



## MAINSTREAM MINERALS CORPORATION

### ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

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#### Notice of Annual and Special General Meeting And Information Circular

October 25, 2012

*This Information Circular is furnished in connection with the solicitation of proxies by the management of Mainstream Minerals Corporation (the "Company") for use at the Annual and Special General Meeting of the Shareholders of the Company to be held at to be held at the offices of Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg, Manitoba on October 25, 2012 at 10:00 a.m. (Central time) (the "Meeting") for the purposes set out in the accompanying notice of the Meeting (the "Notice of Meeting"). While it is expected the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by directors, officers or employees of the Company. All costs of this solicitation will be borne by the Company.*

## NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

**NOTICE** is hereby given that the Annual and Special General Meeting of the shareholders of Mainstream Minerals Corporation (the "Company") to be held at the offices of Taylor McCaffrey LLP, 900-400 St. Mary Avenue,, Winnipeg, Manitoba on October 25, 2012 at 10:00 a.m. (Central time) for the following purposes:

1. To elect directors for the ensuing year;
2. To appoint auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
3. To receive the audited financial statements of the Company for the years ending November 30, 2011 and 2010 together with the auditors' report thereon;
4. To seek shareholder approval, by ordinary resolution passed by the disinterested shareholders, of the Stock Option Plan originally approved by the directors of the Company on June 11, 2007; and
5. To transact such other or further business as may properly come before the Meeting or any adjournment thereof.

Shareholders unable to attend the Meeting in person are requested to read the enclosed Information Circular and Proxy, and then complete and deposit the Proxy, together with the power of attorney or other authority, if any, under which it was signed, or a notarized and certified copy thereof, with the Company's transfer agent, Computershare Trust Company of Canada, Suite 600, 530 - 8<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 3S8, at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting. Unregistered shareholders who received the Proxy through an intermediary must deliver the Proxy in accordance with the instructions given by such intermediary.

### NOTES:

1. Holders of common shares of the Company who are unable to be present personally at the Meeting are requested to sign and return, in the envelope provided for that purpose, the accompanying form of Proxy for use at the Meeting.
2. Only holders of common shares of the Company of record at the close of business on September 20, 2012 (the "Record Date") will be entitled to vote at the Meeting, except to the extent that a person has transferred any of his or her common shares of the Company after the record date and the transferee of such shares establishes proper ownership and requests, not later than ten days before the Meeting, that his or her name be included in the list of shareholders for the Meeting, in which case the transferee will be entitled to vote his or her shares at the Meeting.

DATED at Winnipeg, Manitoba this 21<sup>st</sup> day of September, 2012.

ON BEHALF OF THE BOARD OF DIRECTORS

***"Michael Romanik"***

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Michael Romanik, President and Director

## **MANAGEMENT INFORMATION CIRCULAR**

### **Solicitation of Proxies**

This Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of the Company for use at the annual special and general meeting of the Shareholders of the Company to be held at the offices of Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg, Manitoba on October 25, 2012 at 10:00 a.m. (the "Meeting") for the purposes set out in the accompanying notice of the Meeting (the "Notice of Meeting") and at any adjournment thereof.

### **THIS SOLICITATION IS MADE BY THE MANAGEMENT OF THE COMPANY.**

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, telecopy or personal interview by directors, officers or other employees of the Company, at a nominal cost. In accordance with National Instrument 54-101 arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the issued and outstanding common shares of the Company (the "Common Shares") held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Company.

Except as otherwise stated, the information contained herein is given as of September 21, 2012.

### **Appointment and Revocation of Proxies**

The persons named in the enclosed instrument of proxy, Michael Romanik President & CEO and a Director of the Company and Raymond Préfontaine, Chief Financial Officer of the Company (the "Management Designees"), have been selected by the directors of the Company and have indicated their willingness to represent as proxies the Shareholders who appoint them.

