

ARMADILLO RESOURCES LTD.
Suite 411 – 470 Granville Street
Vancouver, B.C.
V6C 1V5

INFORMATION CIRCULAR

(Containing information as at May 24, 2013 unless indicated otherwise)

SOLICITATION OF PROXIES

This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by the management of Armadillo Resources Ltd. (the “Company” or “Corporation”) for use at the Annual General and Special Meeting of Shareholders of the Company (and any adjournment thereof) to be held on Friday, June 28, 2013 (the “Meeting”) at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

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

APPOINTMENT OF PROXYHOLDER

The individuals named in the accompanying form of proxy are Les Kjosness, the President of the Company and Corey Klassen, a director. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT THE SHAREHOLDER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A proxy will not be valid unless the completed form of proxy is received by **COMPUTERSHARE INVESTOR SERVICES INC.**, , Proxy Dept, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at least 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. Proxies delivered after that time will not be accepted.

REVOCAION OF PROXIES

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder’s attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered office of the Company, at Suite 411 – 470 Granville Street, Vancouver, British Columbia V6C 1V5 at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their 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 at the Meeting. Beneficial Shareholders who complete and return an instrument of 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 instrument of 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.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder’s name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for

The Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Company do not know for whose benefit the common shares registered in the name of CDS & Co. are held.

There are two kinds of Beneficial Shareholders, those who object to their name being made known to issuers of securities which they own, (Objecting Beneficial Owners”, or “OBOs”) and those who do not object to their identity being known to the issuers of the securities they own (“Non-Objecting Beneficial Owners, or “NOBOs”). Subject to the provisions of National Instrument 54-101 issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs. In accordance with the provisions of National Instrument 54-101, the Company does not intend to pay for mailings to OBOs. As a result, OBOs will only receive paper copies of proxy related materials if the OBOs intermediary assumes the costs of delivery.

In accordance with National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy to the clearing agencies and intermediaries for onward distribution to Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings unless the Beneficial Shareholders have waived the right to receive meeting materials. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. Should a Beneficial Shareholder receiving such a form wish to vote at the Meeting, the Beneficial Shareholder should strike out the names of the Management Proxyholders named in the form and insert the Beneficial Shareholder’s name in the blank provided. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote common shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted.**

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

VOTING OF PROXIES

SHARES REPRESENTED BY PROPERLY EXECUTED PROXIES IN FAVOUR OF PERSONS DESIGNATED IN THE ENCLOSED FORM OF PROXY WILL BE VOTED **FOR** ALL MATTERS TO BE VOTED ON AT THE MEETING AS SET OUT IN THIS INFORMATION CIRCULAR OR WITHHELD FROM VOTING IF SO INDICATED ON THE FORM OF PROXY.

The common shares represented by proxies will, on any poll where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made.

SUCH COMMON SHARES WILL ON A POLL BE VOTED **IN FAVOUR** OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated

in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS

Authorized Capital: Unlimited common shares without par value
Issued and Outstanding: 79,281,921 common shares without par value

Only shareholders of record at the close of business on May 24, 2013 (the "Record Date") who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders, or who is holding a proxy on behalf of a shareholder who is not present at the Meeting, will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each common share registered in the shareholder's name on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc., 510 Burrard Street, Vancouver, British Columbia and will be available at the Meeting.

To the knowledge of the directors and senior officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company, except the following:

Name	No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Shares
Rusheen Handels AG	8,045,000	10.14%

ELECTION OF DIRECTORS

The Board of Directors presently consists of five directors and it is intended to determine the number of directors at four for the ensuing year. Shareholder approval will be sought at the Meeting to determine the number of directors at four.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia).

The following table and notes thereto sets out the names of each person proposed to be nominated by management for election as a director, the municipality in which he or she is ordinarily resident, all offices of the Company now held by him or her, his or her principal occupation or employment during the past five years if such nominee is not presently an elected director, the period of time for which he or she has been a director of the Company, and the number of common shares of the Company beneficially owned by him or her, directly or indirectly, or over which he or she exercises control or direction, as at the date hereof.

