEETING

1. Financial Statements & Auditors' Report

The audited financial statements of the Corporation, including the management's discussion and analysis, for the year ended January 31, 2011 and the auditors' report thereon, which were previously sent to all of the registered Shareholders, and to all beneficial shareholders who requested to receive them, and which are available to all Shareholders at www.mlreforestation.com or on SEDAR at www.sedar.com, will be given consideration at the Meeting. No vote by the Shareholders with respect to this matter will be required.

2. Fixing The Number Of Directors

The Articles of the Corporation state that the Corporation may have a minimum of three and a maximum of nine directors.

The Shareholders will be asked to consider, and if thought advisable, to pass the following resolution:

"BE IT RESOLVED THAT the number of directors of the Corporation be and the same is hereby fixed at six until such time as the directors determine by resolution to increase or decrease that number in accordance with the Corporation's Articles and By-Laws".

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF FIXING THE NUMBER OF DIRECTORS TO BE ELECTED AT SIX UNLESS OTHERWISE DIRECTED.

3. Election Of Directors

It is proposed that the following persons will be nominated to the Corporation's Board of Directors at the Meeting. Each director elected will hold office until the next annual meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the *Business Corporations Act* (Alberta). The names and municipalities of residence of the nominees, the number of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, the positions held by each and their principal occupation for the last five years is set out in the table below:

Name and Municipality of Residence	Positions Presently Held	Shares Beneficially Held	Principal Occupation
Raymond Lai Calgary, Alberta	President, Chief Executive Officer and Director (since April, 2007)	1,102,500 ⁽²⁾	Mr. Lai holds a Bachelor of Commerce degree received from the University of Calgary in 1975, and has been a registered member of the Certified Management Accountant Society (CMA) for over 25 years. Mr. Lai has been a successful key executive for public companies in the manufacturing and mining industries for over 10 years, and has been instrumental in securing public and private corporate financing both domestic and international.
Derek Liu ⁽¹⁾ Coquitlam, B.C.	Chief Financial Officer and Director (since August, 2010)	Nil ⁽³⁾	Mr. Liu is an accounting professional with over 15 years of diverse international experience in financial reporting, auditing and accounting. Mr. Liu is a member of the Certified General Accountants of Canada and the Certified Public

Name and Municipality of Residence	Positions Presently Held	Shares Beneficially Held	Principal Occupation
			Accountants of Colorado, USA. Mr. Liu was the Controller of Silvercorp Metals Inc. from 2006 to 2010 and CFO of Prophecy Resources Corp for a period of time in 2010. Mr. Liu is currently also the CFO of Crowflight Minerals Inc.
Joe Wong ⁽¹⁾ Telkwa, B.C.	Director (since July, 2010)	50,000 ⁽⁴⁾	Mr. Wong has spent the last 30 years improving reforestation nursery production systems and greenhouse systems and growing quality reforestation seedlings in the field as bare-root and in containers outdoor. Mr. Wong began his reforestation nursery career with the B.C. Ministry of Forests in 1978 with the Nursery Development Section where he was involved in research trials that were aimed at developing nursery sites, new growing systems, fertilization treatments and growing regimes. From 1980 to 1984, he worked as the Quality Assurance Supervisor at the Ministry of Forest, Red Rock Nursery in Prince George, B.C. where he managed the quality control and the practical research department. In 1985, Mr. Wong started his own reforestation nursery, Woodmere Nursery, during which he managed the design and construction of a greenhouse facility. Initial crop production at this nursery was 2.5 million containerized seedlings. Today this facility has an area of 6 acres under protected cultivation and grows 12 million seedlings annually. Mr. Wong is not only the manager but also the principal horticulturist and researcher for the company.
Perry Lee Maple Ridge, B.C.	V.P. Bio-Fuel and Waste Oil Project Development (since July, 2010) Director (since March, 2011)	130,000 ⁽⁵⁾	Mr. Lee was the Plant Manager at a Canadian bio-fuel facility from January 2008 to October 2009, and has since fulfilled the role of Vice-President of Production at this facility. Mr. Lee is also the Program Leader of the Biodiesel initiative the company's Advanced Chemical Technology Centre. Mr. Lee was a Ph.D. Candidate in the Chemical and Biological Engineering department at the University of British Columbia prior to taking on his current roles and Mr. Lee continues to work towards completing his Ph.D.
Brad Docherty Calgary, Alberta	Corporate Secretary (since December, 2007) Director (since December , 2008)	775,285 ⁽⁶⁾	Mr. Docherty is a Securities Lawyer who focuses on working with TSX Venture Exchange listed issuers and private issuers seeking a public listing. From 2007 to 2009 Mr. Docherty practised at Gowling Lafleur Henderson LLP and since 2009 he has been practising independently, including working as a legal consultant to Smart Technologies Inc. in connection with its initial public offering on the TSX and Nasdaq stock exchanges. Mr. Docherty is also a principal of Capitalize Consulting Corp., a business-advisory

Name and Municipality of Residence	Positions Presently Held	Shares Beneficially Held	Principal Occupation
			company that works with TSX Venture Exchange issuers on corporate, financing and marketing strategy. Mr. Docherty received his Bachelor of Laws degree from the University of Victoria in 2007.
Darryl Scase ⁽¹⁾⁽⁷⁾ Calgary, Alberta	None	Nil ⁽⁸⁾	Mr. Scase holds a Bachelor of Commerce degree received from the University of Guelph in 1973 and has been a registered member of the Certified General Accountants Association (CGA) for 28 years. Mr. Scase's career in public accounting practice during the past 25 years has included extensive experience in the audit sector of private enterprises and government bodies. Mr. Scase has participated as a director on a number of boards of private enterprises providing input to the governance mandate and direction.