**A Shareholder has the right to designate a person (who need not be a Shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the enclosed instrument of proxy the name of the person to be designated and striking out the names of the Management Designees, or by completing another proper instrument of proxy. Such Shareholder should notify the nominee of the appointment, obtain his or her consent to act as proxy and should provide instructions on how the Shareholder's shares are to be voted. In any case, an instrument of proxy must be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached where an attorney has executed the instrument of proxy.**

An instrument of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to Computershare Trust Company of Canada, Suite 600, 530 - 8<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 3S8, at least 48 hours, excluding Saturdays, Sundays and holidays, before the time of the Meeting or any adjournment thereof.

A proxy given by a Shareholder for use at the Meeting may be revoked at any time prior to its use, and in accordance with section 148(4) of the *Canada Business Corporations Act*. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of such meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits the proxy is revoked. The registered office of the Company is located at Taylor McCaffrey LLP 900 – 400 St. Mary Avenue Winnipeg, Manitoba R3C 4K5

### **Advice to Beneficial Shareholders**

**Shareholders who do not hold their Common Shares in their own name (referred to herein as "Beneficial Shareholders") are advised that only proxies from Shareholders of record can be recognized and voted**

**upon at the Meeting.** Beneficial Shareholders who complete and return a proxy must indicate thereon the person (usually a brokerage house) who holds their shares as a registered Shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The proxy supplied to Beneficial Shareholders is identical to that provided to registered Shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder.

All references to Shareholders in this Circular and the accompanying proxy and Notice of Meeting are to Shareholders of record as of the Record Date unless specifically stated otherwise.

#### **Provisions Relating to Voting of Proxies**

**The Common Shares represented by proxy in the enclosed form will be voted by the designated holder in accordance with the direction of the Shareholder appointing him. If there is no direction by the Shareholder, those shares will be voted IN FAVOUR OF all proposals set out in the instrument of proxy. The instrument of proxy gives the person named in it the discretion to vote as they see fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, management of the Company knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.**

**In order to approve any of the matters set out in the Notice of Meeting, except Item 4, a majority of greater than 50% of the votes cast will be required. In order to approve Item 4, the Stock Option Plan must receive approval of a majority vote of shareholders who do not have an interest in the Stock Option Plan. Please see "Stock Option Plan" for further details.**

#### **Interest of Certain Persons in Matters to be Acted Upon**

Except as otherwise set out herein, and in particular the approval of the Stock Option Plan described below, no director or senior officer of the Company or proposed nominee for election as a director of neither the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in the matters to be acted upon at the Meeting.

#### **Voting Securities, Record Date and Principal Holders of Voting Securities**

As of the date of the Notice of Meeting, there were 65,102,130 Common Shares issued and outstanding as fully paid and non-assessable.

Each person who is a holder of Common Shares of record at the close of business on the Record Date will be entitled to notice of, and to attend and vote at, the Meeting; except to the extent such Shareholder transfers the ownership of any of such holder's shares after the Record Date and the transferee of those shares produces properly endorsed share certificates or otherwise establishes that the transferee owns such shares and demands, not later than ten days before the Meeting, that such transferee's name be included in the list of Shareholders entitled to vote at the Meeting, such transferee is entitled to vote such shares at the Meeting.

To the knowledge of, and based on the information that is available to the directors and senior officers of the Company as of the date of this Information Circular, and pursuant to the non-objecting shareholders register of the Company, no person beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the issued and outstanding Common Shares of the Company.

## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

"NEO" or "Named Executive Officer" means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the fiscal year ending November 30, 2011 whose total compensation was, individually, more than \$150,000; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the fiscal year ending November 30, 2011.

The following table is a summary of the compensation paid to the NEOs for services rendered to the Company in total salary and bonus since inception to the fiscal year ending November 30, 2011.

#### SUMMARY COMPENSATION TABLE

The following table sets out information concerning the compensation earned from the Corporation and any of the Corporation's subsidiaries during the financial year ended November 30, 2011 by the Corporation's NEOs.

In light of significant changes to the requirements, content and format for executive compensation disclosure made by the Canadian Securities Administrators, and in accordance with these requirements, we have reported compensation in the below Summary Compensation Table for the financial years 2010 and 2011 only.

