

MONTANA GOLD MINING COMPANY INC.

MANAGEMENT INFORMATION CIRCULAR
(containing information as at May 29, 2012 unless otherwise noted)

SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of **MONTANA GOLD MINING COMPANY INC.** (the “Corporation”) for use at the annual and special meeting of shareholders of the Corporation (the “Meeting”) to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed Form of Proxy (the “Proxy”) is solicited by management. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made by regular officers and employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation. None of the directors of the Corporation have advised that they intend to oppose any action intended to be taken by management as set forth in this Management Information Circular.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying Proxy are officers and/or directors of the Corporation. **A shareholder has the right to appoint a person, other than the persons named in the enclosed proxy, to attend and act for him on his behalf at the Meeting. To exercise this right, a shareholder must strike out the names of the persons named in the proxy and insert the name of his nominee in the blank space provided, or complete another proxy.**

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder's attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or an attorney for the corporation.

The completed Proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be deposited with its Registrar and Transfer Agent, **Equity Financial Trust Company, Suite 400, 200 University Ave., Toronto, Ontario M5H 4H1, Fax: (416) 361-0470** at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Company at any time up to and including the close of business on the second business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is

to be used or with the Chairman of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked. A shareholder attending the Meeting has the right to vote in person and if he does so, his proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares owned by a person are registered either (a) in the name of an intermediary (an “Intermediary”) that the non-registered holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant (a “non-registered holder”). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to non-registered holders of Common Shares. Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or

(b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “Voting Instruction Form”) which the Intermediary must follow. Typically the non-registered holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Common Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder's name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

VOTING AND EXERCISES OF DISCRETION BY PROXIES

The Proxy affords the shareholder an opportunity to specify that the shares registered in his name shall be voted or withheld from voting in respect of the election of directors and the appointment of auditors. The Proxy also affords the shareholder the opportunity to specify that the shares registered in his name shall be voted in favour of or against any resolutions proposed for approval at the Meeting in accordance with such direction. On any ballot that may be called for, the shares represented by proxies in favour of management nominees will be voted or withheld from voting in respect of the election of directors and the appointment of auditors and authorizing the directors to fix the remuneration of the auditors, in each case in accordance with the specifications made by shareholders in the manner referred to above.

In the absence of any direction in the Proxy, it is intended, if management's proxyholders are selected, that such shares will be voted with respect to the election of directors and/or the appointment of the auditors in the manner proposed by management herein, on any ballot that may be called for, in respect of such matters, and IN FAVOUR of the motions proposed to be made at the Meeting as stated under the headings in this Management Information Circular. The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting. At the time of printing of this Management Information Circular, management of the Corporation is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

Level of Approval Required

In order to be effective, the resolutions concerning the general matters to be considered by the shareholders at this meeting including the election of directors and the appointment and remuneration of auditors must be passed by a majority of the votes cast at the Meeting. In order to be effective, the resolutions concerning the special matters to be considered by the shareholders at this meeting must be passed by at least two-thirds of the votes cast at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of common shares (the “Common Shares”). As of May 24, 2012 (the “Record Date”), 27,381,007 Common Shares were issued and outstanding, each share carrying the right to one vote.

At a general meeting of shareholders of the Corporation, on a show of hands, every shareholder holding Common Shares, present in person, shall have one vote and, on a poll, every shareholder holding Common Shares shall have one vote for each Common Share of which he is the holder.

Only shareholders of record on the close of business on the Record Date, who either personally attend the Meeting or who complete and deliver a Proxy in the manner and subject to the provisions described above will be entitled to have his or her shares voted at the Meeting or any adjournment thereof. If the shareholder has transferred any of his or her shares after the Record Date and the transferee of those shares produces properly endorsed share certificates or otherwise establishes that the transferee owns the shares and demands, not later than ten days before the Meeting, the transferee shall be entitled to vote his or her shares at the Meeting.

The following table shows, as at the date hereof, each person who is known to the Corporation, or its directors and officers to beneficially own, directly or indirectly, or that controls or directs, more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to vote at the Meeting.

Name	Number of Voting Securities	Percentage of Outstanding Voting Securities (1)
CDS & Co. (2)	13,232,964	48.33%
Arbora AG	4,267,234	15.58%

Notes: (1) Based on 27,381,007 Common Shares issued and outstanding as at the date hereof.

(2) CDS & Co. holds the Common Shares on behalf of financial intermediaries. The Corporation does not believe that they represent the beneficial holdings of any individual person or corporation who owns more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to vote at the Meeting.

ELECTION OF DIRECTORS

The Corporation currently has seven directors and the board of directors has determined to have seven directors nominated for the ensuing year.

Each director of the Corporation is elected annually and holds office until the next annual meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by the Proxy will, on a poll, be voted (if management’s proxies are selected) in favour of the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the management’s nominees for election as directors, the positions and offices which they presently hold with the Corporation, the length of time they have served as directors of the Corporation, their respective principal occupations or employments during the past five years, if such nominee is not presently an elected director and

the number of voting shares of the Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Management Information Circular.

Name and Country of Residence of Proposed Directors	Office Held	Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years	Director Since	Number of Voting Shares (1)
Kent Britton (2)(5) Alberta, Canada	Director	Britton and Associates Associate , January 2010 – Present; Walton International Group Ltd. , Chief Operating Officer from November 2007 to November 2009; Walton International Group Ltd., Chief Administrative Officer, Asia from June 2007 to November 2007; Walton International Group Ltd., Senior Vice President, Administration, Asia from February 2006 to June 2007.	September 23, 2011	Nil
Edward L. Ellwood (3)(4)(5) Ontario, Canada	Director, Chief Executive Officer and President	President and CEO of the Corporation, management consultant, and independent business owner	April 1, 2010	2,186,600
Luard Manning (4)(5)(6) British Columbia, Canada	Director	President of L.J. Manning & Associates Ltd. a mining consulting firm, from November 1967 to present.	March 16, 2011	66,250
Eric J. Plexman (3)(4) Ontario, Canada	Director, Chief Financial Officer and Secretary	Secretary and CFO of the Corporation, management consultant.	April 1, 2010	1,100,000
Paul Teodorovici (3) Quebec, Canada	Director, Executive-Vice President	Property management consultant.	March 25, 2011	733,556
Clifford A. Wiebe (2)(6) Manitoba, Canada	Director	Independent business consultant since 2010; Business Consultant, IBM Canada to 2010.	August 19, 2005	300,000
John Wozny (2)(6) Alberta, Canada	Director	Professional psychologist.	March 25, 2011	53,890

Notes:

- (1) The information as to shares beneficially owned or over which control or direction is exercised not being within the knowledge of the Corporation has been furnished by the respective nominees individually or was obtained from insider filings. Directors may also receive options.
- (2) Member of the Audit Committee.
- (3) Member of Governance Committee.
- (4) Member of Disclosure Committee.
- (5) Member of Health, Safety & Environmental Committee.
- (6) Member of Compensation Committee

The term of office of each director will be from the date of the Meeting until the next annual meeting of the Corporation or until his successor is elected or appointed.

