

GOLDEN CROSS RESOURCES INC.

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INFORMATION CIRCULAR

(Containing information as at January 4, 2012 unless indicated otherwise)

This Information Circular is furnished in connection with the solicitation of proxies by the management of Golden Cross Resources Inc. (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of its shareholders to be held on February 22, 2012 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to “the Company”, “we” and “our” refer to Golden Cross Resources Inc. “**Common Shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company. **IF YOU ARE A SHAREHOLDER ENTITLED TO VOTE AT THE MEETING, YOU HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN EITHER OF THE PERSONS DESIGNATED IN THE PROXY, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETING. YOU MAY DO SO EITHER BY INSERTING THE NAME OF THAT OTHER PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING AND DELIVERING ANOTHER SUITABLE FORM OF PROXY.** If your Common Shares are held in physical form (ie. paper form) and are registered in your name, then you are a registered shareholder (“**Registered Shareholder**”). However, if, like most shareholders, you keep your Common Shares in a brokerage account, then you are a Beneficial Shareholder. The manner for voting is different for Registered Shareholders and Beneficial Shareholders. The instructions below should be read carefully by all shareholders.

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified or where both choices have been specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by mail or by hand to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to the following toll-free number 1-866-732-8683. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the holder's account number and the Proxy control number; or
- (c) using the Internet through the website of the Company's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the Proxy control number.

In all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares).

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 the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for "**Objecting Beneficial Owners**") and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for "**Non-Objecting Beneficial Owners**").

The Company is taking advantage of the provisions of National Instrument 54-101 of the Canadian Securities Administrators, which permit it to directly deliver Proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form (a "**VIF**") from Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and Internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of Proxy supplied to you by your broker will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a similar voting information form (the "**Broadridge VIF**") in lieu of a Proxy provided by the Company. The Broadridge VIF will appoint the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. 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. **If you receive a Broadridge VIF, you cannot use it to vote Common Shares directly at the Meeting – the Broadridge VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. **If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.**

Alternatively, you can request in writing that your broker send you a legal Proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Common Shares.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or at the address of the head office of the Company at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein. Directors and executive officers may, however, be interested in the annual approval of the Company's stock option plan as detailed in "Particulars of Matters to be Acted Upon – Stock Option Plan".

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed January 4, 2012 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As at the Record Date, there were 18,331,502 Common Shares issued and outstanding, each carrying the right to one vote.

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 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 that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare and will be available at the Meeting.

To the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company as at the Record Date.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation. An affirmative vote of not less than two-thirds (2/3) of the votes cast at the Meeting is required to pass the special resolutions described herein.

SETTING NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at five (5). The Board proposes that the number of directors remain at five. Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at five.

ELECTION OF DIRECTORS

The term of office of each of the current directors expires at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as a director (a "proposed director"), the province and country in which he is ordinarily resident, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee, Province and Country of Ordinary Residence and Positions Held with the Company	Occupation, Business or Employment ⁽¹⁾	Director of the Company Since	Common Shares Beneficially Owned or Controlled, or Directed, Directly or Indirectly ⁽¹⁾
Thomas Kennedy⁽²⁾ North Vancouver, BC <i>CEO, President, Secretary, Promoter and Director</i>	Self-employed management and financial consultant since January 1991.	September 2009	Nil ⁽³⁾
James Chapman Vancouver, BC <i>Director</i>	Self-employed consulting geologist since 1982.	June 2007	100,000 ⁽⁴⁾
Lance Morginn Vancouver, BC <i>Director</i>	President, Fiber Feed Networks Inc., since February 2002.	June 2007	1,303,750 ⁽⁵⁾
Elston Johnston⁽²⁾ Richmond, BC <i>Director</i>	Self-employed consulting engineering, since 1997.	December 2010	10,000 ⁽⁶⁾
Bruce D. Hirsche, Q.C.⁽²⁾ Edmonton, AB <i>Director</i>	Lawyer, Parlee McLaws LLP, since March 1997.	December 2010	Nil ⁽⁷⁾

(1) Directors hold office until the next annual meeting of shareholders or until their successors are appointed.