Notes:

- (1) Member of the Audit Committee. In the case of Mr. Scase, it is proposed that he replace Mr. Lai on the Audit Committee upon approval of his appointment by shareholders of the Corporation.
- (2) In addition, Mr. Lai holds stock options exercisable into 1,800,000 Common Shares and warrants exercisable into 742,000 Common Shares.
- (3) In addition, Mr. Liu holds stock options exercisable into 300,000 Common Shares.
- (4) In addition, Mr. Wong holds stock options exercisable into 300,000 Common Shares.
- (5) In addition, Mr. Lee hold stock options exercisable into 300,000 Common Shares
- (6) In addition, Mr. Docherty holds stock options exercisable into 700,000 Common Shares and 586,500 warrants exercisable into Common Shares
- (7) Upon appointment to the Corporation's board of directors, Mr. Scase will become a member of the Audit Committee.
- (8) Upon appointment to the Corporation's board of directors, Mr. Scase will be granted 300,000 stock options exercisable into Common Shares.

Other than as disclosed below, no proposed director:

- (a) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a director, chief executive officer or chief financial officer of any company (including the company in respect of which the Circular is being prepared) that,
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) 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 a director, chief executive officer or chief financial officer,
- (b) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a director or executive officer of any company (including the company in respect of which the Circular is being prepared) 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;

- (i) Raymond Lai, President & C.E.O. of the Corporation, was previously the President & C.E.O. of Surge Technologies Inc. ("Surge"), which was a reporting issuer in the U.S. Surge failed to maintain its reporting issuer status in the U.S. and subsequently dissolved. Mr. Lai then started a new private corporation named Nice Technologies Inc. ("Nice") in an effort to re-brand and maintain Surge's business. Mr. Lai was also the President & C.E.O. of Nice. The re-branding efforts were unsuccessful and Nice has also stopped operating and has been dissolved.
- (c) has, within 10 years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has, at the date of the Circular, been subject to: (i) any penalties or sanctions imposed by a court or securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

The Shareholders will be asked to consider, and if thought advisable, to pass the following resolution:

"BE IT RESOLVED THAT the persons nominated to hold office as directors of the Corporation until the close of the next annual meeting of shareholders, as set out in the Management Information Circular of the Corporation dated April 29, 2011, be and are hereby appointed as such."

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF THE ELECTION OF SAID PERSONS TO THE BOARD OF DIRECTORS UNLESS OTHERWISE DIRECTED.

Management does not contemplate that any of such nominees will be unable to serve as directors, however, if for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless the Shareholder has specified in his proxy that his shares are to be withheld from voting on the election of directors.

4. Appointment of Auditor

At the Meeting, the Shareholders will be asked to appoint an auditor to serve until the close of the next annual meeting of the shareholders of the Corporation and to authorize the board of directors to fix the remuneration payable to the auditor. The directors of the Corporation have recommended that Chang Lee LLP be appointed as the auditor of the Corporation. Change Lee LLP was first appointed auditor in October, 2010.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF THE ELECTION OF LO PORTER HETU AS THE AUDITOR FOR THE ENSUING YEAR UNLESS OTHERWISE DIRECTED.

5. Annual Approval of Incentive Stock Option Plan

In accordance with Policy 4.4 of the TSX Venture Exchange's (the "**Exchange**") Corporate Finance Manual, a corporation that has a "rolling" stock option plan must have its shareholders re-approve the plan on an annual

basis. In accordance with this policy, Shareholders are being asked to consider and, if deemed advisable, approve the Corporation's incentive stock option plan (the "**Option Plan**"). The Option Plan authorizes the Board to issue stock options to directors, officers, employees and consultants of the Corporation. The Option Plan is a rolling Stock Option Plan in that it provides that the aggregate number of Common Shares issuable upon exercise of stock options granted thereunder may not exceed 10% of the total number of outstanding Common Shares of the Corporation at the time the stock options are granted.

The Option Plan was initially approved by the shareholders at the 2007 Annual General and Special Meeting of the Corporation held September 21, 2007. On August 20, 2007, the Board approved the Option Plan in the form attached as Schedule "A".

The Option Plan is for the benefit of employees, directors and consultants to encourage them to acquire Common Shares, thereby aligning their interests with the shareholders of the Corporation. As of the date of the Circular, the Corporation has outstanding options to purchase 6,735,000 Common Shares, which is 8.35% of the Corporation's 80,682,875 issued and outstanding common shares.