Proxies received in favour of Management will be voted for the election of the nominees whose names are hereinafter set forth unless instructions are given to withhold from voting on the election of directors.

To the knowledge of the Corporation, no proposed director

- (a) is, as at the date of this Management Information Circular, or has been, within 10 years before the date of this Management Information Circular a director, chief executive officer or chief financial officer of any company 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 director, chief executive officer or chief financial officer; or

- (b) is, as at the date of this Management Information Circular, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets except that Edward Ellwood was formerly a Director, President and the CEO of Canmine Resources Corporation (“Canmine”), Eric Plexman was formerly a Director, a Vice-President and the Secretary of Canmine, Luard Manning was formerly a director Canmine, Paul Teodorovici was formerly a director of Canmine and John Wozny was formerly a director of Canmine, a TSX listed cobalt chemical refining company also engaged in mineral exploration and development, that was placed under CCAA protection during 2002 at a historical low in cobalt prices. Mr. Ellwood, Mr. Plexman, Mr. Manning, Mr. Teodorovici and Mr. Wozny resigned from Canmine in February, 2003. Canmine was subsequently placed into receivership and liquidated.

No proposed director of the Corporation has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

EXECUTIVE COMPENSATION

Executive Officers of the Corporation

Set out below are particulars of compensation paid to the following persons (the “Named Executive Officers”):

- (a) the Corporation’s Chief Executive Officer (“CEO”);

- (b) the Corporation's Chief Financial Officer ("CFO");
- (c) each of the Corporation's three most highly compensated executive officers, other than the CEO and CFO who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000 per year, and
- (d) any additional individuals for whom disclosure would have been provided under (c) but for the fact that the individual was not serving as an officer of the Corporation at the end of the most recently completed fiscal year.

During the fiscal year ended December 31, 2011, the Corporation had two Named Executive Officers, namely, Edward Ellwood and Eric Plexman.

Compensation Discussion and Analysis

The executive compensation policy of the Corporation is determined with a view to securing the best possible talent to manage the Corporation. Executive officers expect to gain additional income from the appreciation in the value of the Common Shares they hold in the Corporation, including stock options. Compensation is determined on a judgmental basis after review by the board of directors of the contribution of each individual, including the executive officers of the Corporation. Although they may be members of the board of directors, the executive officers do not individually make any decisions with respect to their respective compensation.

Compensation paid to the Named Executive Officers is based on comparison to compensation paid to officers of companies in a similar business, size and stage of development and reflects the need to provide incentive and compensation for the time and effort expended by the Named Executive Officers, while taking into account the financial and other resources of the Corporation, as well as increasing shareholder value.

The Corporation's executive compensation currently consists of base salary and incentive stock options, in the form of participation in the Corporation's Stock Option Plan.

Base Salary

Base salary is the principal component of executive compensation and the base salary for each executive officer is based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable companies. Individual and corporate performance is also taken into account in determining base salary levels for executives.

Option-based awards

Options are awarded to executive officers in lieu of higher salaries. The grant of stock options under the Corporation's existing stock option plan is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term and to reward employees for both past and future performance. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his position with and contribution to the Corporation. Previous grants of stock options are taken into account when new options are granted to an individual.

Bonuses

Bonuses may be paid in the future for significant and specific achievements which have a strategic impact on the fortunes of the Corporation.

Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers for each of the Corporation's three most recently completed fiscal years.

Name and Position of Principal (a)	Year (b)	Salary (CDN\$) (c)	Share Based Awards (CDN\$) (d)	Option Based Awards (CDN\$) (e)	Non-equity incentive plan compensation (\$)		Pension Value (CDN\$) (g)	All other compensation (CDN\$) (h)	Total Compensation (CDN\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Edward Ellwood President and Chief Executive Officer	2011	120,000	Nil	64,737(3)	Nil	Nil	Nil	22,125 (director fees)	206,862 (1)
	2010	90,000	Nil	Nil	Nil	Nil	Nil	15,000 (director fees)	105,000
Eric J. Plexman Chief Financial Officer	2011	60,000	Nil	64,737(3)	Nil	Nil	Nil	24,000 (director fees)	148,737 (2)
	2010	30,000	Nil	Nil	Nil	Nil	Nil	17,500 (director fees)	47,500

- (1) \$58,625 of this amount was accrued. \$64,737 of this amount is the fair value of stock options that were cancelled during the year ended December 31, 2011.
- (2) \$36,250 of this amount was accrued. \$64,737 of this amount is the fair value of stock options that were cancelled during the year ended December 31, 2011.
- (3) Option-based Awards are calculated using the Black-Scholes Option Pricing Model to determine grant date fair value. Mr. Ellwood and Mr. Plexman were each granted 250,000 stock options during the year ended December 31, 2011 with an estimated fair value of \$0.2589 per share. The grant date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of stock options granted during the year ended December 31, 2011, was estimated on the date of the grant using the Black-Scholes Option Pricing Model with the following assumptions: average risk-free interest rate of 2.32%, estimated volatility of 255%, expected life of 5 years, forfeiture rate of Nil and expected dividend yield of 0%. **The stock options granted to Mr. Ellwood and Mr. Plexman during the year ended December 31, 2011 were cancelled on September 30, 2011.**

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets out the outstanding share options held by the Named Executive Officers as at December 31, 2011:

Name (a)	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options ⁽¹⁾ (\$) (e)	Number of shares or units of share that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)
Edward Ellwood	Nil	N/A	N/A	N/A	N/A	N/A
Eric Plexman	Nil	N/A	N/A	N/A	N/A	N/A

(1) The closing market price of the Corporation's common shares on the CNSX on December 31, 2011 was \$0.07.