The Company has no long term incentive plans in place and therefore there were no awards made under any long term incentive plan to the Executive Officers during the Company's most recently completed financial year.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity inception plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive plans	Long-term incentive plans			
Michael Romanik, <sup>(1)</sup> President and Chief Executive Officer	2011	\$90,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,000.00
Michael Romanik, <sup>(1)</sup> President and Chief Executive Officer	2010	\$90,000	\$0.00	\$840.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,840.00
Raymond Préfontaine <sup>(2)</sup> Chief Financial Officer	2011	\$90,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,000.00
Raymond Préfontaine <sup>(2)</sup> Chief Financial Officer	2010	\$97,000	\$0.00	\$840.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,840.00
Kyle Picard Corporate Secretary	2011	\$31,200	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31,200.00
Kyle Picard Corporate Secretary	2010	\$28,600	\$0.00	\$840.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,400.00

Note 1: The compensation paid to Mr. Romanik was received by Verenex Capital Corporation, a corporation owned by Mr. Romanik.

Note 2: The compensation paid to Mr. Préfontaine was received by Raymond L. Préfontaine Advisory Services, a sole proprietorship owned by Mr. Préfontaine.

## INCENTIVE PLAN AWARDS

### Outstanding share-based awards and option-based awards

The following table sets out, for each NEO, information concerning all option-based and share-based awards outstanding as of November 30, 2011.

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 (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Michael Romanik, President and Chief Executive Officer	100,000	\$0.10	Sept 2, 2014	N/A	0	\$0.00
Michael Romanik, President and Chief Executive Officer	300,000	\$0.10	Jun 29, 2015	N/A	0	\$0.00
Raymond Préfontaine <sup>1</sup> Chief Financial Officer	200,000	\$0.36	Dec 3, 2012	N/A	0	\$0.00
Raymond Préfontaine <sup>1</sup> Chief Financial Officer	95,000	\$0.10	Feb 18, 2014	N/A	0	\$0.00
Raymond Préfontaine <sup>1</sup> Chief Financial Officer	300,000	\$0.10	Jun 29, 2015	N/A	0	\$0.00
Kyle Picard Corporate Secretary	130,000	\$0.36	Dec 3, 2012	N/A	0	\$0.00
Kyle Picard Corporate Secretary	50,000	\$0.10	Feb 18, 2014	N/A	0	\$0.00
Kyle Picard Corporate Secretary	300,000	\$0.10	Jun 29, 2015	N/A	0	\$0.00

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

The following table sets out, for each NEO, information concerning the value of incentive plan awards – option-based and share-based awards as well as non-equity incentive plan compensation – vested or earned during the financial year ended November 30, 2011.

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 (\$)
Michael Romanik, President and Chief Executive Officer	\$0.00	\$0.00	\$0.00
Raymond Préfontaine Chief Financial Officer	\$0.00	\$0.00	\$0.00
Kyle Picard Corporate Secretary	\$0.00	\$0.00	\$0.00

## PENSION PLAN BENEFITS

During the most recently completed financial year, the Company did not have a pension plan or similar plan for its NEOs or directors.

**Defined benefit plans table**

Name	Number of years credited service (#)	Annual benefits payable (\$)		Accrued obligation at start of year (\$)	Compensatory change (\$)	Non-compensatory change (\$)	Accrued obligation at year end (\$)
		At year end	At age 65				
Michael Romanik, President and Chief Executive Officer	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Kyle Picard Corporate Secretary	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Raymond Préfontaine Chief Financial Officer	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**TERMINATION AND CHANGE OF CONTROL BENEFITS**

The following section outlines the material terms of the written employment agreements entered into between the NEOs and the Corporation (the "Employment Agreements"). Unless otherwise indicated, all payments to be made under any of the following arrangements are made by the Corporation. The Compensation Committee understands the long-term implications of each of the Employment Agreements and the limitations that the Employment Agreements may impose on changing the compensation mix. The Company has no plans or arrangements in respect of remuneration received or that may be received by the NEOs in the Company's most recently completed financial year-end in respect of compensating such officers in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control, with the exception of Michael Romanik, the President and a Director of the Company; Raymond Préfontaine, the Chief Financial Officer of the Company and Kyle Picard, the Corporate Secretary and a Director of the Company. Each of these individuals has Employment Agreements which entitle the individual to a severance equal to three months' salary pursuant to their respective Employment Agreements, in the event of a change of control.