Name, Position, Province or State and Country of Residence⁽¹⁾	Principal Occupation and if not at Present an Elected Director, Occupation during the past 5 years	Previous Service as a Director	Number of Shares owned⁽²⁾
Les Kjosness⁽³⁾ President, Chief Executive Officer and Director British Columbia, Canada	President and Chief Executive Officer of Armadillo Resources Ltd.	March 25, 2009	206,500 common
Corey Klassen⁽³⁾ Director Alberta, Canada	Mortgage Broker.	March 25, 2009	925,000 common
Stephen Wetherup⁽³⁾ Director British Columbia, Canada	Geoscientist. Exploration Manager, Caracle Creek International Consulting Inc.	March 25, 2009	Nil
James A. Turner Director British Columbia, Canada	Self-employed Geologist.	December 4, 2012	Nil

- (1) The information as to country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (3) Denotes member of Audit Committee.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the proposed nominees for director have been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that:

- (a) while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days;
- (b) while that person was acting in that capacity, was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (c) 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.

None of the proposed nominees for director have, 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 their assets.

No proposed director of the Company has been subject to:

- (a) 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

- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Information Circular:

- (a) “Chief Executive Officer” or “CEO” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;
- (b) “Chief Financial Officer” or “CFO” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;
- (c) “Named Executive Officer” or “NEO” means each of the following individuals:
 - (i) a CEO;
 - (ii) a CFO;
 - (iii) 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 most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (iv) each individual who would be an NEO under paragraph (iii) 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 that financial year.

NAMED EXECUTIVE OFFICERS

During the most recent fiscal year ended May 31, 2012, the Corporation had two Named Executive Officers, namely:

- (a) Les Kjosness, the President and Chief Executive Officer of the Company; and
- (b) Cherry Cai, the Chief Financial Officer of the Company.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company’s executive compensation objectives and processes and to discuss compensation decisions relating to its named executive officers (“Named Executive Officers”) listed in the Summary Compensation Table below.

The Company is a mineral exploration company whose assets include exploration properties located in North America and South America. The Company’s primary objective is to firstly, conduct initial exploration on various properties and then to seek partners to conduct follow-up exploration programs and continue the exploration effort. In most of these partnership arrangements, the Company continues to act as operator and, in this way, the Company reduces dilution to its share capital and decreases its expenditures. This also allows the Company to continue exploration on these same properties with larger budgets than its own initial investment.

Notwithstanding the foregoing, given that the Company has not, as of yet, generate any significant income or cash flows from operations and operates with limited financial resources to ensure that funds are available to complete scheduled programs, the Board of Directors has to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company in the mid and long-term. An important element of executive compensation is the grant of incentive stock options by the Company to its employees, director and officers which do not require cash disbursement by the Company. Additional information about the Company and its operation is available in its audited financial statements and

Management's Discussion and Analysis for the year ended May 31, 2012 which have been filed with regulators and are available for viewing via the Internet at the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Compensation Objectives and Principles

The primary goal of the Company's executive compensation process is to attract and retain the key executives necessary for the company's long term success, to encourage executives to further the development of the Company and its operations and to motivate qualified and experienced executives. The key elements of executive compensation awarded by the company are: (i) base salary; (ii) potential annual incentive award; and (iii) incentive stock options. The directors are of the view that all elements should be considered, rather than any single element.

Compensation Process

The Board of Directors of the Company, through discussions without any formal objectives, criteria or analysis, is responsible for determining all forms of compensation to be granted to the Chief Executive Officer of the Company, as well as to its directors, and for reviewing the Chief Executive Officer's recommendations regarding compensation of the other senior executives of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of the Company's executive officers, the Committee considers: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balance the interests of management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general. In order to achieve these objectives, the compensation paid to the company's executive officers consists of base salary and/or long-term incentive in the form of stock options.

