

**NASS VALLEY GATEWAY LTD.**  
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## **INFORMATION CIRCULAR**

(As at October 21, 2011, except as indicated)

The Company is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "Meeting") of the Company to be held on November 25, 2011 and at any adjournments. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

### **APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the "Management Proxyholders").

**A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.**

### **VOTING BY PROXY**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, V5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## NON-REGISTERED HOLDERS

**Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "Nominee"). If you purchased your shares through a broker, you are likely an unregistered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your Shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation now permits the Company to forward meeting materials directly to "non objecting beneficial owners". If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

## REVOCABILITY OF PROXY

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value, of which 37,001,303 shares are issued and outstanding. Persons who are registered shareholders at the close of business on October 21, 2011 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company, except the following:

<i>Name</i>	<i>No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</i>	<i>Percentage of Outstanding Shares</i>
Merfin Management Limited ①	15,410,000	41.65%
Gitxat'in Development Corporation ②	9,647,500	26.07%

- ① Merfin Management Limited is a private holding company, controlled equally by two trustees, Dieter Peter and Vera Kaiser.
- ② Greenville Enterprises Inc. (former Gitxat'in Development Corporation) is a private economic development company of which the Nisga'a Village Government of Laxgalts'ap owns 100% of the outstanding shares on behalf of the community of Greenville.

## ELECTION OF DIRECTORS

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to fix the number of Directors of the Company at five.

The Company is required to have an Audit Committee. Members of this committee are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation or Employment and, if not a Previously Elected Director, Occupation During the Past 5 Years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></i>
DIETER PETER <sup>(3)</sup> Vancouver, B.C. Canada Chairman, Chief Executive Officer and Director	President & CEO, Mineral Hill Industries Ltd.	October 2005	3,625,000
MELVIN STEVENS <sup>(2) (3) (4)</sup> Greenville, B.C., Canada President and Director	Chairman and Director, Gitxat'in Mhind World Link Inc.; General Manager, Laxgalts'AP Forest Company Ltd.	March 2006	Nil

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation or Employment and, if not a Previously Elected Director, Occupation During the Past 5 Years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></i>
ANDREW H. VON KURSELL <sup>(2) (3) (4)</sup> Surrey, B.C. Canada Director	Chief Operating Officer and Director of Ascot Mining PLC, Former Director of Pencari Mining Corporation (formerly known as Azure Resources Corp.) since March, 2001. Director of International PetroReal Oil Corporation since September, 2005. Director of Mineral Hill Industries Ltd.	June 25, 2008	Nil
HUGH MADDIN West Vancouver, B.C., Canada Director	Founder and President, Quadra Aggregates Inc., Chairman & CEO, TA Mineral Resources Ltd., Director of Mineral Hill Industries Ltd., Chairman & CEO of Hi Ho Silver Resources Inc.	April 2006	3,086,000
JAYRAM HOSANEE Burnaby, B.C. Canada Director	Chief Financial Officer, Mineral Hill Industries Ltd. Director & Chief Financial Officer, Golden Dawn Minerals Inc.	June 10, 2010	Nil

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at October 21, 2011 based upon information furnished to the Company by individual Directors. Unless otherwise indicated, such shares are held directly.
- (2) Denotes a member of the Audit Committee of the Company.
- (3) Denotes a member of the Exploration Committee.
- (4) Denotes a member of the Environmental & Safety Committee.

No proposed Director is to be elected under any arrangement or understanding between the proposed Director and any other person or company, except the Directors and executive officers of the company acting solely in such capacity.

Except as set out below, to the knowledge of the Company, no proposed Director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a Director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including the Company) that:
- (i) was the subject, while the proposed Director was acting in the capacity as Director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed Director ceased to be a

Director, CEO or CFO but which resulted from an event that occurred while the proposed Director was acting in the capacity as Director, CEO or CFO of such company;  
or

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a Director or executive officer of any company (including the 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; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or 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 been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

Dieter Peter was a Director, Chairman and CEO of Concert Industries Ltd. from March, 1991 to August, 2003. On August 5, 2003, Concert Industries Ltd. and its Canadian subsidiaries filed for credit protection under the *Companies Creditor Arrangement Act* (“CCAA”) and PricewaterhouseCoopers Inc. was appointed as Monitor pursuant to an Order issued by Superior Court, Commercial Division in the Province of Quebec, District of Montreal. On December 15, 2004, the Quebec Court granted an Order approving the Plan of Compromise and Arrangement and extending the stay of proceedings up to January 21, 2005. On January 20, 2005, the Quebec Court granted an Order recognizing that the Plan was implemented on December 31, 2004, that the stay of proceedings and the CCAA Proceedings in respect of the Canadian Concert Operating Companies were terminated on December 31, 2004, and that the stay or proceedings and the CCAA Proceedings in respect of Concert Industries Ltd. and certain Canadian subsidiaries were terminated on January 20, 2005.