Incentive plan awards – value vested or earned during the year

Name (a)	Option-based awards – Value vested during the year (\$) (b)	Share-based awards – Value vested during the year (\$) (c)	Non-equity incentive plan compensation – Value earned during the year (\$) (d)
Edward Ellwood	Nil	Nil	Nil
Eric Plexman	Nil	Nil	Nil

Pension Plan Benefits

The Corporation does not provide retirement benefits for directors or executive officers.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

Employment and management service contracts between the Corporation and its executive officers set out base salary, bonus, stock option, benefits and termination provisions. The executive officers as of the date of this information circular are Edward Ellwood, President and CEO and Mr. Eric Plexman, CFO and Secretary. The executive officers held employment contracts during the year ended December 31, 2011 but were not fully paid under these contracts and some amounts were accrued.

If Mr. Ellwood's employment is terminated without cause, he is entitled to one (1) year of his then base annual fee, plus one twelfth (1/12th) of his then base annual fee for each year of service with the Corporation after April 1, 2010, in any capacity, plus a continuation of insurance provided by the Corporation's health, life, and LTD insurance coverage program for a period as

specified by the Ontario *Employment Standards Act*. In the event Mr. Ellwood is terminated for “just cause”, he shall receive any payments specified by the Ontario *Employment Standards Act*. In the event that the Corporation is acquired or is the non-surviving party in a merger, Mr. Ellwood’s positions shall be considered terminated and he will be entitled to two (2) years then base annual fees.

If the employment of Mr. Plexman is terminated without cause, he is entitled to one (1) year of his then base annual fee, plus one twelfth (1/12th) of his then base annual fee for each year of service with the Corporation in any capacity after July 1, 2010, plus a continuation of insurance provided by the Corporation’s health, life, and LTD insurance coverage program for a period as specified by the Ontario *Employment Standards Act*. In the event Mr. Plexman is terminated for “just cause”, he shall receive any payments specified by the Ontario *Employment Standards Act*. In the event that the Corporation is acquired or is the non-surviving party in a merger, his position shall be considered terminated and he will be entitled to two (2) years then base annual fees.

DIRECTOR COMPENSATION

Directors of the Corporation are currently paid \$20,000 per fiscal year for their services as directors. Until September 30, 2011 directors were paid \$2,500 per fiscal year for each committee of the board on which they may serve. Effective October 1, 2011 each director and each member of a board-appointed committee of directors is paid \$250.00 for each meeting of the board or board-appointed committee attended by that director or committee member where formal minutes are taken. Directors are entitled to receive compensation from the Corporation to the extent that they provide other services to the Corporation and any such compensation is based on rates that would be charged by such directors for such services to arm’s length parties.

Directors are also entitled to participate in the Corporation’s existing stock option plan and, at the time of joining the board, directors may be granted options to purchase Common Shares.

Director compensation table

Name (1) (a)	Fees earned (\$) (b)	Share-based awards (\$) (c)	Option-based awards (\$) (d)	Non-equity incentive plan compensation (\$) (e)	Pension value (\$) (f)	All other compensation (\$) (g)	Total (\$) (h)
Kent Britton	\$5,000(3)	Nil	Nil	Nil	Nil	Nil	\$5,000
Luard Manning	\$17,500(3)	Nil	\$25,895(2)	Nil	Nil	Nil	\$43,395
Maxwell Polinsky	\$11,188(3)	Nil	\$64,737(2)	Nil	Nil	Nil	\$75,929
Paul Teodorovici	\$15,639(3)	Nil	\$64,737(2)	Nil	Nil	\$25,000(3)(4)	\$105,376
Clifford Wiebe	\$22,125 (3)	Nil	\$25,895(2)	Nil	Nil	Nil	\$48,020
John Wozny	\$15,639(3)	Nil	\$25,895(2)	Nil	Nil	Nil	\$41,534

- (1) Compensation for Edward Ellwood and Eric Plexman is disclosed in Summary Compensation Table in Executive Compensation section.
- (2) Option-based Awards are calculated using the Black-Scholes Option Pricing Model to determine grant date fair value. During the year ended December 31, 2011, Mr. Teodorovici and Mr. Polinsky were each granted 250,000 stock options, and Mr. Manning, Mr. Wiebe and Mr. Wozny were each granted 100,000 stock options, all with an estimated fair value of \$0.2589 per share. The grant date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of stock options granted during the year ended December 31, 2011, was estimated on the date of the grant using the Black-Scholes Option Pricing Model with the following assumptions: average risk-free interest rate of 2.32%, estimated volatility of 255%, expected life of 5 years, forfeiture rate of Nil and expected dividend yield of 0%. **The stock options granted to the directors during the year ended December 31, 2011 were cancelled on September 30, 2011.**
- (3) Accrued.
- (4) Mr. Teodorovici received compensation as Executive Vice-President effective August 1, 2011.

Share-based awards, option based awards and non-equity incentive plan compensation

The following table sets out the outstanding share options held by the directors as at December 31, 2011:

Name (a)	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options (\$) (e)	Number of shares or units of share that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)
Kent Britton	Nil	N/A	N/A	N/A	N/A	N/A
Luard Manning	Nil	N/A	N/A	N/A	N/A	N/A
Paul Teodorovici	Nil	N/A	N/A	N/A	N/A	N/A
Clifford Wiebe	Nil	N/A	N/A	N/A	N/A	N/A
John Wozny	Nil	N/A	N/A	N/A	N/A	N/A

The closing market price of the Corporation's common shares on the CNSX on December 31, 2011 was \$0.07.

Director Incentive plan awards – value vested or earned during the year

Name (a)	Option-based awards – Value vested during the year (\$) (b)	Share-based awards – Value vested during the year (\$) (c)	Non-equity incentive plan compensation – Value earned during the year (\$) (d)
Kent Britton	Nil	Nil	Nil
Luard Manning	Nil	Nil	Nil
Paul Teodorovici	Nil	Nil	Nil
Clifford Wiebe	Nil	Nil	Nil
John Wozny	Nil	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table provides information regarding the number of securities authorized for issuance under the Corporation's stock option plan, as at the end of the Corporation's most recently completed financial year ended December 31, 2011.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	20,000	\$7.00	2,378,100
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	20,000		2,378,100

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former executive officer, director or employee of the Corporation or any of its subsidiaries, or any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any such executive officer, director or proposed nominee, is or has been indebted to the Corporation or any of its subsidiaries, or to any other entity that was provided a guarantee or similar arrangement by the Corporation or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Corporation.