The Option Plan restricts the maximum percentage of Common Shares reserved for issuance to all insiders, including securities issued under other security compensation plans, to 10% of the Common Shares; it also restricts the maximum percentage of Common Shares issued pursuant to options to insiders within a one year period, including securities issued under other security compensation plans, to 10% of the outstanding Common Shares. The Option Plan also restricts the maximum percentage within a one year period to any one insider and the insider's associates to 5% of the outstanding Common Shares at the date of the grant, including securities issued under other security compensation plans; the maximum percentage of Common Shares that can be granted to any one participant, including securities issued under other security compensation plans, is restricted to 5% of the outstanding Common Shares at the date of the grant. Furthermore, the Option Plan also restricts the maximum percentage within a one year period to any one Service Provider to 2% of the outstanding Common Shares, and restricts the maximum percentage to a person conducting Investor Relations Activities, as defined in the corporate finance manual or policies of the TSX Venture Exchange, to 2% of the outstanding Common Shares at the date of the grant.

Under the Option Plan the Board can fix the exercise price of the options, but the exercise price cannot be less than the five day weighted average trading price of the common shares of the Corporation prior to the date of grant, and cannot be less than the Discounted Market Price, as defined in the corporate finance manual or policies of the TSX Venture Exchange.

The Option Plan permits the Board to determine vesting terms of the options at the time of grant. The term of the option cannot exceed 10 years, subject to an extension by the Board to seven business days past the end of any "Black Out Period" (or such longer period as permitted by the Exchange and approved by the Board) that may be in effect, which is defined in the Option Plan to mean any period of time imposed by the Corporation, pursuant to any policies of the Corporation, upon certain designated persons during which such persons cannot trade in any securities of the Corporation. If the Corporation is subject to a takeover bid, undergoes a re-organization or other transaction in which the Corporation is not the surviving entity, or undergoes a change of control, the Board has the discretion, by way of resolution, to permit accelerated vesting of options on such terms as the Board sees fit at that time. Furthermore, a definition of change of control is included in the Option Plan.

If a participant ceases employment or being a director or service provider the participant may exercise his or her options within 90 days of the date of termination of employment, directorship or contract. If the participant's employment has been terminated for cause, the options expire immediately. In the event of permanent disability, the options may be exercised on the earlier of the option's expiry time or six months from the date of permanent disability. In the event of death, the options may be exercised on the earlier of the option's expiry time or one year from the date of death. The options are not transferable or assignable unless permitted by the TSX. The means of amending the Option Plan is discussed below.

Some of the other noteworthy portions of the Option Plan include the following:

- (a) the Board may, from time to time, subject to applicable law and the prior approval, if required, of the TSX or any other applicable regulatory body, suspend, terminate, discontinue or amend the Option Plan and the Board may amend the Option Plan or options granted under it without shareholder approval in the following circumstances:
 - (i) amendments of a typographical, grammatical, clerical or administrative nature or which are required to comply with regulatory requirements;
 - (ii) a change to the vesting provisions of the Option Plan or any Option;
 - (iii) a change to the termination provisions of any Option that does not entail an extension beyond the original expiration date (and the date may be extended by virtue of Section 6.4 for a Blackout Period);
 - (iv) a change to the eligible participants of the Option Plan or the definitions contained within the Option Plan; and
 - (v) a change to the Option Price as set out in the Option Plan;
- (b) if the Option Plan is terminated, the provisions of the Option Plan and any administrative guidelines adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights pursuant thereto remain outstanding; and
- (c) in the event of a "change of control" as defined in the Option Plan, there will be an accelerated vesting of options.

At the Meeting, the shareholders will be asked to consider and, if thought advisable, pass the following resolution:

"BE IT RESOLVED THAT:

1. the stock option plan of the Corporation in substantially the form attached as Schedule "A" to the Management Information Circular of the Corporation dated April 29, 2011, prepared for the purpose of the Meeting, be and is re-approved and re-adopted as the stock option plan of the Corporation, subject to approval from the TSX Venture Exchange;
2. the Corporation be authorized to grant stock options pursuant to and subject to the terms and conditions of the Option Plan;
3. any director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the Option Plan and in compliance with the policies of the TSX Venture Exchange."

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF THE RE-APPROVAL OF THE STOCK OPTION PLAN OF THE CORPORATION UNLESS OTHERWISE DIRECTED. The ordinary resolution must be passed by a majority of the votes cast at the Meeting by the shareholders who voted in respect of the resolution.

6. Other Business

Management of the Corporation knows of no other matters nor of any variations or amendments to the matters set out herein which will be presented at the Meeting.

ADDITIONAL INFORMATION

Any Shareholder of the Corporation may obtain copies of the Corporation's Annual Report and Interim Quarterly Reports, without charge, by writing to the Corporation at its head office. Financial information is provided in the Corporation's comparative financial statements and MD&A for its most recently completed fiscal year. Additional copies of the Circular are also available upon request. Such documents are also available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Corporation, as a venture issuer, to disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditors, as set forth in the following discussion.