Option Based Awards

Options to purchase common shares of the Company are intended to align the interests of the Company's directors and executive officers with those of its shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value and to reduce the cash compensation the company would otherwise have to pay. The company's Stock Option Incentive Plan is administered by the board of Directors. In establishing the number of the incentive stock options to be granted to the Named Executive Officers, reference is made to the number of stock options granted to officers of other publicly traded companies that, similar to the Company, are involved in the mining industry, as well as those of other publicly traded Canadian companies on a comparable size to that of the company in respect of assets. The Board of Directors also considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience a level of commitment of the executive officer in determining the level of incentive stock option compensation. See "Incentive Plan Awards – Outstanding Option-Based Awards" below, as well as Part 5 – Securities Authorized for Issuance Under Equity Compensation Plans.

Benefits and Perquisites

The Company does not, as of the date of this Circular, offer any benefits or perquisites to its Named Executive Officers than entitlement to incentive stock options as otherwise disclosed and discussed herein.

Long-Term Incentive Plan Awards

Long-term incentive plan awards ("LTIP") means "any plan providing compensation intended to serve as an incentive for performance to occur over a period longer than one fiscal year whether performance is measured by reference to financial performance of the Corporation or an affiliate, or the price of the Corporation's shares but does not include option or stock appreciation rights plans or plans for compensation through restricted shares or units". The Corporation has not granted any LTIP's during the fiscal year ended May 31, 2012.

Stock Appreciation Rights

Stock appreciation rights ("SAR's") means a right, granted by an issuer or any of its subsidiaries as compensation for services rendered or in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the Company's shares. No SAR's were granted to or exercised by the Named Executive Officers or directors during the fiscal year ended May 31, 2012.

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation of each Named Executive Officer for each of the three most recently completed financial years (May 31, 2012, 2011, and 2010):

Name and principal position	Year	Salary	Non-equity discretionary annual incentive plan	Share-based award	Option - based award⁽¹⁾	All other compensation	Total compensation
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Les Kjosness Chief Executive Officer	2012	Nil	Nil	Nil	58,145	78,000 ⁽²⁾	136,145
	2011	Nil	Nil	Nil	58,145	78,000 ⁽²⁾	136,145
	2010	Nil	Nil	Nil	Nil	78,000 ⁽²⁾	78,000
Cherry Cai Chief Financial Officer	2012	Nil	Nil	Nil	28,940	34,615 ⁽⁴⁾	63,555
	2011	Nil	Nil	Nil	28,940	18,070 ⁽⁴⁾	47,010
	2010 ⁽³⁾	N/A	N/A	N/A	N/A	N/A	N/A

- (1) The grant date fair values of incentive stock options granted to the Named Executive Officers as indicated in this column are estimated using the Black-Scholes option pricing model (see note 10 to the Company's annual audited financial statements for the year ended May 31, 2012 for the assumptions and estimates used for this calculation).
- (2) Mr. Kjosness incurred fees for providing management services.
- (3) Cherry Cai was appointed Chief Financial Officer on November 12, 2010.
- (4) Ms. Cai incurred fees for consulting services.

INCENTIVE PLAN AWARDS

Outstanding Share-based awards and option-based awards

The following table sets forth information concerning all awards to NEO's outstanding as of the fiscal year ended May 31, 2012.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised option⁽¹⁾	Option exercise price (\$)	Option expiration date	Value¹ of unexercised in-the-money options (\$)	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Les Kjosness Chief Executive Officer	175,000 120,000 350,000	0.20 0.10 0.17	Mar 31, 2014 July 9, 2015 Mar 29, 2016	Nil Nil Nil	N/A	N/A

Cherry Cai Chief Financial Officer	200,000	0.17	Mar 29, 2016	Nil	N/A	N/A
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- (1) Stock options have fully vested.
(2) "In-the-Money Options" means the excess of the market value of the Company's shares on May 31, 2012 over the exercise price of the Options. The closing price of the Company's shares on the Canadian National Stock Exchange on May 31, 2012 was \$0.03.

The Company has not granted any share-based awards.

Incentive Plan Awards-Value Vested or Earned During the Year

The following table sets out the aggregate dollar value that would have been realized by the NEOs if the options under the option-based awards had been exercised by the NEOs on the vesting date during the most recently completed fiscal year ended May 31, 2013.