POTENTIAL CONFLICTS OF INTEREST

Some of the directors and officers of the Corporation also serve as directors and officers of other companies. Consequently, there exists a possibility for any such director or officer to be placed in a position of conflict. Each such director or officer is subject to fiduciary duties and obligations to act honestly and in good faith with a view to the best interests of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular, no informed person of the Corporation, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or would materially affect the Corporation or any of its subsidiaries.

APPOINTMENT OF AUDITORS

Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote for the appointment of Collins Barrow Toronto LLP, Chartered Accountants, of Collins Barrow Place, 11 King Street West, Suite 700, Box 27, Toronto, Ontario M5H 4C7, as auditors of the Corporation to hold office for the fiscal year ending December 31, 2012 at a remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

Management functions of the Corporation or any subsidiary of the Corporation are not, to any substantial degree, performed by a person other than the directors or senior officers of the Corporation or its subsidiaries.

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

No director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any of such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except for any interest arising from the ownership of shares of the Corporation where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of shares in the capital of the Corporation.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

In addition to the ordinary business to be conducted at the Meeting, approval of the Corporation's shareholders is being sought for the following matters:

CONTINUATION OF THE STOCK OPTION PLAN

Currently, the Corporation has a 10% "rolling" Stock Option. The shareholders will be asked to re-approve the Corporation's existing Stock Option Plan. **Proxies received in favour of Management will be voted for the approval of the rolling Stock Option Plan unless a shareholder has specified in the proxy that the shares are to be voted against such resolution.** Shareholders are asked to pass the following ordinary resolution authorizing the re-approval of the existing Stock Option Plan:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the 10% "rolling" stock option plan currently in place be re-approved; and
2. any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such

other acts and things as such director or officer may determine to be necessary or advisable in connection with such re-approval, the execution of any such document or the doing of any such other act or thing by any director or officer of the Corporation being conclusive evidence of such determination.”

CELERITY MINERAL CORPORATION

The Meeting has been called so that shareholders of the Company may consider and, if thought appropriate, approve the reorganization of the Company to provide for the following:

- 1) the option of a 50% working interest in the Company’s Silver Bell - St. Lawrence Property (the “SBSL Property”), Virginia City Mining District, Montana and Golden Trail Property, Elko County, Nevada (collectively the “Properties”), and the potential formation of a joint venture (the “Option and JV Agreement”) to and with the Company’s wholly owned subsidiary, Celerity Mineral Corporation (“Celerity”), in consideration of the allotment and issuance of 13,362,240 common shares (the “Distribution Shares”) of Celerity (hereinafter referred to as the “Option and JV Resolution”); and
- 2) the distribution by the Company of all of the issued and outstanding shares of Celerity owned by the Company to the current shareholders of the Company as a dividend-in-kind or a distribution by way of return of paid up or stated capital equal to the fair market value of the assets so distributed as determined by the directors of the Company (hereinafter referred to as the “Distribution Resolution”); and
- 3) the reduction of stated or paid up capital attributable to the distribution of the shares of Celerity to the Company shareholders (hereinafter referred to as the “Capital Reduction Resolution”).

Following is a description of Celerity and the proposed reorganization intended to be implemented by the Company provided that the resolution shall have been passed by the required number of votes:

Organization of Celerity

Celerity Mineral Corporation (“Celerity”) was incorporated under the *Canada Business Corporation Act* on April 25, 2012. Celerity is currently a wholly owned subsidiary of the Company.

Celerity’s registered address is 12-152 Albert Street, London, Ontario N6A 1M1. Celerity’s head office will be located at 12-152 Albert Street, London, Ontario N6A 1M1. The website address of the Company will be www.celeritymineral.com.

Celerity does not have any subsidiaries.

Reorganization and Distribution Transaction

The Company proposes to complete a corporate reorganization and option a 50% working interest in the Properties to Celerity, as set out below (the “Reorganization”):

Celerity will acquire a 50% working interest in the Properties from the Company pursuant to the Option and JV Agreement. The Company has previously incurred acquisition and exploration expenditures with respect to the Properties totaling \$1,668,112. The Option and JV Agreement provides that in order to earn its 50% working interest, Celerity must match the Company's prior acquisition and exploration expenditures of \$1,668,112 by (i) reimbursing the Company the sum of \$668,112 by payment of 13,362,240 Common Shares of Celerity at a deemed price of \$0.05 per share on Closing, and (ii) incurring \$500,000 in exploration and/or development expenditures on each of the Properties on or before May 24, 2017. If Celerity abandons either of the Properties, any amount remaining unexpended of the \$500,000 in exploration and/or development expenditures required to be expended on such Property must be added to the amount required to be expended on the remaining Property for Celerity to earn its interest in the Remaining Property. Closing shall take place on or before the 5th business day following the receipt by Celerity of a receipt for a Prospectus (final) which it intends to file with certain securities regulatory authorities within Canada to approve the distribution of the Celerity shares to the shareholders of the Company. The complete text of the Option and JV Agreement can be obtained through SEDAR.

The Company will distribute all of the 13,362,240 Distribution Shares of Celerity which it will acquire on the Closing of the Option and JV Agreement to the Company Shareholders as a dividend-in-kind or a distribution by way of return of paid up or stated capital equal to the fair market value of the assets so distributed as determined by the directors of the Company in proportion to the number of common shares of the Company owned on the record date as a percentage of the total issued and outstanding shares of the Company.

General Description of the Business of Celerity

Celerity is a Canadian-based gold exploration company engaged in the exploration, acquisition and development of mineral properties in North America.

Celerity is a wholly owned subsidiary of the Company which was formed for the express purpose of acquiring an option to acquire a 50% working interest in the two gold exploration projects located in the states of Montana and Nevada, USA and owned by the Company

The Silver Bell St. Lawrence Property ("SBSL Property") in Montana hosts two past producing gold mines (the Silver Bell and the St. Lawrence) that operated in the early 1900's and again in the 1970's at the St. Lawrence. The historic shafts for each were located approximately 3,600 feet apart and the two mines were originally held by different owners. Celerity intends to explore the possibility that the two mineralized systems from each mine could be related or lie along the same vein system. During 2011, geological mapping, a geophysical survey and additional claim staking was completed by the Company. The project is drill ready and an updated NI 43-101 compliant Technical Report has been prepared.