The Corporation's audit committee (the "**Audit Committee**") is governed by an Audit Committee Charter, the text of which is attached as Schedule B to the Circular.

Upon the successful passing of Resolution #3 above, "Election of Directors", the Audit Committee will be comprised of three members of the Board being, Derek Liu, Joe Wong and Darryl Scase. As defined in NI 52-110, Joe Wong and Darryl Scase will be independent members of the Audit Committee.

Since the commencement of the Corporation's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 of NI 52-110 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part. The Audit Committee must pre-approve any engagement of the external auditors for any non-audit services to the Corporation in accordance with applicable law and policies and procedures to be approved by the Board. The engagement of non-audit services will be considered by the Board on a case by case basis.

In the following table, "audit fees" are fees billed by the Corporation's external auditors for services provided in auditing the Corporation's annual financial statements for the fiscal years ended January 31, 2010 and January 31, 2011. "Audit-related fees" are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements. "Tax fees" are fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditors for products and services not included in the foregoing categories.

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

Fiscal Period Ended	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
January 31, 2011	\$80,000 ⁽¹⁾⁽²⁾	-	-	-
January 31, 2010	\$92,495 ⁽³⁾	-	-	-

- (1) To be paid to Chang Lee LLP.
(2) This is only an estimate of the fiscal 2011 audit fees as the filing was not completed as of the date of this Information Circular.
(3) Paid to Lo Porter Hetu, including GST.

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Corporation, as a Venture Issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

CORPORATE GOVERNANCE

National Policy 58-201 *Corporate Governance Guidelines* provides guidance on corporate governance practices. These guidelines, while not mandatory, deal with the constitution of boards of directors and board committees, their functions, their independence from management and other means of addressing corporate governance practices. National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") mandates that all issuers must disclose, on an annual basis, its approach to corporate governance with reference to the form prescribed by NI 58-101. Disclosure of the Corporation's corporate governance practices, in Form 58-101F2, is set forth below.

Board Mandate

The Board is responsible for the stewardship of the Corporation and is responsible for the governance and management of the Corporation's affairs. The Board has established procedures with regard to the approval of material transactions, the delegation of authority and the execution of documents as part of its organizational structure. Any responsibility which is not delegated to management or a Board committee remains with the full Board.

Directorships

No directors of the Corporation hold directorships with other reporting issuers.

Orientation and Continuing Education

At present, the Board does not provide an official orientation or training program to its new directors.

Certain of the members of the Board have had experience acting as a director of public or private companies, or both. The Corporation's legal counsel is also made available to the directors to assist them in better understanding what their legal responsibilities are.

Ethical Business Conduct

Although the Corporation has no formal Code of Ethics for directors, officers and employees, the Corporation requires the highest standards of professional and ethical conduct from its directors, officers and employees and believes that its reputation for honesty and integrity among its stakeholders is key to the success of its business. In that regard, to create a culture of honesty, integrity and accountability, discussion, on an informal basis, is had amongst the Board, management and employees respecting such matters as the retention of confidential information, insider trading rules, the obligation to declare conflicts of interests, the exercise of fair dealing with suppliers and other third parties and the necessity to comply with applicable laws, regulations and rules.

Nomination of Directors

In appointing new directors, the full board considers individuals with strong experience, a history that demonstrates a commitment to strict adherence to ethical business conduct, the ability to devote the appropriate time to the Corporation, a commitment to act in the best interests of the Corporation and a demonstrated support of the Corporation's mission and strategic objectives.

Compensation

The Corporation does not have a compensation committee. Decisions respecting the compensation of the Corporation's officers are determined by the Board as a whole, taking into consideration such factors as the office held, the office's related responsibilities and functions performed, having regard to base salary ranges for similar positions in the Corporation's industry peer group. In considering the remuneration of the Chief Executive Officer, further consideration of such factors as overall performance of the Corporation, leadership and communication skills is made. The directors of the Corporation are not remunerated for serving as directors.

Other Board Committees

Other than the audit committee detailed above, the Corporation presently does not have any other standing committees.

Assessments

The practises of the Board respecting the above corporate governance matters are subject to modifications during the evolution of the Corporation. Consequently, the Board keeps in mind the questions surrounding corporate governance and tries to constantly assess, and if necessary, create measures, control mechanisms and the necessary structures to ensure the efficient execution of its responsibilities, without creating additional general fees and without reducing the performance of the Corporation.

APPENDIX "A"
MAPLE LEAF REFORESTATION INC.

STOCK OPTION PLAN

1. Purpose of the Plan

1.1 The purpose of this Plan, as amended from time to time, is to provide the Participants with an opportunity to purchase Common Shares of the Corporation and benefit from the appreciation thereof. This proprietary interest in the Corporation will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its Subsidiaries to attract and retain individuals of exceptional skill.