Name	Option-based awards-Value vested during the year ⁽¹⁾⁽²⁾	Share-based awards-Value vested during the year ⁽³⁾	Non-equity incentive plan compensation-Value earned during the year ⁽⁴⁾
	(\$)	(\$)	(\$)
Les Kjosness Chief Executive Officer	58,145	Nil	Nil
Cherry Cai Chief Financial Officer	28,940	Nil	Nil

- (1) Calculated using the difference between the exercise price and the fair value of the common shares of the Company immediately before the vesting date. No options were exercised by the NEOs during the fiscal year ended May 31, 2012.
(2) Options vested on the date of grant.
(3) No share-based awards were granted during the fiscal year ended May 31, 2012.
(4) No non-equity incentive plan compensation was awarded during the fiscal year ended May 31, 2012.

Pension Plan Benefits

The Company does not offer any pension plan benefits to its Named Executive Officers.

Termination, Change of control benefits

The Company is not a party to any contract, agreement, plan or arrangement with its Named Executive Officers that provide for payments to Named Executive Officers at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of a change in control of the Company or a change in a Names Executive Officer's responsibilities.

Director Compensation

The Company does not compensate its directors in their capacities as such. Incentive stock options may be granted to the Company's directors from time to time.

The following table discloses the particulars of the compensation provided to the directors of the Company (not including the Named Executive Officers) during the financial year ended May 31, 2012.

Name	Fees Earned	Share-based Awards	Option-based Awards⁽¹⁾	Non-equity Incentive Plan Compensation	Pension value	All other Compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Corey Klassen	Nil	Nil	31,753	Nil	Nil	Nil	31,753
Stephen Wetherup	Nil	Nil	39,878	Nil	Nil	Nil	39,878
Anthony Pickett ⁽²⁾	Nil	Nil	N/A	Nil	Nil	Nil	Nil
James A. Turner ⁽³⁾	Nil	Nil	N/A	Nil	Nil	Nil	Nil

(1) The grant date fair values of incentive stock options granted to the Directors as indicated in this column are estimated using the Black-Scholes option pricing model (see note 10 to the Company's Annual Audited Financial Statements for the year ended May 31, 2012 for the assumptions and estimates used for this calculation).

(2) Anthony Pickett was appointed a director on December 1, 2011.

(3) James A. Turner was appointed a director on December 4, 2012

RELATED PARTY TRANSACTIONS

During the year ended May 31, 2012 the Company incurred \$78,000 and \$34,615 (2011 - \$78,000 and \$18,070) in management and consulting fee expenses for officers of the Company and a company owned by an officer of the Company.

The Company paid consulting fees of \$Nil (2011 - \$14,000) to a company controlled by a former director and officer of the Company.

As of May 31, 2012, the amount due to related parties consists of \$46,018 (May 31, 2011 - \$Nil) owing to Officers and Directors and companies controlled by Officers and a Director.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year ended May 31, 2011, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries was indebted to another entity where such indebtedness is or 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, other than routine indebtedness.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance in effect as of the Company's most recently completed financial year ended May 31, 2012.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity Compensation Plans Approved By Shareholders (Stock Option Plan)	2,760,000	\$0.17	4,882,292
Equity Compensation Plans Not Approved By Shareholders	N/A	N/A	N/A
Total:	2,760,000	\$0.17	4,882,292

Refer to “Statement of Executive Compensation – Stock Options” for a brief description of the Plan. The Shareholders of the Company will be asked at the Meeting to ratify and approve the adoption of the stock option plan. Refer to “Particulars of Other Matters to be Acted Upon.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than set forth in this information circular, there are no material interests, direct or indirect, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company.

MANAGEMENT CONTRACTS

Management functions of the Company are not performed, to any substantive degree, by a person or persons other than the directors or senior officers of the Company.

APPOINTMENT OF AUDITORS

At the Annual General Meeting of the Company held December 1, 2011, shareholders approved the re-appointment of Manning Elliott, Chartered Accountants as auditors to hold office until the next annual general meeting of shareholders or until the firm of is removed from office or resigns as provided by the Company’s Articles. Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of Manning Elliott, Chartered Accountants as auditors of the Company and to authorize the directors to fix their remuneration.