The Golden Trail Property is situated in one of the most prolific gold producing regions in North America. The exploration objective on the Golden Trail is to discover and prove a mineable gold deposit. A considerable amount of surface exploration work has been completed and the project is drill ready. The drill targets are numerous northwest-striking, high-angle gold-bearing veins and adjacent replacement zones. The largest identified vein, the Golden Trail Vein, is over 1,200 meters long, and has an associated alteration zone that averages about 30 meters wide.

Gold values above 20 ppb are common within the zone and one rock chip sample of decalcified limestone contained over 28,000 ppb gold.

The Celerity Mineral Corporation Rights Offering

Immediately following the distribution of the Distribution Shares by the Company, Celerity proposes to issue to holders of the Distribution Shares one right (a “Right”) for each Distribution Share held. For every Right held, a holder will be entitled to subscribe for one unit (a “Unit”) of Celerity at a price of \$0.10 per Unit (the “Unit Subscription Price”). Each Unit will consist of one common share of Celerity (a “Celerity Share”) and one half of one common share purchase warrant. Each whole warrant (a “Warrant”) will entitle the holder thereof to purchase one Celerity Share at a price of \$0.15 for twenty-four (24) months. Celerity proposes to qualify the distribution of the Rights, Warrants and Celerity Shares issuable upon the exercise of the Rights in the same Prospectus (final) which it intends to file with certain securities regulatory authorities within Canada to approve the distribution of the Distribution Shares to the shareholders of the Company.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws, and may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities laws or pursuant to an exemption therefrom. Accordingly, these securities will be offered and sold only (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act (“Regulation S”) and (ii) within the United States to qualified institutional buyers (“QIBs”) as defined in Rule 144A under the U.S. Securities Act (“Rule 144A”) and to a limited number of institutional accredited investors within the meaning of Rule 501(a) (1), (2), (3) or (7) under the U.S. Securities Act (“Institutional Accredited Investors”) in transactions not involving a public offering.

Despite the prior exploration at the Properties, they are still considered to be at an early stage of development.

Celerity’s primary objectives are to complete exploration of the Properties with a view to develop the properties. Towards these ends, Celerity intends to undertake the Work Programs recommended respectively in the SBSL Technical Report and the Golden Trail Technical Report. If the results of such Work Program merit further exploration, Celerity may commence further exploration programs. Such further exploration activities may require additional capital and there is no assurance that Celerity will be able to raise such funds. Celerity intends to finance the proposed exploration programs initially through its proposed rights offering described above (see “Risk Factors”).

Risk Factors

An investment in the securities of Celerity is speculative and involves a high degree of risk. There are risks inherent in the Celerity’s business that may adversely affect the value of its securities. Investors should carefully review the risk factors outlined in the proposed prospectus of Celerity, if and when it is issued, before acquiring or subscribing for the securities of Celerity. Investors are advised to consult their own legal, financial or other

professional advisors in order to assess income tax, legal and other aspects of any investment.

SBSL Property (Montana)

The following represents information summarized from the SBSL Technical Report prepared pursuant to the provisions of National Instrument 43-101 by John F. Childs, PhD., Reg. Geo. of Childs Geoscience, Inc., an independent qualified geologist.

Following is an extract from the SBSL Technical Report. The Company also incorporates by reference the detailed disclosure in the SBSL Technical Report which will be filed with Canadian securities regulatory authorities pursuant to NI 43-101 and will be available for review under the Company profile on SEDAR at www.sedar.com. Alternatively, a copy of the SBSL Technical Report may be inspected until the day of the Meeting during normal business hours at the Company's head office at 12-152 Albert Street, London, Ontario N6A 1M1.

“SUMMARY

This report has been prepared at the request of Mr. Edward L. Ellwood, MBA, who is President and CEO of Montana Gold Mining Company, Inc. The Silver Bell-St. Lawrence mining claims are situated in the western portion of the Virginia City Mining District, a district that produced over 2.6 million ounces of gold and 350,000 ounces of silver from placer operations that lasted nearly a century. Lode deposits, discovered shortly after the onset of placer operations produced another 170,000 ounces of gold and 2.4 million ounces of silver.

The lodes all produced precious metals from a variety of veins and fault zones hosted in Archean metamorphic lithologies. Debate on the origin of the metals centers around two basic viewpoints: an Archean source versus a Cretaceous source related to intrusion of granitic rocks of the Tobacco Root Batholith and outlying intrusive bodies. The veins in the Silver Bell-St. Lawrence area generally strike northeast with moderate northwest dips. Mining operations on the two deposits occurred primarily between 1910 and 1975. Although production records are incomplete, available smelter receipts for the years 1962 to 1976 indicate that annual production delivered to the smelter ranged from 25 to 2,569 tons per year with gold grades ranging from 0.095 to 0.76 ounces per ton and silver grades ranging from 1.4 to 20.6 ounces per ton, with minor base metal credits (Appendix A). The latest exploration efforts on the property were conducted from about 1980 to 1983.

Our research has not identified any past exploration or development drilling on the property. To our knowledge, no resources or reserves have been identified as part of past work. Furthermore, we have not discovered any results for metallurgical studies on ores from the property. Recommendations based on the geologic setting and history of the area include a program consisting of geologic mapping and geochemical sampling, possibly followed by additional geophysical surveys. The results of this work will be used to guide surface drilling to define the character and extent of the mineralization both beneath the known workings and along strike.

INTERPRETATION AND CONCLUSIONS

Based on comparisons with other vein systems in the VCMD, there appears to be adequate similarities to suggest a potential for an exploitable gold and silver deposit(s) in the Silver Bell-St. Lawrence claim area. The veins in the area share similar characteristics with many of the more prolific deposits in the VCMD, including ore mineralogy, gangue type and alteration assemblages. Multiple vein systems are an important component in many of the larger mines in the area (e.g. the U.S. Grant, Kearsarge and Marietta), with the depth of production often reaching 300 to 650 feet. The historical mining activity at the Silver Bell and St. Lawrence mines never reached deeper than 200 feet. The Van der Poel (2011) VLF-R geophysical survey indicated several targets in the immediate area of the St. Lawrence and Silver Bell mines.