2. Defined Terms

2.1 Where used herein, the following terms shall have the following meanings:

- (a) **"Acceleration Right"** means the Participant's right, in certain circumstances, to exercise their outstanding Option as to all or any of the Common Shares in respect of which such Option has not previously been exercised and which the Participant is entitled to exercise, including in respect of such Option which is not otherwise vested at such time;
- (b) **"Black-Out Period"** means the period of time when, pursuant to any policies of the Corporation, securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option;
- (c) **"Board"** means the board of directors of the Corporation;
- (d) **"Change of Control"** means:
 - (i) any change in the registered holdings and/or beneficial ownership of the issued and outstanding Common Shares of the Corporation which result in:
 - (A) a Person or group of Persons "acting jointly or in concert" (as defined in the Securities Act (Alberta), as amended from time to time); or
 - (B) an "affiliate" or "associate" (as defined in the Business Corporations Act (Ontario), as amended from time to time) of such Person or group of Persons being in a position to exercise effective control of the Corporation which, for the purposes of this clause, shall be deemed to be any Person or group of Persons holding, owning or controlling, directly or indirectly, in excess of 50% of the issued and outstanding Common Shares of the Corporation, or
 - (ii) the sale, lease or transfer of all or substantially all of the Corporation's assets to any other Person or Persons;
- (e) **"Common Shares"** means the common shares of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- (f) **"Corporation"** means Maple Leaf Reforestation Inc., and includes any successor corporation thereof;

- (g) **"Exchange"** means the TSX Venture Exchange or the TSX, or, if the Common Shares are not then listed and posted for trading on such exchange, then on any stock exchange in Canada on which such shares are listed and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board;
- (h) **"Exercise Notice"** means the notice in writing signed by the Participant or the Participant's legal personal representatives addressed to the Corporation specifying an intention to exercise all or a portion of the Option;
- (i) **"Expiry Time"** means the time at which the Options will expire, being 4:00 p.m. (Mountain Standard Time) on a date to be fixed by the Board at the time the Option is granted. For greater certainty, if the Corporation is listed on the TSX such date will not be more than ten years from the date of grant, and if listed on the TSX Venture Exchange such date will not be more than ten years if the Corporation is classified as a "Tier 1" issuer by the TSX Venture Exchange, and such date will not be more than five years if the Corporation is classified as a "Tier 2" issuer by the TSX Venture Exchange;
- (j) **"Insider"** has the meaning ascribed thereto in the corporate finance manual or policies of the Exchange, as amended from time to time;
- (k) **"Market Price"** per Common Share at any date shall mean the volume weighted average closing trading price of the Common Shares on the Exchange for the 5 trading days prior to the date of grant, less any available discount (such price may not be less than the Discounted Market Price, as defined by the Exchange). If the Common Shares are not listed and posted for trading on any stock exchange in Canada, the Market Price shall be determined by the Board in its sole discretion;
- (l) **"Option"** means a contractual right but not an obligation to purchase Common Shares from treasury granted by the Corporation to a Participant, subject to the provisions contained herein;
- (m) **"Option Price"** means the price per share at which Common Shares may be purchased under the Option as set out in the respective Option agreement;
- (n) **"Participants"** means the directors, officers, employees and other Service Providers of the Corporation or its Subsidiaries, as such terms are defined by the Exchange;
- (o) **"Permanent Disability"** means the mental or physical state of the Participant whereby such person has to a substantial degree been unable, due to illness, disease, mental or physical disability or similar cause, to fulfill his obligations as a director, officer, employee or Service Provider of the Corporation either for any consecutive 4 month period or for any period of six months (whether or not consecutive) in any consecutive 12 month period, and the Corporation has certified the same in writing, or a court of competent jurisdiction has declared the Participant to be mentally incompetent or incapable of managing his affairs;
- (p) **"Plan"** means this Stock Option Plan of the Corporation, as the same may be amended or varied from time to time;
- (q) **"Service Provider"** means any person or company engaged to provide ongoing consulting services for the Corporation or any of its Subsidiaries;
- (r) **"Subsidiary"** means any body corporate that is a subsidiary of the Corporation, as such term is defined in the *Business Corporations Act* (Alberta), as such provision is from time to time amended, varied or re-enacted; and

- (s) **"Take-over Bid"** has the meaning ascribed thereto in the Securities Act (Alberta), as such provision is from time to time amended, varied or re-enacted.

3. **Administration of the Plan**

3.1 The Board shall administer this Plan. Options granted under the Plan shall be granted in accordance with determinations made by the Board pursuant to the provisions of the Plan as to: the Participants to whom, and the time or times at which, the Options will be granted; the number of Common Shares which shall be the subject of each Option; any vesting provisions attaching to the Option; and, the terms and provisions of the respective Option agreements; provided, however, that each director, officer, employee or Service Provider shall have the right not to participate in the Plan and any decision not to participate shall not affect the employment by or engagement with the Corporation. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent, confirm and provide evidence that the Participant is a bona fide employee, consultant or Service Provider.