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

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year ended May 31, 2012, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the approval of the Stock Option Plan.

AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees (“NI 52-110”), companies are required to provide disclosure with respect to their audit committee including the text of the audit committee’s charter, composition of the audit committee and the fees paid to the external auditor. Accordingly, the Company provides the following disclosure with respect to its audit committee:

Composition of the Audit Committee

The current members of the Audit Committee and following the election of the directors pursuant to this Information Circular, the following will be the members of the Audit Committee:

Les Kjosness	Not Independent	Financially literate ⁽²⁾
Corey Klassen	Independent ⁽¹⁾	Financially literate ⁽²⁾
Stephen Wetherup	Independent ⁽¹⁾	Financially literate ⁽²⁾

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

The Audit Committee’s Charter

A. PURPOSE

The overall purpose of the Audit Committee (the "Committee") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Corporation and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the "Board").
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
4. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
5. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
6. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
7. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

C. ROLES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Corporation's financial and auditing personnel;
 - (iv) co-operation received from the Corporation's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Corporation;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;

- (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and
 - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the Corporation's internal auditors are to:
- (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
 - (b) review and approve the internal audit plan; and
 - (c) review significant internal audit findings and recommendations, and management's response thereto.
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:
- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
 - (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
5. The Committee is also charged with the responsibility to:
- (a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual report to shareholders;
 - (ii) the annual information form;
 - (iii) annual and interim MD&A;
 - (iv) prospectuses;
 - (v) news releases discussing financial results of the Corporation; and
 - (vi) other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;

- (c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Corporation's consolidated financial statements;
- (f) review the minutes of any audit committee meeting of subsidiary companies;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

Relevant Education and Experience

All of the current members of the audit committee have had several years of experience working with public companies and the level of complex issues which can reasonably be expected to be raised by the Company's financial statements. In such capacities, they have developed an understanding of the accounting principles used by the Company to prepare its financial statements and in connection with the accounting for estimates, accruals and reserves and of internal controls and procedures used for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit 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.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board of Directors to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work which the Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

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:

Financial Year Ending	Audit Fees	Audit Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees ⁽³⁾
2012	\$38,250	Nil	Nil	Nil
2011	\$18,000	Nil	Nil	Nil

- (1) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "Audit Fees".
- (2) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (3) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

CORPORATE GOVERNANCE DISCLOSURE

On June 30, 2005, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-01") and National Policy 58-201 - *Corporate Governance Guidelines* ("NP-58-201") came into force in every province and territory in Canada. In addition, the Company is subject to NI 52-110 which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees and defines the meaning of independence with respect to directors. These reflect current regulatory guidelines of the Canadian Securities Administrators ("CSA"). The Company's corporate governance practices are set out below.

Independence of Members of Board

The Company's Board of Directors consists of five directors, four of whom are independent based upon the tests for independence set forth in NI 52-110. Les Kjosness is not independent as he is the President and Chief Executive Officer of the Company. Corey Klassen, Stephen Wetherup, Anthony Pickett and James A. Turner are independent.

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 size and 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 able to meet at any time without any members of management including the non-independent director being present.

Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the following table.

<u>Name of Director</u>	<u>Names of Other Reporting Issuers the Director is a Director of</u>
Les Kjosness	Nil
Corey Klassen	Kent Exploration Inc.
Stephen Wetherup	Nil
Anthony Pickett	Nil
James A. Turner	Abbastar Resources Corp. Anglo-Canadian Mining Corp.

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 law responsibilities.

Board members are encouraged to communicate with management, auditors, legal advisors 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 does not currently have a written code of ethics but views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The primary steps taken by the Company to encourage and promote a culture of ethical business conduct is to conduct appropriate due diligence on proposed directors and ensure that proposed directors are of the highest ethical standards.

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, the Chief Executive Officer and Other Key Officers

The independent Directors have the responsibility for determining compensation for the directors and senior management. To determine compensation payable, the independent directors review compensation paid for the directors, Chief Executive Officer as well as other key officer positions, 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 key members of senior management and 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 does not at this time warrant a larger board of directors, the Board has determined that additional committees beyond the existing ones are not necessary at this stage of the Company's development.