(2) Member of Audit Committee. The Company has no other board committees.

(3) Mr. Kennedy holds 100,000 Options exercisable at a price of \$0.18 per share expiring March 1, 2013.

(4) Mr. Chapman also holds 100,000 Options exercisable at a price of \$0.18 per share expiring March 1, 2013.

(5) Of these shares, Mr. Morginn holds 1,293,750 common shares directly and 10,000 common shares indirectly through his company, Webworks Multimedia Corp., which is beneficially owned by Mr. Morginn. Mr. Morginn also holds 100,000 Options exercisable at a price of \$0.18 per share expiring March 1, 2013.

(6) Mr. Johnston also holds 50,000 Options exercisable at a price of \$0.18 per share expiring March 1, 2013.

(7) Mr. Hirsche also holds 50,000 Options exercisable at a price of \$0.18 per share expiring March 1, 2013.

None of the proposed directors of the Company is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and officers of the Company acting solely in such capacity.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

As at the date of this Information Circular, and within the last 10 years before the date of this Information Circular, no proposed director (or any of their personal holding companies) of the Company was a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the company and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (c) is as at the date of this Information Circular or has been within 10 years before the date of this Information Circular, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) 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 a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

I. Vellmer Inc., Chartered Accountant, of 721 – 602 West Hastings Street, Vancouver, British Columbia, V6B 1P2, will be nominated at the Meeting for re-appointment as auditor of the Company at a remuneration to be fixed by the Board. I. Vellmer Inc., Chartered Accountant, was first appointed the auditor of the Company on January 23, 2009.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. The following disclosure relates to the constitution of the Company’s audit committee and its relationship with its independent auditor is required by Form 52-110F1, which includes the text of the audit committee’s charter, the composition of the audit committee, the relevant education and experience of each audit committee member and the fees paid to the external auditor.

The Audit Committee’s Charter

The following is the text of the audit committee charter:

1. Overall Purpose / Objectives

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 and the audit process. 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 Company's business, operations and risks.

2. Authority

- 2.1 The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, to set and pay the compensation for any advisors employed by the Audit Committee, to ensure the attendance of Company officers at meetings as appropriate and to communicate directly with the Company's external auditors.

3. Organization

Membership

- 3.1 The Audit Committee will be comprised of at least three members, all of whom shall be Directors of the Company. Whenever reasonably feasible a majority of the members of the audit committee shall have no direct or indirect material relationship with the Company. If less than a majority of the Board of Directors are independent, then a majority of the members of the audit committee may be made up of members that are not independent of the Company, provided that there is an exemption in the applicable securities law, rule, regulation, policy or instrument (if any).
- 3.2 The chairman of the Audit Committee (if any) will be nominated by the Audit Committee from the members of the Audit Committee which are not officers or employees of the Company, or a company associated or affiliated with the Company, from time to time.
- 3.3 A quorum for any meeting will be two members.
- 3.4 The secretary of the Audit Committee will be the Company secretary, or such person as nominated by the Chairman of the Audit Committee, if there is one, or by the members of the Audit Committee.

Attendance at Meetings

- 3.5 The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.
- 3.6 Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.
- 3.7 The proceedings of all meetings will be minuted.

4. Roles and Responsibilities

The Audit Committee will:

- 4.1 Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- 4.2 Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- 4.3 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- 4.4 Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.

- 4.5 Review the annual and quarterly financial statements including Management's Discussion and Analysis and annual and interim earnings press releases prior to public dissemination, including any certification, report, opinion, or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- 4.6 Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- 4.7 Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- 4.8 Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- 4.9 Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- 4.10 Review the interim financial statements and disclosures, and obtain explanations from management on whether:
 - (a) actual financial results for the interim period varied significantly from budgeted or projected results;
 - (b) generally accepted accounting principles have been consistently applied;
 - (c) there are any actual or proposed changes in accounting or financial reporting practices;
 - (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure; and
 - (e) review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- 4.11 Review the performance of the external auditors and approve in advance provision of services other than auditing. 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 Board authorizes the Chairman of the Audit Committee to pre-approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.
- 4.12 Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.
- 4.13 Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- 4.14 Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- 4.15 Establish a procedure for:
 - (a) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
 - (b) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.