Hugh Maddin was a Director of Randsburg International Gold Corp. (“Randsburg”) when a cease trade order dated August 9, 2006, as amended on September 21, 2006, was issued against Randsburg for failing to file a Technical Report in accordance with National Instrument 43-101 on certain of its properties. The Technical Report was subsequently filed and the cease trade order was revoked on April 25, 2007.

The following Directors of the Company hold Directorships in other reporting issuers as set out below:

<u>Name of Director</u>	<u>Names of Other Reporting Issuers the Director is a Director of</u>
Dieter Peter	Mineral Hill Industries Ltd.
Andrew H. von Kursell	Mineral Hill Industries Ltd. Ascot Mining PLC
Hugh Maddin	Mineral Hill Industries Ltd. Hi Ho Silver Resources Inc.
Jayram Hosanee	Golden Dawn Minerals Inc.

## SUMMARY COMPENSATION TABLE

### Compensation Discussion and Analysis

The Company's compensation philosophy for its Named Executive Officers is designed to attract well qualified individuals in what is essentially an international market by paying competitive base management fees plus short and long term incentive compensation in the form of stock options or other suitable long term incentives. In making its determinations regarding the various elements of executive compensation, the Board of Directors does not benchmark its executive compensation program, but from time to time does review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Company's industry and geographic location while taking into account the financial and other resources of the Company.

The duties and responsibilities of the President and CEO are typical of those of a business entity of the Company's size in a similar business and include direct reporting responsibility to the Board, overseeing the activities of all other executive and management consultants, representing the Company, providing leadership and responsibility for achieving corporate goals and implementing corporate policies and initiatives.

The following table sets forth a summary of all compensation for services paid during the most recently completed financial year for Dieter Peter, Chief Executive Officer, and Jayram Hosanee, Chief Financial Officer.

Name and principal position	Year ending	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Dieter Peter CEO	2010	Nil	Nil	16,381	Nil	Nil	Nil	Nil	16,381
	2009	Nil	Nil	869	Nil	Nil	Nil	Nil	869
	2008	Nil	Nil	3,133	Nil	Nil	Nil	Nil	3,133
Jayram Hosanee CFO	2010	Nil	Nil	9,033	Nil	Nil	Nil	Nil	9,033
	2009	Nil	Nil	207	Nil	Nil	Nil	Nil	207
	2008	Nil	Nil	3,760	Nil	Nil	Nil	Nil	3,760
<b>Total Compensation</b>	2010	Nil	Nil	25,414	Nil	Nil	Nil	Nil	25,414
	2009	Nil	Nil	1,076	Nil	Nil	Nil	Nil	1,076
	2008	Nil	Nil	6,893	Nil	Nil	Nil	Nil	6,893

- (1) These amounts represent the value of stock options granted to the respective Named Executive Officer. The methodology used to calculate these amounts was the Black-Scholes-Merton model. This is consistent with the accounting values used in the Company's financial statements. The dollar amount in this column represents the total value ascribed to the stock options.

## Incentive Plan Awards

### INCENTIVE PLAN AWARDS

The following table provides information regarding the incentive plan awards for each Named Executive Officer outstanding as of December 31, 2010.

#### Outstanding Share-Based Awards and Option-Based Awards

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options	Option Exercise Price	Option Expiration Date	Value of unexercised in-the-money options <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested \$
Dieter Peter CEO	160,000	\$0.15	January 31, 2012	Nil	Nil	Nil
	25,000	\$0.18	June 25, 2011	Nil	Nil	Nil
	63,000	\$0.05	June 25, 2012	\$1,260	Nil	Nil
	340,000	\$0.05	June 15, 2013	\$6,800	Nil	Nil
Jayram Hosanee CFO	30,000	\$0.18	June 25, 2011	Nil	Nil	Nil
	15,000	\$0.05	June 25, 2012	\$300	Nil	Nil
	187,500	\$0.05	June 15, 2013	\$3,750	Nil	Nil

(1) Calculated based on the closing price of the Common Shares on the CNSX on December 31, 2010 of \$0.07 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each Named Executive Officer for the financial year ended December 31, 2010.