**DIRECTOR COMPENSATION**

The Corporation reviews director compensation arrangements to ensure that they are competitive in light of the time commitments required from directors and align directors' interests with those of shareholders.

**Director Compensation Table**

The following table sets out information concerning the compensation earned from the Corporation by the Corporation's directors during the financial year ended November 30, 2011.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
James Darcel	\$0.00	\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$840
Neil Sullivan	\$0.00	\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$840
Dr. Andrew Nevin	\$0.00	\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$840

### Outstanding share-based awards and option-based awards

The following table sets out, for each director, information concerning all option-based and share-based awards outstanding as of November 30, 2011.

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 (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Michael Romanik	100,000	\$0.10	Sept 2/14	\$0.00	N/A	N/A
Michael Romanik	300,000	\$0.10	Jun 29/15	\$0.00	N/A	N/A
Kyle Picard	130,000	\$0.36	Dec 3/12	\$0.00	N/A	N/A
Kyle Picard	50,000	\$0.10	Feb 18/14	\$0.00	N/A	N/A
Kyle Picard	300,000	\$0.10	Jun 29/15	\$0.00	N/A	N/A
Neil Sullivan	130,000	\$0.36	Dec 3/12	\$0.00	N/A	N/A
Neil Sullivan	25,000	\$0.10	Feb 18/14	\$0.00	N/A	N/A
Neil Sullivan	300,000	\$0.10	Jun 29/15	\$0.00	N/A	N/A
James Darcel	300,000	\$0.10	Jun 29/15	\$0.00	N/A	N/A
Dr. Andrew Nevin	300,000	\$0.10	Jun 29/15	\$0.00	N/A	N/A

### Incentive plan awards – value bested or earned during the year

The following table sets out, for each director, information concerning the value of incentive plan awards – option-based and share-based awards as well as non-equity incentive plan compensation – vested or earned during the financial year ended November 30, 2011.

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 (\$)
Michael Romanik	N/A	N/A	N/A
Neil Sullivan	N/A	N/A	N/A
James Darcel	N/A	N/A	N/A
Dr. Andrew Nevin	N/A	N/A	N/A
Kyle Picard	N/A	N/A	N/A

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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))
Equity Compensation plans approved by Shareholders <sup>(1)</sup>	2,530,000	\$0.11	3,980,213 <sup>(2)</sup>
Equity Compensation plans not approved by Shareholders	0	N/A	N/A
Total	2,530,000		3,980,213



Note 1: Please see Matters to Be Voted Upon Item 6 - Stock Option Plan for a description of the Stock Option Plan for which Shareholder approval will be sought at the Meeting.

Note 2: There are 2,530,000 incentive stock options issued and outstanding as of September 21, 2012. The Company is authorized to issue up to 10% of the total number of issued and outstanding shares as incentive stock options (6,510,213). Accordingly, a balance of 3,980,213 incentive stock options are available for future issuance pursuant to the Company's Stock Option Plan. Please see Matters to Be Voted Upon Item 6 - Stock Option Plan for a description of the Stock Option Plan.

## **INDEBTEDNESS OF DIRECTORS, SENIOR OFFICERS, EXECUTIVE OFFICERS AND OTHER MANAGEMENT**

As at November 30, 2011, the most recently completed financial year, none of the directors, senior officers, Executive Officers, promoters, other members of management, proposed nominees for election as a director or their respective associates or affiliates, of the Company, was or had been indebted to the Company or its subsidiaries.

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

No insider of the Company and no proposed nominee for election as a director of the Company or any associates or affiliates of the foregoing persons, has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Company's last financial year except as otherwise disclosed in this Circular or in the Financial Statements of the Company. None of the foregoing persons has any interest in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, except as otherwise disclosed in this Circular or in the Financial Statements of the Company.

## **AUDITORS, REGISTRAR AND TRANSFER AGENT**

### *Auditor*

The auditor of the Company is Magnus Chartered Accountants LLP, located at Suite 430, Five Donald Street Winnipeg, Manitoba R3L 2T4.