Assessments

The Board does not have any standing committees other than the audit committee. The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. As part of the assessments, the Board or the individual committees may review its mandate and conduct reviews of applicable corporate policies.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

APPROVAL OF ADVANCE NOTICE POLICY

Background

The Company has adopted an advance notice policy (the "Advance Notice Policy"), a copy of which is attached to this Information Circular as Schedule B, subject to approval of the Advance Notice Policy at the Meeting by the shareholders of the Company. The Board of Directors has approved the Advance Notice Policy by way of resolutions of the directors dated May 14, 2013.

Purpose of the Advance Notice Policy

The directors of the Company are committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote regarding director nominations having been afforded reasonable time for appropriate deliberation.

The purpose of the Advance Notice Policy is to provide shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

Terms of the Advance Notice Policy

The following information is intended as a brief description of the Advance Notice Policy and is qualified in its entirety by the full text of the Advance Notice Policy, a copy of which is attached as Schedule B.

The terms of the Advance Notice Policy are summarized below:

The Advance Notice Policy provides that advance notice to the Company must be made in circumstances where nominations of persons for election to the board of directors are made by shareholders of the Company other than pursuant to: (i) a "proposal" made in accordance with Division 7 of Part 5 of the *Business Corporations Act* (British Columbia) (the "Act"); or (ii) a requisition of the shareholders made in accordance with section 167 of the Act.

Among other things, the Advance Notice Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the CEO of the Company prior to any annual or special meeting of shareholders and sets forth the specific information that a shareholder must include in the written notice to the CEO of the Company for an effective nomination to occur. No person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Policy.

In the case of an annual meeting of shareholders, notice to the Company must be made not less than 55 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 65 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting (which is not also an annual meeting) of shareholders, notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Board may, in its sole discretion, waive any requirement of the Advance Notice Policy.

Confirmation and Approval of Advance Notice Policy by Shareholders

If the Advance Notice Policy is not approved at the Meeting the Advance Notice Policy will cease to be effective immediately following the Meeting. Thereafter, the Advance Notice Policy will be subject to a periodic review by the Board, and will be updated to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

At the Meeting, the shareholders will be asked to approve the following by ordinary resolution (the "Advance Notice Policy Resolution") which requires approval by a simple majority (greater than 50%) of the votes cast by shareholders whom being entitled to do so, vote in person or by proxy at the Meeting.

"IT IS HEREBY RESOLVED, as an ordinary resolution of the shareholders of the Company, that:

1. The Company's Advance Notice Policy as attached as Schedule "A" to the Information Circular dated May 24, 2013 be ratified, confirmed and approved;
2. in the event that the Advance Notice Policy is not approved by the shareholders of the Company at the Meeting, the Advance Notice Policy will terminate and be of no further force or effect immediately following the Meeting;
3. subject to the approval of the Advance Notice Policy at the Meeting, the board of directors of the Company will review and, if necessary, revise the Advance Notice Policy with respect to the requirements for election of directors periodically as the board of directors deems appropriate;
4. the board of directors reserves the right to abandon the Advance Notice Policy should they deem it appropriate and in the best interest of the Company to do so; and
5. any one officer or director of the Company is hereby authorized and directed, in the name of and on behalf of the Company, to take all such actions, do all such things, enter into, execute, affix the common seal of the Company to and deliver or caused to be delivered all such documents, agreements and writings as such officer or director may in such officer or director's sole discretion deem necessary or advisable in connection with any of the matters referred to in the preceding resolutions.

Management of the Company recommends that shareholders vote in favour of the Advance Notice Policy Resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the Advance Notice Policy Resolution at the Meeting unless otherwise directed by the shareholders appointing them.

The Board reserves the right to abandon the Advance Notice Policy Resolution should it deem it appropriate and in the best interests of the Company to do so.