#### Value Vested or Earned During the Financial Year Ended December 31, 2010

Name	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 (\$)
Dieter Peter, CEO	Nil <sup>(1)</sup>	Nil	Nil
Jayram Hosanee, CFO	Nil <sup>(2)</sup>	Nil	Nil

(1) 95,000 options at an exercise price of \$0.05 per share vested on June 15, 2010 and, 126,500 options at an exercise price of \$0.05 per share vested on June 25, 2010 when the Company's share price at the close of market were \$0.05 and \$0.065 respectively. No value would have been realized if the options were exercised on the vesting dates.

(2) 15,000 options at an exercise price of \$0.18 per share and 7,500 options at an exercise price of \$0.05 vested on June 25, 2010, 37,500 options at an exercise price of \$0.05 vested on June 15, 2010. The Company's share price at the close of market were, \$0.05 on June 15, 2010 and \$0.065 on June 25, 2010. No value would have been realized if the options were exercised on the vesting dates.

The following table provides details regarding stock options exercised and sold by the Named Executive Officers during the financial year ended December 31, 2010.

#### Option Exercised During the Financial Year Ended December 31, 2010

Name	Number of options exercised and sold	Option exercise price	Value realized (\$)
Dieter Peter, CEO	Nil	Nil	Nil
Jayram Hosanee, CFO	Nil	Nil	Nil





### Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table provides information regarding the incentive plan awards for each director (excluding NEOs) outstanding as of December 31, 2010.

#### **Outstanding Share-Based Awards and Option-Based Awards**

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options	Option Exercise Price	Option Expiration Date	Value of unexercised in-the-money options <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested \$
Andrew H. von Kursell	27,000 27,000 110,000	\$0.18 \$0.05 \$0.05	June 25, 2011 June 25, 2012 June 15, 2013	Nil \$540 \$2,200	Nil Nil Nil	Nil Nil Nil
Hugh Maddin	45,000 17,000 17,000 75,000	\$0.15 \$0.18 \$0.05 \$0.05	January 31, 2012 June 25, 2011 June 25, 2012 June 15, 2013	Nil Nil \$340 \$1,500	Nil Nil Nil Nil	Nil Nil Nil Nil
Melvin Stevens, President	120,000 21,000 49,000 285,000	\$0.15 \$0.18 \$0.05 \$0.05	January 31, 2012 June 25, 2011 June 25, 2012 June 15, 2013	Nil Nil \$980 \$5,700	Nil Nil Nil Nil	Nil Nil Nil Nil
Patrick Stewart	40,000 17,000 17,000 85,000	\$0.15 \$0.18 \$0.05 \$0.05	January 31, 2012 June 25, 2011 June 25, 2012 June 15, 2013	Nil Nil \$340 \$1,700	Nil Nil Nil Nil	Nil Nil Nil Nil

(1) Calculated using the closing price of the Common Shares on the CNSX on December 31, 2010 of \$0.07 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each Director (excluding NEOs) for the financial year ended December 31, 2010.

#### **Value Vested or Earned During the Financial Year Ended December 31, 2010**

Name	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 (\$)
Andrew H. von Kursell	Nil <sup>(1)</sup>	Nil	Nil
Hugh Maddin	Nil <sup>(2)</sup>	Nil	Nil
Melvin Stevens, President	Nil <sup>(3)</sup>	Nil	Nil
Patrick Stewart	Nil <sup>(4)</sup>	Nil	Nil

<sup>(1)</sup> 55,000 options at an exercise price of \$0.05 per share vested on June 15, 2010 and 13,500 options at an exercise price of \$0.05 per share vested on June 25, 2010 when the Company's share price at the close of market were \$0.05 and \$0.065 respectively. No value would have been realized if the options were exercised on the vesting dates.

<sup>(2)</sup> 37,500 options at an exercise price of \$0.05 per share vested on June 15, 2010 and 8,500 options at an exercise price of \$0.05 per share vested on June 25, 2010 when the Company's share price at the close of market were \$0.05 and \$0.065 respectively. No value would have been realized if the options were exercised on the vesting dates.