- 4.16 Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- 4.17 Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- 4.18 Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- 4.19 Perform other functions as requested by the full Board.
- 4.20 If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
- 4.21 Review and recommend updates to the charter; receive approval of changes from the Board.

5. Reference Date.

This 2007 Charter of the Audit Committee was first adopted and approved by the directors of the Company on April 5, 2007.

Composition of the Audit Committee

The members of the audit committee are Thomas Kennedy (Chair), Elston Johnston and Bruce Hirsche. Thomas Kennedy is an executive officer of the Company and not considered to be independent. Elston Johnston and Bruce Hirsche are not executive officers of the Company and, therefore, independent members of the audit committee. All members are considered to be financially literate.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

Thomas Kennedy has been CEO, President and a director of the Company since September 18, 2009, and Secretary of the Company since December 9, 2009. Mr. Kennedy was a graduate of the University of British Columbia having received his Bachelor of Commerce & Business Administration degree in 1973 and his Juris Doctor degree in 1974. Mr. Kennedy was admitted to the British Columbia Bar in 1975 and has practiced law for 36 years. After 7 years of employment with the Canadian Federal Department of Justice, Mr. Kennedy has primarily focused as a legal, financial and business consultant to publicly-traded companies. Mr. Kennedy is currently a member of the Law Society of British Columbia, the Canadian Bar Association and the British Columbia Bar Association, and an Associate member of the American Bar Association. Mr. Kennedy currently serves in positions as CEO, CFO, President, Vice-President and Secretary of several TSX Venture Exchange and CNSX publicly traded companies, primarily focused on mineral exploration.

Elston Johnston has been a director of the Company since December 17, 2010. Mr. Johnston's experience as president, sole director and owner of a successful consulting engineering company has qualified him to understand financial matters. He holds a Bachelor of Science degree in electrical engineering (1976) and he has been a director and/or officer of several public companies.

Bruce Hirsche has been a director of the Company since December 17, 2010. Mr. Hirsche's experience as a member of past audit committees for public companies has qualified him to understand financial matters. He holds an LL.B. and LL.M. (securities law) degrees.

Each member of the audit committee has adequate education and experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has the audit committee made any recommendations to the Board to nominate or compensate an external auditor which were not adopted by the Board.

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. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The audit committee is authorized by the Board 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 audit committee has reviewed the nature and amount of the non-audited services provided by I. Vellmer Inc., Chartered Accountant, for the years ended September 30, 2010 and 2011, to the Company to ensure auditor independence. Fees incurred for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended September 30, 2011	Fees Paid to Auditor in Year Ended September 30, 2010
Audit Fees ⁽¹⁾	\$10,200	\$9,200
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$630	\$600
All Other Fees ⁽⁴⁾	Nil	Nil
TOTAL:	\$10,830	\$9,800

(1) The aggregate fees billed.

(2) 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".

(3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

(4) The aggregate fees billed for products and services other than as set out under the previous categories.

Exemption

The Company has relied upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers from the requirement to comply with the restrictions on the composition of its audit committee and the disclosure requirements of its audit committee in an annual information form as prescribed by NI 52-110.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the Board of a company whose members are elected by and are accountable to the shareholders of the Company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making. Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Company’s Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Company’s Board requires management to provide complete and accurate information with respect to the Company’s activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Company’s Board is responsible for monitoring the Company’s officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The majority of the directors of the Company are independent. The independent members of the Board are James Chapman, Elston Johnston and Bruce Hirsche. The non-independent members are Thomas Kennedy (CEO) and Lance Morginn (consultant).