4. **Granting of Option**

4.1 Participants may be granted Options from time to time. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time. Each Option granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Participant, in such form as the Board shall approve from time to time. Each such agreement shall recite that it is subject to the provisions of this Plan.

4.2 Subject to adjustment as provided in Article 8 hereof, the aggregate number of authorized but unissued Common Shares of the Corporation allocated and made available to be granted to Participants under this Plan, together with any authorized but unissued Common Shares reserved but unissued under any previous stock option plan and any other share compensation arrangement of the Corporation, shall not exceed 10% (on a non-diluted basis) of the issued and outstanding Common Shares at any time. Common Shares in respect of which Options are cancelled or not exercised prior to expiry, for any reason, shall be available for subsequent Option grants under this Plan. No fractional shares may be purchased or issued hereunder.

4.3 The Corporation shall at all times, during the term of the Plan, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of the Plan.

4.4 Any grant of Options under the Plan shall be subject to the following limitations:

- (a) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Participant in any 12 month period, and pursuant to other share compensation arrangements, may not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis);
- (b) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to Insiders and pursuant to other share compensation arrangements may not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis), unless disinterested shareholder approval is obtained;
- (c) the number of Common Shares issued to Insiders pursuant to the Plan and other share compensation arrangements within a 12 month period may not exceed 10% of the outstanding Common Shares (on a non-diluted basis), unless disinterested shareholder approval is obtained;
- (d) the number of Common Shares issued to any one Insider and such Insider's associates within a 12 month period pursuant to the Plan and other share compensation arrangements may not exceed 5% of the outstanding Common Shares (on a non-diluted basis), unless disinterested shareholder approval is obtained;

- (e) the number of Common Shares issued to any one Service Provider within a one year period may not exceed 2% of the outstanding Common Shares (on a non-diluted basis) at the date of grant; and
- (f) the number of Common Shares issued to a person conducting Investor Relations Activities, as defined in the corporate finance manual or policies of the Exchange may not exceed, in the aggregate, 2% (on a non-diluted basis) of the outstanding Common Shares.

The aforementioned limits of Common Shares reserved for issuance may be formulated on a diluted basis with the consent of the Exchange.

4.5 All Options granted pursuant to this Plan shall be subject to the rules and policies of the Exchange and any other regulatory body having jurisdiction.

4.6 A Participant who has been granted an Option may, if otherwise eligible, and if permitted under the policies of the Exchange, be granted additional Options if the Board so determines.

5. **Option Price**

5.1 Subject to applicable Exchange approval, the Board shall fix the Option Price at the time the Option is granted to a Participant. In no event shall the price be less than the Market Price.

5.2 Once the Option Price has been determined by the Board, accepted, if applicable by the Exchange and the Option has been granted, if the Participant is an Insider, the Option Price may only be reduced if "disinterested" shareholder approval is obtained; provided that such "disinterested" shareholder approval is then a requirement of the Exchange or other regulatory body having jurisdiction.

6. **Term of Option**

6.1 The term of the Option shall be a period of time fixed by the Board, not to exceed the Expiry Time or as set out herein, and, unless the Board determines otherwise, Options shall be exercisable in whole or in part at any time during this period subject to such vesting provisions, conditions or limitations (including applicable hold periods or Black Out Periods) as are herein contained or as the Board may from time to time impose or, as may be required by the Exchange, or under applicable securities laws.

6.2 Each Option and all rights thereunder shall be expressed to expire at the Expiry Time, but shall be subject to earlier termination in accordance with any Option agreement entered into hereunder or in accordance with Article 11 hereof.

6.3 In addition to any resale restriction under securities laws, Common Shares issued on the exercise of an Option may be subject to a four month Exchange hold period or other regulatory hold period, commencing on the date the Option is granted.

6.4 If any Options are unable to be exercised due to any Black-Out Period occurring within the three business day period prior to the Expiry Time of such Options (the "**Restricted Options**"), the Expiry Time of all Restricted Options shall be extended for a period of seven business days following the end of the Black-Out Period (or such longer period as permitted by the Exchange and approved by the Board).

7. **Exercise of Option**

7.1 Subject to the provisions of the Plan and the terms of any Option agreement, an Option or a portion thereof may be exercised, from time to time, by delivery of the Exercise Notice to the Corporation's principal office in Calgary, Alberta. The Exercise Notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof, and specify the number of Common

Shares in respect of which the Option is then being exercised. The Exercise Notice shall be accompanied by payment of the full purchase price of the Common Shares which are the subject of the exercise. Such Exercise Notice shall contain the Participant's undertaking to comply with all of the obligations set out in the respective Option agreement. Upon receipt of an Exercise Notice together with full payment of the Exercise Price, the Corporation shall promptly deliver to the Optionee the appropriate share certificates and shall complete all corporate proceeding to list the issued shares for trading on the applicable stock exchange. Unless otherwise stipulated in the Option agreement, the issued shares shall be free trading without restriction

8. Adjustments in Shares

8.1 If the outstanding shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through a re-organization, merger, recapitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, in the number or kind of shares optioned and the exercise price per share, as regards previously granted and unexercised Options or portions thereof, and as regards Options which may be granted subsequent to any such change in the Corporation's capital.