### *Registrar and Transfer Agent*

The registrar and transfer agent of the Company is Computershare Trust Company of Canada, Suite 600, 530 - 8<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 3S8.

## **MANAGEMENT CONTRACTS**

There are no management functions of the Company which are to any substantial degree performed by a person other than the directors or senior officers of the Company, except for the following:

<b>Related Party Transactions - Consulting, administrative and exploration fees</b>	<b>Total for the Fiscal Year Ended November 30th, 2011</b>
Verenex Capital Corporation, a company owned by Michael Romanik, a director for consulting services relating to a position of office for the company	\$90,000.00
Raymond L. Préfontaine Advisory Services, a sole proprietorship owned by Ray Préfontaine, for consulting services relating to a position of office for the company	\$90,000.00
Kyle Picard, a director for consulting services relating to a position of office for the company	\$31,200.00
<b>Total</b>	<b>\$211,200.00</b>

## **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the financial years ended November 30, 2011 and 2010, together with the Auditor's Report thereon, will be presented to shareholders at the Meeting. Copies will be available, along with this Circular, and the accompanying proxy, from the Company's Registrar and Transfer Agent at the address noted above.

## **CORPORATE GOVERNANCE PRACTICES AND PROCESSES**

Effective June 30, 2005, National Instrument 58-101 – Disclosure of Corporate Governance Practices, requires companies to disclose to its shareholders on an annual basis information about the Company's corporate governance practices and processes, and why they believe their practices and processes are appropriate and effective for the Company.

The Exchange has set out a series of guidelines for effective corporate governance (the "TSX Guidelines"). The TSX Guidelines address matters such as the constitution and independence of a corporation's board of directors, the functions to be performed by the directors and their committees, and the effectiveness and education of directors. The following disclosure sets out the Company's approach to corporate governance in relation to the TSX Guidelines.

### **Mandate of the Board of Directors**

Pursuant to the *Canada Business Corporations Act*, the directors of the Company are required to manage, or supervise the management of, the affairs and business of the Company. The director's principal responsibilities are to supervise and evaluate management, to oversee the conduct of the Company's business, to set policies appropriate for the business of the Company and to approve corporate strategies and goals. The directors are to carry out its mandate in a manner consistent with the fundamental objective of enhancing shareholder value.

In discharging its duty of stewardship over the Company, the directors expressly undertake the following specific duties and responsibilities: (i) approving, supervising and providing guidance on the Company's strategic planning process; (ii) identifying the principal risks of the Company's business and ensuring the implementation of appropriate risk management systems; (iii) ensuring that the Company has management of the highest calibre and maintaining adequate and effective succession plans for senior management; (iv) overseeing the integrity of the Company's internal control and management information systems; (v) overseeing the Company's communications policy with its shareholders and with the public generally; (vi) ensuring that the Company has complied with the environmental standards and regulations imposed by the governments in its relevant jurisdictions and (vii) providing for the independent functioning of the Board.

### **Composition of the Board of Directors**

The Company currently has five directors, three of whom qualify as unrelated directors who are independent of management and free from any interest or business relationship which could, or could be perceived to materially interfere with their ability to act in the best interests of the Company. As Mr. Picard, Mr. Sullivan and Dr. Nevin have not asked to stand for re-election, Management has proposed three new candidates as directors of the Company. Please see Item 1 – Election of the Board of Directors.

### **Orientation and Continuing Education**

The Board orientates new directors by having them review the Company's constituting documents and the Mandate of the Board of Directors, along with other Company literature that describes the nature and scope of the Company's operations and business.

The Board encourages directors to participate in continuing education classes, lectures, seminars and symposiums to maintain their skill and knowledge necessary to meet their obligations as directors.

### **Significant Shareholder**

The TSX Guidelines recommend that if a company has a "significant shareholder", the board of directors should, in addition to having a majority of unrelated directors, include a number of directors who do not have interests in, or relationships with, either the Company or the significant shareholder and should be constituted to fairly reflect the investment in the Company by shareholders other than the significant shareholder. A "significant shareholder"

is defined as a shareholder with the ability to exercise a majority of the votes for the election of directors attached to the outstanding shares of the company.