- (3) 82,500 options at an exercise price of \$0.05 per share vested on June 15, 2010 and 24,500 options at an exercise price of \$0.05 per share vested on June 25, 2010 when the Company's share price at the close of market were \$0.05 and \$0.065 respectively. No value would have been realized if the options were exercised on the vesting dates.
- (4) 42,500 options at an exercise price of \$0.05 per share vested on June 15, 2010 and 8,500 options at an exercise price of \$0.05 per share vested on June 25, 2010 when the Company's share price at the close of market were \$0.05 and \$0.065 respectively. No value would have been realized if the options were exercised on the vesting dates.

The following table provides details regarding stock options exercised and sold by the Directors (excluding NEOs) during the financial year ended December 31, 2010.

#### Option Exercises During the Financial Year Ended December 31, 2010

Name	Number of options exercised and sold	Option exercise price	Value realized (\$)
Andrew H. von Kursell	Nil	Nil	Nil
Hugh Maddin	Nil	Nil	Nil
Melvin Stevens, President	Nil	Nil	Nil
Patrick Stewart	Nil	Nil	Nil

#### DIRECTORS' AND OFFICERS INSURANCE

##### Directors' and Officers' Liability Insurance

The Company maintains a directors' and officers' liability insurance policy. The policy provides coverage for costs incurred to defend and settle claims against directors and officers of the Company to an annual limit of \$1million with a \$25,000 deductible per claim. The cost of coverage for 2010 was \$10,100. Directors and officers do not pay any portion of the premiums and no indemnity claims were made or became payable in 2010.

#### LOANS TO DIRECTORS

The Company does not make personal loans or extensions of credit to its directors or executive officers. There are no loans outstanding from the Company to any of its directors or executive officers.

#### Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i> <i>(a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> <i>(b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i> <i>(c)</i>
<i>Equity compensation plans approved by securityholders</i>	3,467,630	\$0.09	1,259,630
<i>Equity compensation plans not approved by securityholders</i>	Nil	N/A	Nil
<i>Total</i>	3,467,630	N/A	1,259,630

## **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

As at October 21, 2011, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or any of its subsidiaries which is owing to the Company or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries,

in relation to a securities purchase program or other program.

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

Except as set out herein, no person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a Director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of Directors or the appointment of auditors.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person or proposed Director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

## **APPOINTMENT OF AUDITORS**

Manning Elliott LLP, Chartered Accountants, of Vancouver, British Columbia, is the auditor of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Manning Elliot LLP as the Company's auditor to hold office for the ensuing year at remuneration to be fixed by the Directors.

Manning Elliott LLP were first appointed as auditor of the Company in September, 2006.

## **MANAGEMENT CONTRACTS**

No management functions of the Company or subsidiary are performed to any substantial degree by a person other than the Directors or executive officers of the Company or subsidiary.

## **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

### **Independence of Members of Board**

The Company's Board consists of six Directors, three of whom are independent based upon the tests for independence set forth in Multilateral Instrument 52-110 ("MI 52-110"). Patrick Stewart, Hugh Maddin, and Andrew H. von Kursell are independent. Dieter Peter, Melvin Stevens and Jayram Hosanee are not independent as they are respectively the CEO, President, and CFO of the Company.

### **Management Supervision by Board**

The operations of the Company do not support a large Board of Directors and the Board has determined that the current constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent Directors are however able to meet at any time without any members of management including the non-independent Directors being present. Further supervision is performed through the Audit Committee which is composed of a majority of independent Directors who meet with the Company's auditors without management being in attendance.

### **Risk Management**

The Board of Directors is responsible for adoption of a strategic planning process, identification of principal risks and implementing risk management systems, succession planning and the continuous disclosure requirements of the Company under applicable securities laws and regulations.

The audit committee is responsible for the risk management items set out in the audit committee charter.

### **Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
2. access to management and technical experts and consultants; and
3. a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct and has instructed its management and employees to abide by the Code.

## **Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mineral exploration industry are consulted for possible candidates.

## **Compensation of Directors and the CEO**

The Company does not have a Compensation Committee. The Board of Directors has the responsibility for determining compensation for the Directors and senior management.

To determine compensation payable, the independent Directors review compensation paid for Directors and CEOs of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation the independent Directors annually review the performance of the CEO in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

## **Board Committees**

As the Directors are actively involved in the operations of the Company and the size of the Company's operations did not warrant a larger board of Directors, the Board will elect a Human Resources and Corporate Governance Committee in due course. Each of the Committee shall be comprised of three Directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee. Each Committee will develop its charter and code of Conduct to be approved by the Board of Directors.