RECOMMENDATIONS

As stated above, we recommend that the exploration data collected in the 1980's be pursued and incorporated into any future exploration plans. Specifically, the results from the field work discussed in the unnamed proprietary report mentioned in the Exploration section above would be instrumental in directing future exploration activities and in confirming the viability of the vein system(s).

The geology of the area should be mapped in detail (or re-mapped if a detailed geology map is part of the aforementioned reports), perhaps at a scale of 1:1000. Surface geochemical sampling (rock and soil) analyzed for both precious metals and a suite of trace elements may help define the location of mineralized structures both along the strike of known features and in areas that have not been tested previously.

An initial pass of reverse circulation drilling, designed to pierce the veins at two or more depths below surface would help define the geochemical characteristics and grades of the veins at depth below the known exposures and along strike. Drilling will also better define the number and relationships of the veins. It is anticipated that the proposed exploration program will require approximately four months to complete. If the reverse circulation drilling is successful in defining good intercepts, follow-up drilling should be pursued as a second phase."

Golden Trail Property (Nevada)

The following represents information summarized from the Golden Trail Technical Report prepared pursuant to the provisions of National Instrument 43-101 by Richard C. Capps, PhD, RPG, SME Registered Geologist Georgia License Number PG000814, an independent qualified geologist dated 16 May 2012.

Following is an extract from the Golden Trail Technical Report. The Company also incorporates by reference the detailed disclosure in the Golden Trail Technical Report which will be filed with Canadian securities regulatory authorities pursuant to NI 43-101 and will be available for

review under the Company profile on SEDAR at www.sedar.com. Alternatively, a copy of the Golden Trail Technical Report may be inspected until the day of the Meeting during normal business hours at the Company's head office at 12-152 Albert Street, London, Ontario N6A 1M1.

"1.0 SUMMARY

This report is a technical summary of historical exploration (Capps, 2006 and 2007) by Montana Gold Mining Company, Inc. ("Montana Gold"), (formerly named Gold Reef International, Inc.) and mineralization potential for the Golden Trail Project 60 linear kilometers northeast of Wells, Nevada in Elko County, Nevada (Figure 1). Montana Gold holds 16 unpatented mining claims (Figure 2), and an exploration database that includes multi-element and gold assays from rock-chip sampling, detailed geologic mapping, and both ground-based gravity and magnetic surveys. The purpose of this technical report is to support additional gold exploration and Montana Gold plans for an exploration drilling program on the Project.

This Golden Trail Project Technical Report includes ground magnetic and gravity surveys, additional rock-chip geochemistry, and the results of drilling four reverse-circulation exploration drill holes that were not previously included in NI 43-101 reports. The geophysical surveys were performed by Magee Geophysical Services LLC, Reno, Nevada.

Approximately \$1,394,220 has been spent on the project to date. Montana Gold completed an initial rock sampling program in 2004 and completed more extensive programs in subsequent years consisting of geologic mapping, rock chip geochemical surveying, and ground based gravity and magnetometer surveying. A four-hole \$750,000 drilling program was completed by Montana Gold in 2007. Recent expenditures on the Golden Trail Project include about \$50,000 for reclamation work completed 25 October 2011.

The Golden Trail Project is situated within the recently identified Eastern Nevada Gold Trend being explored and developed by Newmont Mining at their Long Canyon Project located in the Pequop Mountains, and explored by numerous junior exploration firms across Eastern Nevada. The Golden Trail Project is on the far eastern margin of the historic Contact Mining District, Elko County, Nevada. Montana Gold's predecessor on the Golden Trail Project initiated exploration in the area in the spring of 2004 and as a result of significant gold and pathfinder geochemistry, staked unpatented lode mining claims in 2005. Fieldwork was conducted by the author as an independent consultant to Marston & Marston (Marston), which was retained by the predecessor to conduct the exploration programs in 2004 - 2006. Marston is a worldwide engineering and consulting firm based in St. Louis, Missouri, with offices in San Antonio, Texas; Denver, Colorado; Calgary, Canada and New South Wales, Australia.

Hydrothermal precious metal vein and mineralized skarn are the primary exploration targets at the Golden Trail Project and possible sediment hosted gold is a potential target at depth. The Golden Trail mineralization is centered on a broad zone of thermal metamorphism, and hydrothermal/metasomatic alteration defined by rock chip geochemistry, 8,100 feet of Phase I drilling, gravity and magnetic surveys, petrographic and x-ray diffraction studies, and geologic mapping. The zone includes large volumes of decalcified and silica replaced Paleozoic limestone and calcareous sandstone covering an area of approximately ten square kilometers. Gold and base metal mineralization is controlled and localized along broad northwest-trending dilational

zones containing numerous northwest-striking, high-angle gold-bearing veins and adjacent replacement zones all centered within a Northwest-striking calcsilicate skarn. Pre-skarn host rocks include Paleozoic limestone, siltstone, chert, sandstone and conglomerate. The largest identified vein, the Golden Trail Vein (GTV), is over 1,200 meters long, and has an associated alteration zone that averages about 30 meters wide. Gold values above 20 ppb are common within the zone and several samples above 9 grams have been taken in the central GTV area including one rock chip sample of decalcified limestone contained over 28 grams gold.

The Golden Trail claim block consists of 16 contiguous unpatented mining claims totaling about 320 acres. The claims are enclosed by a large Newmont Mining claim block staked in November 2011. The Golden Trail claim block lies on the eastern margin of the historically productive Contact Mining District, but there is little reported exploration in the Golden Trail area. The Contact district produced significant copper, gold, silver, zinc, lead, and tungsten. There are numerous historic shafts, adits, and other workings on the Golden Trail Project but no recorded production. Mine Finders, Inc. drilled a single hole apparently in support of molybdenum exploration in 1974. Golden Hope Mines Ltd. conducted exploration on a small portion of the Golden Trail Project in 2000. Press releases from Golden Hope (SEDAR filings) indicated that IP/resistivity surveys were conducted along with geochemical surveys and a drilling program. No results were provided.