### **Board Independence**

The Executive Officers of the Company are active and central members of management of the Company. The directors believe that adequate structures and processes are in place to facilitate the functioning of the board of directors independently of the Company's Executive Officers. The Board is currently assessing whether independent directors should schedule meetings at which non-independent directors are not present for the purpose of further ensuring the independence of the independent directors.

### **Position Descriptions**

The Board is currently developing written position descriptions for the chair of each board committee.

### **Committees of the Board of Directors**

#### **(i) Audit Committee**

Currently, the Audit Committee is currently comprised of three directors, Kyle Picard, James Darcel and Neil Sullivan. James Darcel and Neil Sullivan are not Executive Officers nor employees of the Company, and are therefore independent of management. As Mr. Picard, Mr. Sullivan and Dr. Nevin have not asked to stand for re-election, the composition of the Audit Committee will be confirmed at the next meeting of the Board of Directors of the Company.

The Audit Committee reviews the annual and quarterly financial statements of the Company, oversees the annual audit process, the Company's internal accounting controls, the resolution of issues identified by the Company's auditors and recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders at the next annual general meeting. In addition, the Audit Committee meets annually with the external auditors of the Company, without the presence of any other members of management, with the exception of any member of the Audit Committee who is a related director.

The directors of the Company approved a written charter on June 12, 2007. That charter is summarized as follows:

The Audit Committee will assist the Board of Directors in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and Mainstream Minerals Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, Management, and the External Auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Corporation's business, operation and risks.

The Board authorizes the Audit Committee, within the scope of its responsibilities, to seek information it requires from any employee and external parties, to obtain outside legal and professional advice and to ensure attendance of the Corporation's officers at meetings as appropriate.

The Audit Committee will be comprised of at least three members, a majority of which are not officers or employees of the Company.

Meetings shall not be held less than two times per year. Special meetings shall be convened as required. The External auditors may convene a meeting if they consider that to be necessary. The proceedings of all meetings will be recorded as minutes.

#### **(ii) Compensation Committee**

The Compensation Committee (the "Compensation Committee") consists of three directors, namely Kyle Picard, James Darcel and Neil Sullivan. James Darcel and Neil Sullivan are not Executive Officers nor employees of the Company, and are therefore independent of management. The board of directors has delegated to the Compensation Committee a broad mandate to oversee the management of the Company's human resource

activities, including compensation matters. The Compensation Committee seeks to ensure that compensation is competitive and is aligned with the performance of the Company and shareholder interests. More specifically, the Compensation Committee reviews Executive Officer and board of director's compensation policies and administers the Company's compensation plans. The Compensation Committee also has responsibility for all issues relating to corporate governance, including oversight of the officers and directors of the Company and the committees of the board of directors. As Mr. Picard, Mr. Sullivan and Dr. Nevin have not asked to stand for re-election, the composition of the Compensation Committee will be confirmed at the next meeting of the Board of Directors of the Company.

### **(iii) Nominating Committee**

The Company is in the process of establishing a nominating committee to develop a written mandate for the nomination of new candidates for the Board. At present, all directors of the Company participate in the identification and consideration of new candidates for nomination to the Board.

### **Decisions Requiring Prior Approval by the Board**

The Board has delegated the day-to-day management of the business and affairs of the Company to the Executive Officers. Prior approval by the Board is also required in many specific instances under the *Canada Business Corporations Act*, securities legislation and the by-laws, rules and policies of the Exchange.

### **Ethical Business Conduct**

The Board is currently developing a written Code of Ethical Business Conduct for its directors, officers and employees.

### **Assessments**

The Board does not currently take steps to assess the performance of the Board, any committees of directors, or of any individual director. The Board will be taking steps to develop assessment criteria in the ensuing calendar year.

### **Shareholder Feedback and Concerns**

The Company presently conducts an active shareholder relations program under the direction of its President and CEO. The program involves meeting with investors, brokers and analysts with respect to announcements by the Company. Shareholders are informed of developments in the Company by the issuance of timely press releases.