## **Assessments**

The Board did not consider that formal assessments were useful at this stage of the Company's development. The Board conducted informal annual assessments of the Board's effectiveness, the individual Directors and each of its committees. The Board intends to implement formal assessments to assist in its review and will conduct formal surveys of its Directors in due course, the Human Resource and Corporate Governance Committee on its assessment of the functioning of the Board when it is formed and reports from each committee respecting its own effectiveness.

## **AUDIT COMMITTEE**

### **The Audit Committee's Charter**

#### *Mandate*

The primary function of the Audit Committee (the "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 Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.

- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

### *Composition*

The Committee shall be comprised of three Directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the 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 Company’s 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 Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### *Meetings*

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the CFO and the external auditors in separate sessions.

### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

#### Documents/Reports Review

- Review and update this Charter annually.
- Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company 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, opinion, or review rendered by the external auditors.

#### External Auditors

- Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) 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 Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

#### Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) 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.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

### Risk Management

1. To review, at least annually, and more frequently if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
2. To inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.
3. To request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.
4. To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

### Other

Review any related-party transactions.

### **Composition of the Audit Committee**

The following are the members of the Committee:

Andrew H. von Kursell	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Melvin Stevens, President	Not Independent	Financially literate <sup>(1)</sup>
Patrick Stewart	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

<sup>(1)</sup> As defined by NI 52-110.

### **Audit Committee Member Education and Experience**

**Andrew H. von Kursell** has a Bachelor Degree in Mining Engineering from McGill University and has practiced his profession for the past 40 plus years. He is licenced to practice in three Canadian jurisdictions and is a retired member of the Yukon P. Eng Association. He has held top management positions in public companies which required a thorough understanding of internal controls and procedures in financial reporting. As a Director of various public companies, he has served on a number of Audit Committees.

**Melvin Stevens** in his experience as General Manager of the Laxgalts'AP Forest Company Ltd., is familiar with company financial statements, and the accounting principles and the estimates and accruals which are used in their preparation.

**Patrick Stewart** has over 24 years of architectural related experience and, as principal of his own firm, he has learned to be familiar with company financial statements, and the accounting principles and the estimates and accruals which are used in their preparation.

### **Audit Committee Oversight**

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



### Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. The Company is relying upon the exemption in Section 6.1 of NI 52-110 (*Venture Issuers*) from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

### Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

### External Auditor Service Fees (By Category)

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

<i>Financial Year Ending</i>	<i>Audit Fees</i> <sup>(1)</sup>	<i>Audit Related Fees</i>	<i>Tax Fees</i> Ⓣ	<i>All Other Fees</i>
December 31, 2010	\$16,800	Nil	\$1,000	Nil
December 31, 2009	\$15,300	Nil	\$1,000	Nil

(1) The amount of tax fees billed by the Company's external auditors is included in the amount set out in the "Audit Fees" column.

### Expectations of Management

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### Approval and Ratification of Stock Option Plan

The Board of Directors of the Company implemented a stock option plan (the "Plan") effective July 15, 2006. The purpose of the Plan is to allow the Company to grant options to Directors, officers, employees and service providers, as additional compensation, and as an opportunity to participate in the profitability of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options will be exercisable over periods of up to five years as determined by the board of Directors of the Company and are required to have an exercise price not less than the Discounted Market Price as defined in the Plan prevailing on the day that the option is granted. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to Directors, officers, employees and service providers of the Company and its subsidiaries or employees of companies providing management services to the Company or its subsidiaries.

The number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis. Under exchange policy, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

Therefore, at the Meeting, shareholders will be asked to pass a resolution in the following form:

“UPON MOTION IT WAS RESOLVED that the Company approve and ratify, subject to regulatory approval, the Stock Option Plan to which the Directors may, from time to time, authorize the issuance of options to Directors, officers, employees and service providers of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding shares being reserved to any one person on a yearly basis.”

The full text of the Plan will be available for review at 10<sup>th</sup> Floor, 595 Howe Street, Vancouver, B.C. V6C 2T5 during usual business hours up to the date of the Meeting and at the Meeting.

Unless such authority is withheld, the persons named in the enclosed proxy intend to vote for the approval and ratification of the Plan.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at Suite 575 – 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3, to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

### **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 21st day of October, 2011.

APPROVED BY THE BOARD OF DIRECTORS  
OF NASS VALLEY GATEWAY LTD.

“DIETER PETER”  
DIETER PETER  
Chief Executive Officer