The Golden Trail is a project which merits additional exploration. Phase 1 exploration drilling was completed in 2007. An exploration drilling budget of \$204,600 is recommended for the Phase 2 gold exploration program.”

The Company regards the allocated budgets as being sufficient to achieve the aims of the Work Programs on the Properties for the next 12 months.

Form of Reorganization Special Resolution

The Option and JV Resolution, the Distribution Resolution, and the Capital Reduction Resolution shall be collectively referred to as the Reorganization Resolution, the form of which shall be as follows:

SPECIAL RESOLUTION OF THE SHAREHOLDERS OF Montana Gold Mining Company Inc. (the "Company")

BE IT RESOLVED as a special resolution that:

Option and JV Resolution

1. The option of a 50% working interest in the Company's Silver Bell - St. Lawrence Property (the "SBSL Property"), Virginia City Mining District, Montana and Golden Trail Property, Elko County, Nevada (collectively the "Properties"), and the formation of a joint venture (the "Option and JV Agreement") to and with the Company's wholly owned subsidiary, Celerity Mineral Corporation ("Celerity"), in consideration of the allotment and issuance

of 13,362,240 common shares of Celerity and Celerity's performing \$1,000,000 in exploration expenditures on the Properties is hereby approved;

2. The option and joint venture agreement between the Company and Celerity dated May 29, 2012 (the "Option and JV Agreement") is hereby approved;

Distribution Resolution

3. The distribution by the Company of all of the issued and outstanding shares of Celerity owned by the Company to the current shareholders of the Company as a dividend-in-kind or a distribution by way of return of paid up or stated capital equal to the fair market value of the assets so distributed as determined by the directors of the Company is hereby approved; and

Capital Reduction Resolution

4. the reduction of stated or paid up capital attributable to the distribution of the shares of Celerity to the Company shareholders is hereby approved.

Authorization

5. Each of the directors and officers of the Company is hereby authorized to do all things and to execute all documents which he considers necessary or desirable to give full effect to and to implement these resolutions.

Level of Approval Required

In order to be effective, the resolution must be passed by at least two-thirds of the votes cast at the Meeting.

AUDIT COMMITTEE

Relationship with Auditors

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

Audit Committee Charter

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

Composition of the Audit Committee

The Corporation's Audit Committee is comprised of three (3) directors. The current members of the audit committee of the Corporation are Kent Britton, Clifford Wiebe and John Wozny. As defined in MI 52-110, all the audit committee members are "financially literate". They have the

industry experience necessary to understand and analyze financial statements of the level of complexity of the Corporation, as well as the understanding of internal controls and procedures necessary for financial reporting. Mr. Britton, Mr. Wiebe and Mr. Wozny are independent.

Relevant Education and Experience

Kent Britton

Mr. Britton has a B.A. Economics and has passed Level 2 of the Chartered Financial Analysts (CFA) Program. From November 2007 to November 2009, Mr. Britton served as Chief Operating Officer, Asia for Walton International Group, and was responsible for operations with US \$180+ million in sales, 30,000 clients, 1,100 staff and 6 offices spanning 4 countries. Prior to becoming COO, Asia, Mr. Britton served as Chief Administrative Officer and Senior VP Operations. Mr. Britton also has extensive experience as an investor relations professional. Prior to working with the company above, Mr. Britton spent ten years working for Canadian listed companies, investor relations firms, and was a partner in his own investor relations firm.

Clifford Wiebe

Mr. Wiebe has diplomas in Business Administration and Computer Analyst Programmer. Mr. Wiebe has been in the information technology industry for over 28 years, including 17 with IBM Canada. His role as Business Consultant takes him across the country identifying problem trends and pitfalls and putting corrective plans in place with an emphasis on profitability and customer satisfaction.

John Wozny

John R. Wozny, MA brings a diverse academic background to the board. Mr. Wozny is a professional psychologist currently conducting research at the University of Lethbridge, AB. Mr. Wozny has previously served as a director of public mining companies.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-Approved Policies and Procedures

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

Exemption

The Corporation is relying on the exemption in Section 6.1 of MI 52-110 that 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 MI 52-110.

External Auditor Service Fees including GST (by category)

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

Financial Year Ending	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
December 31, 2011	US\$26,111	US\$12,007	Nil	US\$21,116
December 31, 2010	US\$25,135	US\$9,243	Nil	US\$949

Notes:

(1) Fees paid for services provided in auditing the Corporation's annual financial statements. The audit fee for 2012 has not yet been proposed by the auditors of the Corporation and is subject to review and approval by the audit committee.

(2) Fees not included in "audit fees" that are billed by the auditors for the assurance and related services that are reasonably related to the performance of the audit, review or quarterly read of the Corporation's statements.

(3) Fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning.

(4) Fees billed by the auditors for products and services not included in the foregoing categories including IFRS conversion fees.

STATEMENT OF CORPORATE GOVERNANCE PRACTICE

The Ontario Securities Commission has issued guidelines on corporate guidance disclosure for Venture Issuers as set out in Form 58-101F2 (the "Disclosure"). The Disclosure addresses matters relating to constitution and independence of directors, the functions to be performed by the directors of a company and their committees and effectiveness and evaluation of proposed corporate governance guidelines and best practices specified by the Canadian securities regulators. The Corporation's approach to corporate governance in the context of the eight (8) specific Disclosure issues outlined in Form 58-101F2 is set out in the attached Schedule "B".

Similar duties and obligations will apply to such other companies. Thus, any future transaction between the Corporation and such other companies will be for bona fide business purposes and approved by a majority of disinterested directors of the Corporation.

APPROVAL OF BOARD OF DIRECTORS

The contents of the Circular and the mailing of it to holders of Common Shares of the Corporation, to each director of the Corporation, to the auditors of the Corporation, and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation, including documents incorporated by reference, is available on SEDAR at www.sedar.com. Financial information is provided in the

Corporation's accompanying comparative financial statements and management's discussion and analysis ("MD&A") for the year ended December 31, 2011.

Copies of the Corporation's financial statements and MD&A may also be obtained from the Corporation by making a request in writing to the Corporation at 12-152 Albert St., London, Ontario N6A 1M1, fax (519) 439-9997 Attention: Edward Ellwood, Chief Executive Officer.

The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

DATED at London, Ontario this 29th day of May, 2012.