Management of the Company routinely make themselves available to shareholders to respond to questions and concerns. Shareholder concerns are dealt with on an individual basis, usually by providing requested information. Significant shareholder concerns are brought to the attention of the management of the Company or the Board.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **1. Election of Directors**

Pursuant to the bylaws of the Company, the Company is required to have a board of no more than ten (10) directors, with the specific number to be fixed by resolution of the shareholders from time to time, or by resolution of directors as permitted by the Company's articles of incorporation, as amended. Currently the number of directors is fixed at five directors.

The Company's current directors are: Kyle Picard, Neil Sullivan, Michael Romanik, James Darcel and Dr. Andrew Nevin.

The proposed directors and officers of the Company upon completion of the Meeting are set forth in the table below. The table provides the names of the individuals to be nominated for election as director, their current positions and offices in the Company, the period of time that they have been directors of the Company and their present principal occupation during the past five (5) years, the number of shares of the Company which each beneficially owns or over which control or direction is exercised. All of the nominees for director are residents of Canada, except Mr. Sullivan.

Name of Current Directors and Present Office Held, if applicable, and municipal address	Director Since	# of Common Shares Beneficially Owned, or controlled or Directed, Directly or Indirectly as at May September 1, 2012 <sup>(1)</sup>	Principal Occupation and if not at Presently an Elected Director, Occupation During the Past Five (5) Years
Michael Romanik – Director and President and Chief Executive Officer. Brandon, MB	August 26 <sup>th</sup> , 2009	2,442,000	Presently President & CEO of Mainstream Minerals Corporation since September 3 <sup>rd</sup> , 2009. Director and President & CEO of Newcastle Minerals Ltd. since April 2008. Director and President of the following: Verenex Capital Corp. since October 2006; First India Resources Inc. since March 2009; and Blue Star Capital Inc. since July 2009. Director of Accolade Resources Corporation.
Gregory Gibson, Proposed Director Massey, Ontario	N/A	1,250,000	Formerly the President and chief executive officer of Trelawney Mining and Exploration Inc. (June 21, 2012). Mr. Gibson has over 30 years of experience in the mining industry as a mine manager for gold and copper mines in Australia, a nickel mine in Timmins, Ont., and a gold mine in British Columbia. Previously he worked for JS Redpath, Dynatec Mining Ltd., Yilgarn Star Gold Mine and Copper Mines of Tasmania in a variety of operational capacities. Presently a director of several junior mining companies.
Stephen (Steve) McIntyre, P.P.E., B.Sc., Proposed Director Toronto, Ontario	N/A	750,000	Formerly the Chairman of the board of directors of Trelawney Mining and Exploration Inc. (June 21, 2012). Mr. McIntyre has more than 30 years of experience in the mining and mineral exploration business, including over 10 years with Noranda Mines Ltd., and 20 years as an officer and director of several junior mineral exploration companies.
David Reid, Proposed Director Espanola, Ontario	N/A	750,000	Mr. Reid was the Vice President of Business Development and Investor Relations for Trelawney Mining and Exploration Inc. Mr. Reid is the former president and CEO of a private transportation company and has 30 years of business experience with fleet and maintenance operations as well as 10 years' experience in underground mechanical maintenance.
James Darcel B.A., CFA – Director. Winnipeg, MB	November 3 <sup>rd</sup> , 2009	300,000	Presently self-employed as a financial analyst since June 2007. From January 2005 to June 2007, Director, Trading Officer, Investment Counsel, Portfolio Manager, Compliance Officer of Regenesys (formerly Navigator) Capital Management of Toronto, ON. Director of Newcastle Minerals Ltd. Since December 2007.

Note 1: The above includes all Common Shares owned by the individuals and all options and warrants to acquire Common Shares pursuant to the exercise of stock options.

The Company does not have an executive committee of its board of directors.

Each Director will hold office until the next annual general meeting of the Company, unless his or her office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director.