STOCK OPTION PLAN

At the annual meeting of shareholders of the Company held on December 1, 2011, the shareholders confirmed and ratified the Company's Stock Option Plan (the "Plan") which permits the Company to reserve for the grant of stock

options, the issuance of a maximum of 10% of the issued and outstanding shares of the Company at the time a stock option is granted (a “rolling plan”).

The Plan is administered by the Board. The Board has the authority to determine, among other things, subject to the terms and conditions of the Plan, the terms, limitations, restrictions and conditions respecting the grant of stock options under the Plan.

The Plan is a rolling 10% plan that permits the Company to reserve for issuance a maximum of 10% of the issued and outstanding shares of the Company at the time a stock option is granted. Under the Plan, the minimum possible exercise price is the “Discounted Market Price” and may be such other price as determined by the board of directors on the day of grant. Options granted under the Plan will be exercisable for a maximum period of five (5) years from the date of grant. The options are not transferable. Eligible parties to become optionees under the Plan include, but are not limited to: employees, executive officers, directors, and consultants of the Company. If an optionee ceases to be an eligible person for any reason whatsoever, other than death, each option held by such optionee will cease to be exercisable in a period not exceeding 90 days following termination. If an optionee dies, the legal representative of the optionee may exercise the optionee’s option for a period not exceeding one (1) year after the date of the optionee’s death.

There is no financial assistance or support agreements entered into as between the Company and any eligible parties to become optionees under the Plan. Based on the Company’s current issued and outstanding share capital there are an aggregate of 7,928,192 stock options, which are capable of being granted under the Plan of which 2,110,000 options have been granted.

A full copy of the Plan is available upon request at Suite 411-470 Granville Street, Vancouver, BC V6C 1V5.

Accordingly, the shareholders will be asked at the Meeting to pass an ordinary resolution substantially in the form set out below:

An ordinary resolution is a resolution passed by a simple majority of the votes cast by shareholders voting shares that carry the right to vote at general meetings. To the Company’s knowledge as of the date of this Circular, no voting shares will not be included for the purposes of determining whether securityholder approval has been obtained.

IT IS HEREBY RESOLVED, AS AN ORDINARY RESOLUTION THAT:

1. The Stock Option Plan, in the form approved by the shareholders of Armadillo Resources Ltd. (the “Company”) at the annual meeting of shareholders of the Company on December 1, 2011, with terms substantially as described in the information circular dated May 24, 2013, is hereby ratified, confirmed and approved;
2. The Company is authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan entitling all of the option holders in aggregate to purchase up to such number of common shares of the Company as is equal to 10% of the number of common shares of the Company issued and outstanding on the applicable date of grant; and
3. The board of directors (the “Board”) of the Company is authorized to make such amendments to the Stock Option Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, the shareholders of the Company in accordance with the terms of the Stock Option Plan.

Management of the Company recommends that shareholders vote in favour of the foregoing resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.

OTHER BUSINESS

The management of the Company is not aware of any other matters 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 Form of the Proxy to vote the shares represented in accordance with their best judgment on the matter.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the SEDAR website located at www.sedar.com. The Company's financial information is provided in the Company's audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and any subsequent interim financial statements and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company's financial statements and related management discussion and analysis by contacting Les Kjosness, President, at Suite 411 – 470 Granville Street, Vancouver, British Columbia, V6C 1V5 (Phone: (604) 408-6500).

DATED at Vancouver, British Columbia this 24 day of May, 2013.

The Board of Directors of the Company have approved the content and sending of this Management Information Circular.

“Les Kjosness”
Les Kjosness, President

Schedule “A”

ADVANCE NOTICE POLICY

(Adopted by the Board of Directors with immediate effect on May 14, 2013)

ARMADILLO RESOURCES LTD.

(the “**Corporation**”)

INTRODUCTION

The Corporation is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote with respect to director nominations, having been afforded reasonable time for appropriate deliberation.

The purpose of this Advance Notice Policy (this “**Policy**”) is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. This Policy fixes a deadline by which holders of record of common shares in the capital of the Corporation (each, a “**Common Share**”) must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the board of directors of the Corporation (the “**Board**”) that this Policy is in the best interests of the Corporation, its shareholders and other stakeholders. This Policy will be subject to, if and as determined by the Board, periodic review by the Board, and will reflect changes as required by securities regulatory authorities or stock exchanges, as to meet industry standards from time to time.