BY ORDER OF THE BOARD

(Signed) "Edward Ellwood"

Edward Ellwood, President and CEO

Schedule “A”
AUDIT COMMITTEE CHARTER
(the “Charter”)

Mandate

The primary function of the audit committee is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting, and the Corporation’s auditing, accounting and financial reporting processes. Consistent with this function, the audit committee will encourage continuous improvement of, and should foster adherence to, the Corporation’s policies, procedures and practices at all levels. The audit committee’s primary duties and responsibilities are to:

1. serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control systems and review the Corporation’s financial statements;
2. review and appraise the performance of the Corporation’s external auditors; and
3. provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the board of directors.

Composition

The audit committee shall be comprised of at least three directors as determined by the board of directors, the majority of whom shall meet the legal requirements applicable to the composition of the audit committee. At least one member of the audit committee shall have accounting or related financial management expertise. All members of the audit committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation’s financial statements. The members of the audit committee shall be elected annually by the board of directors at its first meeting following the annual shareholders’ meeting.

Meetings

The audit committee shall meet with the frequency that the audit committee determines appropriate.

Responsibilities and Duties

To fulfil its responsibilities and duties, the audit committee shall:

Documents/Reports Review

1. Review and, if necessary, update the Charter annually.
2. Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, or review rendered by the external auditors.
3. Confirm that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.

External Auditors

1. Review annually, the performance of the external auditors who shall be ultimately accountable to the board of directors and the audit committee as representatives of the shareholders of the Corporation.
2. Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation, consistent with the Independence Standards Board Standard 1 or succeeding policy.
3. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
4. Take, or recommend that the full board of directors take, appropriate action to oversee the independence of the external auditors.
5. Recommend to the board of directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
6. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
7. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
8. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- (a) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of fees paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
- (b) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
- (c) such services are promptly brought to the attention of the audit committee by the Corporation and approved prior to the completion of the audit by the audit committee or by one or more members of the audit committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the audit committee. Provided the pre-approval of the non-audit services is presented to the audit committee's first scheduled meeting following such approval, such authority may be delegated by the audit committee to one or more independent members of the audit committee.

Financial Reporting Processes

1. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
2. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
3. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
4. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments.
5. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
6. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
7. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
8. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

Schedule “B”

Statement of Corporate Governance Disclosure

The following description of the governance practices of the Corporation is provided in accordance with the guidelines of Multilateral Instrument 58-101, as set out in Form 58-101F2 (the “Form 58-101F2 Guidelines”). The Form 58-101F2 Guidelines address matters relating to constitution and independence of directors, the functions to be performed by the directors of a company and their committees and effectiveness and evaluation of proposed corporate governance guidelines and best practices specified by the Canadian securities regulators. The directors of the Corporation will continue to monitor the developments and the various changes to the proposed corporate governance guidelines and best practices and where applicable will amend its corporate governance guidelines accordingly.

Form 58-101F2 Guideline

1. Board of Directors

Disclose how the board of directors facilitates its exercise of independent supervision over management, including

- a. the identity of directors that are independent, and
- b. the identity of directors who are not independent, and the basis for that determination.

Response of the Corporation

The board of directors currently consists of seven directors, of whom Luard Manning, Clifford A. Wiebe and John Wozny are independent. None of the unrelated directors has any direct or indirect material relationship with the Corporation (other than shareholdings) which could, in the view of the Corporation’s board of directors, reasonably interfere with the exercise of a director’s independent judgment. Edward Ellwood is the CEO of the Corporation, Eric Plexman is the CFO of the Corporation, and Paul Teodorovici is Executive Vice-President of the Corporation and are, therefore, not independent directors.

2. Directorships

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

Response of the Corporation

Luard Manning serves as a director for the following additional issuers:
Highbank Resources Ltd. and Trueclaim Exploration Inc.

3. Orientation and Continuing Education

Describe what steps, if any, the board of directors takes to orient new board members, and describe any measures the board of directors takes to provide continuing education for directors.

Response of the Corporation

Orientation and education of new members of the board of directors is conducted informally by management and members of the board of directors. The orientation provides background information on the Corporation's history, performance and strategic plans.

4. Ethical Business Conduct

Describe what steps, if any, the board of directors takes to encourage and promote a culture of ethical business conduct.

Response of the Corporation

The board of directors has appointed a Corporate Governance Committee and adopted a Corporate Governance Charter. The requirements of the audit committee charter and the ability of the members of the board of directors to reference outside professional advisors also facilitate the Corporation meeting ethical business standards.

5. Nomination of Directors

Disclose what steps, if any, are taken to identify new candidates for the board of directors nomination, including:

- a. who identifies new candidates; and
- b. the process of identifying new candidates.

Response of the Corporation

Given the size of the board of directors and nature of development of the Corporation's business, the board of directors has not appointed a nomination committee or put in place formal procedures for the identification of new board of directors member candidates.

6. Compensation

Disclose what steps, if any, are taken to determine compensation for the directors and Chief Executive Officer, including:

- a. who determines compensation; and
- b. the process of determining compensation.

Response of the Corporation

The board of directors as a whole determines the stock option grants for each director. The independent members of the board of directors review on an ongoing basis, the compensation of the senior officers to ensure that it is competitive. A Compensation Committee of the board has been formed to assist the board determine compensation.

7. Other Board Committees

If the board of directors has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

Response of the Corporation

In addition to its audit committee and compensation committee, the board has established the following standing committees:

- a) Governance Committee to: develop and recommend to the Board appropriate corporate governance principles for the Corporation; recommend to the Board procedures for the conduct of Board meetings and the proper discharge of the Board's mandate; oversee the annual review of the Board, its committees' and individual directors' performance and the assessment of the Board and committees charters, and; undertake such other initiatives that may be necessary or desirable to enable the Board to provide effective corporate governance.
- b) Disclosure Committee to: aid in the timely, orderly, consistent, fair and credible dissemination of information, in keeping with legal and regulatory requirements.
- c) Health, Safety & Environmental Committee to: assist the Board in obtaining assurance that appropriate systems are in place to deal with the management of safety, health and environmental risks.

8. Assessments

Disclose what steps, if any, that the board of directors takes to satisfy itself that the board of directors, its committees, and its individual directors are performing effectively.

Response of the Corporation

The board of directors has formed a Governance Committee to supervise and monitor the performance of the board and individual directors

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