8.2 Determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. The Corporation shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

9. Accelerated Vesting

9.1 In the event that certain events such as a Change of Control, Take-over Bid, liquidation or dissolution of the Corporation or a re-organization, plan of arrangement, merger or consolidation of the Corporation with one or more entities, as a result of which the Corporation is not the surviving entity, are proposed or contemplated, the Board shall, notwithstanding the terms of this Plan or Option agreements issued hereunder (a) exercise its discretion, by way of resolution, to accelerate the vesting of Options so that all outstanding but not previously exercised Options become immediately vested, and (b) in the event of an acceleration of vesting as referred to in (a), exercise its discretion, by way of resolution, to cause the Options to terminate after the end of the period of accelerated vesting on such terms as the Board sees fit at that time, even if such termination of the Options is prior to the normal Expiry Time of the Options. If the Board, in its sole discretion, determines that the Common Shares subject to any Option granted hereunder shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Corporation, to exercise such Options to the extent specified and permitted by the Board, and within the time period specified by the Board, which shall not extend past the Expiry Time.

9.2 In addition to the above, an Option may provide for an Acceleration Right contained therein upon other events of Change of Control of the Corporation, on such terms as the Board determines in its sole discretion at the time of the grant of the Option.

9.3 Where the accelerated vesting provisions of this Article 9 apply, and the Participant chooses to exercise his or her options, the Corporation may satisfy any obligations to a Participant hereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted hereunder and the Market Price of the securities to which the Participant would be entitled upon exercise of all unexercised Options.

10. Decisions of the Board

10.1 All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all directors, officers, employees and Service Providers of the Corporation who are eligible to participate under the Plan.

11. Ceasing to be a Director, Officer, Employee or Service Provider

11.1 Subject to the terms of the applicable Option agreement, in the event of the Participant ceasing to be a director, officer, employee or Service Provider of the Corporation or a Subsidiary for any reason other than death, including the resignation or retirement of the Participant and the termination by the Corporation or a Subsidiary of the employment of the Participant, prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which the Option has not previously been exercised (and as the Participant would have been entitled to exercise) at any time up to and including (but not after) the earlier of the Expiry Time and a date that is 90 days following the effective date of such resignation or retirement or a date that is 90 days following the date notice of termination of employment is given by the Corporation or a Subsidiary, or 30 days if the Service Provider is an individual engaged in Investor Relations Activities as defined by the Exchange, subject to such shorter period as may be otherwise specified in an Option agreement, whether such termination is with or without reasonable notice, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.2 In consideration of the Option hereby granted, in the event of the resignation or retirement of the Participant or the termination of employment by the Corporation without cause, the Participant hereby covenants not to sue the Corporation for damages arising from the loss of rights granted hereunder and releases the Corporation from any damages.

11.3 Notwithstanding the foregoing, in the event of termination for cause, such Option shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Participant by the Corporation or a Subsidiary and shall be of no further force or effect whatsoever as to the Common Shares in respect of which an Option has not previously been exercised.

11.4 In the event of the death of a Participant on or prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to exercise) by the legal personal representatives of the Participant, at any time up to and including (but not after) the earlier of the Expiry Time and a date that is one year from the date of death of the Participant, subject to such shorter period as may be otherwise specified in a stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.5 In the event of the Permanent Disability of a Participant on or prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to exercise) by the legal personal representatives of the Participant, at any time up to and including (but not after) the earlier of the Expiry Time and a date that is six months from the date of Permanent Disability of the Participant, subject to such shorter period as may be otherwise specified in an Option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.6 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any Subsidiary.

12. Transferability

12.1 All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable, except in the event of the death of the Participant, unless specifically provided herein or to the extent, if any, permitted by the Exchange.

13. Amendment or Discontinuance of Plan

13.1 Subject to applicable law and to the prior approval, if required, of the Exchange or any other regulatory body having authority over the Corporation, the Board may suspend, terminate or discontinue the Plan (or any one or more provision of the Plan) at any time.

13.2 The Board may amend or revise the terms of the Plan or of any Option granted under the Plan and the Option agreement relating to the Option at any time without the consent of the Participants provided that the amendment will:

- (a) not adversely alter or impair any Option previously granted except as permitted by the adjustment provisions of Article 8;
- (b) be subject to any regulatory approvals including, where required, the approval of the Exchange; and
- (c) be subject to shareholder approval, where required, by law or the requirements of the Exchange, provided that shareholder approval shall not be required for the following amendments:
 - (i) amendments of a typographical, grammatical, clerical or administrative nature or which are required to comply with regulatory requirements;
 - (ii) a change to the vesting provisions of the Plan or any Option;
 - (iii) a change to the termination provisions of any Option that does not entail an extension beyond the original expiration date (and the date may be extended by virtue of Section 6.4 for a Blackout Period);
 - (iv) a change to the eligible participants of the Plan or the definitions contained within the Plan; and
 - (v) a change to the Option Price as set out in Article 8 of this Plan

13.3 If the Plan is terminated, the provisions of the Plan and any administrative guidelines adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board will remain able to make such amendments to the Plan or the Options as they would have been entitled to make if the Plan were still in effect.