NOMINATIONS OF DIRECTORS

1. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors. Only persons who are eligible under the *Business Corporations Act* (British Columbia) (the “**Act**”) and who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation:
 - (a) by or at the direction of the Board, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders pursuant to a valid “proposal” made in accordance with Division 7 of Part 5 of the Act, or a requisition of the shareholders made in accordance with section 167 of the Act; or
 - (c) by any person (a “**Nominating Shareholder**”):
 - (A) who, at the close of business on the date the Nominating Shareholder gives the notice provided for below in this Policy and at the close of business on the record date for notice of such meeting, (i) is entered in the securities register of the Corporation as a holder of one or more Common Shares carrying the right to vote at such meeting or (ii) beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such ownership that is satisfactory to the Corporation, acting reasonably. In cases where a Nominating Shareholder is not an individual, the notice set forth in paragraph 4 below must be signed by an authorized representative, being a duly authorized director, officer, manager, trustee or partner of such entity who provides such evidence of such authorization that is satisfactory to the Corporation, acting reasonably; and
 - (B) who complies with the notice procedures set forth below in this Policy.

2. In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Chief Executive Officer (“CEO”) of the Corporation at Armadillo Resources Ltd., #411 – 470 Granville Street, Vancouver, BC V6C 1V5.
3. To be timely, a Nominating Shareholder’s notice to the CEO of the Corporation must be made:
 - (a) in the case of an annual meeting of shareholders, not less than 55 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 65 days after the date (the “**Notice Date**”) on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder’s notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders, or the reconvening of any adjourned or postponed meeting of shareholders, or the announcement thereof commence a new time period for the giving of such notice.

4. To be in proper written form, a Nominating Shareholder’s notice to the CEO of the Corporation must set forth:
 - (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
 - (A) the name, age, business address and residential address of the person;
 - (B) the present principal occupation or employment of the person and the principal occupation or employment history within the five years preceding the effective date of the notice;
 - (C) the citizenship of such person;
 - (D) the number of Common Shares of the Corporation which are directly or indirectly controlled or directed or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and also as of the date of such notice;
 - (E) the amount and material terms of any other securities, including any options, warrants or convertible securities, in the capital of the Corporation which are directly or indirectly controlled or directed or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and also as of the date of such notice;
 - (F) a personal information form in the form prescribed by the Canadian National Stock Exchange, or any other forms required by any applicable stock exchange on which the shares of the Corporation trade;
 - (G) confirmation that such person is not prohibited or disqualified from acting as a director under Applicable Securities Laws (as defined below), the Act or any other legislation; and

- (H) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and
- (b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman of the meeting. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
6. For the purposes of this Policy:
 - (a) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada;
 - (b) “**business day**” shall mean any day, other than Saturday, Sunday or any statutory holiday in the City of Vancouver, British Columbia; and
 - (c) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by or on behalf of the Corporation under its profile on SEDAR, the System of Electronic Document Analysis and Retrieval, at www.sedar.com.
7. Notwithstanding any other provision of this Policy, notice given to the CEO of the Corporation pursuant to this Policy may only be given by personal delivery or facsimile transmission and shall be deemed to have been given and made only at the time it is:
 - (a) served by personal delivery to the CEO of the Corporation at the address of the principal executive offices of the Corporation; or
 - (b) sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); and

where such delivery or electronic communication is made on a day which is not a business day or is made later than 4:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy.

EFFECTIVE DATE

This Policy was approved and adopted by the Board on May 14, 2013 (the “**Effective Date**”) and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date. Notwithstanding the foregoing, if this Policy is not approved by an ordinary resolution of the shareholders of the Corporation who are present in person or who use proxy at the next meeting of those shareholders validly held following the Effective Date, then this Policy shall terminate and be void and of no further force and effect following the termination of such meeting of shareholders.

GOVERNING LAW

This Policy shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in that province.