**It is intended that on any ballot that may be called on the election of the above nominees, the shares represented by proxies IN FAVOUR OF the management nominees set out above will be voted IN FAVOUR**

**OF the nominees, unless a shareholder has specified in his proxy that his shares are to be withheld from voting for the above nominees.**

## **2. Appointment of Auditors and Authorization to Fix Remuneration of the Auditors**

Management proposes to nominate Magnus Chartered Accountants LLP, located at Suite 430, Five Donald Street Winnipeg, Manitoba R3L 2T4, as the auditors of the Company to hold office until the close of the next annual meeting of shareholders. **Accordingly, on any ballot that may be called for relating to the nomination of the auditors, the shares represented by proxies IN FAVOUR OF the management nominees set out above will be voted in favour of the resolution nominating the auditors, unless a Shareholder has specified in his proxy that his shares are to be withheld from voting for the nomination of the auditors.**

In the past, the directors have negotiated with the auditors of the Company on an arm's length basis in determining the fees to be paid to the auditors. Such fees have been based upon the complexity of the matters in question and the time incurred by the auditors. Management believes that the fees negotiated in the past with the auditors of the Company were reasonable in the circumstances and would be comparable to fees charged by other auditors providing similar services. The expectation of Management is that this will continue to be the case with Magnus & Buffie, Chartered Accountants.

**Accordingly, on any ballot that may be called for relating to the authorization of the directors to fix the remuneration of the auditors, the shares represented by proxies IN FAVOUR OF the management nominees set out above will be voted in favour of the resolution authorizing the directors to fix the remuneration of the auditors, unless a Shareholder has specified in his proxy that his shares are to be voted against the authorization of the directors to fix the remuneration of the auditors.**

## **3. Approval of Financial Statements**

Management proposes to present the financial statements prepared for the fiscal years ending November 30, 2011 and 2010 by Magnus Chartered Accountants LLP to the meeting, and to seek shareholder approval of such financial statements.

**Accordingly, on any ballot that may be called for relating to the approval of the financial statements, the shares represented by proxies IN FAVOUR OF the management nominees set out above will be voted in favour of the resolution approving the financial statements, unless a Shareholder has specified in his proxy that his shares are to be withheld from voting for the approval of the financial statements.**

## **4. Stock Option Plan**

The Board of Directors of the Company originally approved the form of stock option plan (the "Stock Option Plan") by resolution of the Directors of the Company dated June 11, 2007. The Stock Option Plan is a "rolling plan" as defined in Exchange Policy 4.9. As such, the Stock Option Plan must be ratified by the Shareholders at this Annual General and Special Meeting, and approved annually thereafter at subsequent annual meetings of the Company.

The purpose of the Stock Option 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 Company. 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 Stock Option Plan, the board of directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management services to the Company or its subsidiaries.

The maximum number of Common Shares which may be issued pursuant to options previously granted and those granted under the Stock Option Plan will be limited to 10% of the issued and outstanding Common Shares. In addition, the number of Common Shares which may be reserved for issuance to any one individual may not exceed 5% of the issued Common Shares on a yearly basis.

The Stock Option Plan must be approved by a majority of the votes cast by shareholders other than insiders or their associates to whom Common Shares may be issued pursuant to the Stock Option Plan.

**It is intended that on any ballot that may be called relating to a resolution approving the Stock Option Plan, the shares represented by proxies in favour of the management nominees set out above will be voted IN FAVOUR OF the resolution approving the Stock Option Plan, unless a shareholder has specified in his proxy that his shares are to be voted against the resolution seeking the approval of the Stock Option Plan.**

## **5. General Matters**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, however if any other matters do arise, the Management Nominees named in the proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters set out in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

## **CERTIFICATE OF MAINSTREAM MINERALS CORPORATION**

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

DATED at Winnipeg, Manitoba the 21<sup>st</sup> day of September, 2012.

"Michael Romanik"

Michael Romanik  
Chief Executive Officer

"Raymond Préfontaine"

Raymond Préfontaine  
Chief Financial Officer

### **ON BEHALF OF THE BOARD OF DIRECTORS**

"Kyle Picard"

Kyle Picard  
Director

"James Darcel"

James Darcel  
Director

*IT IS AN OFFENCE UNDER THE SECURITIES ACT (MANITOBA) AND THE MANITOBA SECURITIES COMMISSION RULES FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.*