14. Participants' Rights

14.1 A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Common Shares, upon the exercise of an Option or a portion thereof, and then only with respect to the Common Shares represented by such certificate or certificates.

14.2 Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Subsidiary to extend the employment of any Participant beyond the time such Participant would normally retire pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.

15. Approvals

15.1 This Plan shall be subject, if applicable, to the approval of the Exchange or other regulatory body having jurisdiction at that time and, if so required thereby, to the approval of the shareholders of the Corporation.

15.2 Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

16. Government Regulation

16.1 The Corporation's obligation to issue and deliver Common Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and
- (c) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

16.2 In this regard, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares and for the listing of such Common Shares on the Exchange, in compliance with applicable securities laws. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and the Option Price paid to the Corporation shall be returned to the Participant, and the Corporation shall pay to the Participant in cash the difference between the Option Price and the Market Price of the shares that would otherwise have been issued to the Participant.

17. Costs

17.1 The Corporation shall pay all costs of administering the Plan.

18. Interpretation

18.1 This Plan shall be governed by and construed in accordance with the laws of the Province of Alberta.

19. Compliance with Applicable Law

19.1 If any provision of the Plan or the grant or exercise of any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body or the Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

20. Effective Date of Plan

The Plan has been adopted by the Board subject to the approval of the shareholders of the Corporation and, if so approved, the Plan shall become effective as of the date of adoption of the Plan by the Board.

APPENDIX "B"
AUDIT COMMITTEE TERMS OF REFERENCE

(Adopted by the Board of Directors on May 25, 2006)

A. PURPOSE

The overall purpose of the Audit Committee (the "Committee") is to ensure that the management of Maple Leaf Reforestation Inc. (the "Corporation") has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements of the Corporation and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts. In particular, the Committee must ensure compliance with National Instrument 52-110 - *Audit Committees* ("NI 52-110").

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. Unless exempt from the requirements of Part 3 of NI 52-110, the Committee shall consist of at least three members of the Board of Directors (the "Board"), all of whom shall be "independent", as that term is defined in NI 52-110 ("venture issuers" are exempt from the requirements of Part 3 of NI 52-110.)
2. Unless exempt from the requirements of Part 3 of NI 52-110, all members of the Committee shall be "financially literate", as that term is defined in NI 52-110 ("venture Issuers" are exempt from the requirements of Part 3 of NI 52-110.)
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.
5. Unless exempt from the requirements of Part 3 of NI 52-110, the secretary of the Committee shall be selected by the Committee, and shall be "financially literate" unless otherwise determined by the Committee. (venture issuers are exempt from the requirements of Part 3 of NI 52-110.)
6. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
7. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's internal and external auditors, and to such information respecting the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities.
8. The Committee shall be entitled to engage independent counsel and other advisors as it considers necessary to carry out its duties and to set and pay the compensation for any such advisors.
9. Meetings of the Committee shall be conducted as follows:

- (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;
 - (c) the following management representatives shall be invited to attend all meetings, except executive sessions and private sessions with the external auditors:
 - Chief Financial Officer;
 - (d) other management representatives shall be invited to attend as necessary.
10. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

C. DUTIES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:
 - (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements;
 - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
 - (a) to recommend to the Board a firm of external auditors to be nominated for the purpose of preparing or issuing an auditors report or performing other audit, review or attest services for the Corporation and to verify the independence of such external auditors;
 - (b) to review and recommend to the Board the scope and timing of the audit and other related services rendered by the external auditors and the compensation therefor;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to directly oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;

- (e) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Corporation's financial and auditing personnel;
 - (iv) co-operation received from the Corporation's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Corporation;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
 - (f) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles;
 - (g) to pre-approve all non-audit services to be provided to the Corporation by the external auditors unless otherwise provided for in NI 52-110;
 - (h) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management;
 - (i) to review the Corporation's financial statements, MD&A and press releases announcing annual and interim earnings before the Corporation publicly discloses the information;
 - (j) to ensure that procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (i) above, and periodically assess the adequacy of the procedures;
 - (k) to implement procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
 - (iii) to review and approve the Corporation's hiring policies regarding partners, employees or former partners and employees of the present and former external auditors of the Corporation.
3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
 - (c) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
4. The Committee is also charged with the responsibility to review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto and to:
- (a) review and approve the financial sections of:
 - (i) annual reports to shareholders;
 - (ii) annual information forms (if adopted);
 - (iii) prospectuses; and
 - (iv) other public reports requiring approval by the Board,
 and report to the Board with respect thereto;
 - (b) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
 - (c) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (d) review and report on the integrity of the Corporation's consolidated financial statements;
 - (e) review the minutes of any audit committee meeting of subsidiary companies;
 - (f) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (g) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts; and
 - (h) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.