Directorships

The following directors of the Company are directors of other reporting issuers:

Thomas Kennedy

Reporting Issuer	Exchange & Symbol	Date Appointed
Acadia Resources Corp. (formerly Global Tree Technologies Inc.)	TSX-V: AIC	March 1989
Blind Creek Resources Ltd.	TSX-V: BCK	April 2011
Grand Peak Capital Corp.	CNSX: GPK	March 2008
Keymark Resources Inc.	CNSX: KKR	June 2011
M.E. Resource Corp. (formerly QMI Seismic Inc.)	TSX-V: MEC	February 2011
Ona Power Corp.	CNSX: OPO	December 2009

Elston Johnston

Reporting Issuer	Exchange & Symbol	Date Appointed
88 Capital Corp.	TSX-V: EEC.P	March 2011
Olympic Resources Ltd.	TSX-V: OLA	December 2010
Valdor Technology International Inc.	TSX-V: VTI	May 2010

Bruce Hirsche

Reporting Issuer	Exchange & Symbol	Date Appointed
Acadia Resources Corp. (formerly Global Tree Technologies Inc.)	TSX-V: AIC	January 1997
Innovotech Inc.	TSX-V: IOT	January 2001

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up-to-date with developments in relevant corporate and securities law matters. The Board does not provide any continuing education.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the audit committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

In order to further encourage and promote a culture of ethical business conduct, the Board has adopted a code of ethics, which is contained within the Company's revised Corporate Governance Policy that was adopted by board resolutions dated August 15, 2007. A copy of the Company's corporate governance policy including the code of ethics will be provided to any shareholder who requests it in writing.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. Recruitment of new Board members has generally resulted from recommendations made by directors, management and shareholders. The Board assess potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. The Company nominates Board members it considers ethical.

Generally, the Board seeks nominees that have the following characteristics: a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, support for the Company's mission and strategic objectives, and a willingness to serve.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board as a whole determines compensation for the directors and the Chief Executive Officer. To make its recommendations on such compensation, the Board takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies, as well as the success of the directors and officers in helping the Company to achieve its objectives and the Company's financial resources.

Other Board Committees

The Board has no other committees other than the audit committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal periodic assessments of the effectiveness of the Board, its committees and the individual directors to satisfy itself that they are performing effectively. The assessment of the Board relates to the ongoing governance and operation of the Board and its effectiveness in discharging its responsibilities. The assessment of individual directors is comprised of an examination of each individual director's ability to contribute to the effective decision-making of the Board.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation, Philosophy and Objectives

The Company does not have a formal compensation program. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers ("**NEOs**"), as hereinafter defined, is fair and reasonable. The Board relies on the experience of its members as officers and directors with other junior mining companies in assessing compensation levels.

Analysis of Elements

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each NEO's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's stock option plan (the "**Plan**").

Long Term Compensation and Option-Based Awards

The Company has no long-term incentive plans other than its Plan. The Company's directors and officers and certain consultants are entitled to participate in the Plan. The Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Plan aligns the interests of the NEO and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Company's Common Shares.

Options are granted by the Board. In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the stock exchange from the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year. For further details, see "Stock Option Plan".

Summary Compensation Table

In this section, a "Named Executive Officer" ("NEO") includes (i) the CEO, (ii) the CFO, (iii) each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers as at the end of the most recently completed financial year of September 30, 2011, and whose total compensation was more than \$150,000; and (iv) any additional individuals for whom disclosure would have been required except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year.

The following table sets forth compensation paid to the Company's NEOs during the three most recent financial years ended September 30, 2011, 2010 and 2009:

Name and principal position	Year ⁽¹⁾	Salary (\$) ⁽²⁾	Share-based awards (\$)	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$) ⁽²⁾
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
Thomas Kennedy ⁽⁴⁾ CEO, President and Secretary	2011	Nil	Nil	9,100	Nil	Nil	Nil	10,250 ⁽⁵⁾	19,350
	2010	Nil	Nil	3,400	Nil	Nil	Nil	11,000 ⁽⁵⁾	14,400
	2009	Nil	Nil	Nil	Nil	Nil	Nil	2,000 ⁽⁵⁾	2,000
John Morita ⁽⁶⁾ CFO	2011	Nil	Nil	9,100	Nil	Nil	Nil	19,570 ⁽⁷⁾	28,670
	2010	Nil	Nil	3,400	Nil	Nil	Nil	11,630 ⁽⁷⁾	15,030
	2009	Nil	Nil	Nil	Nil	Nil	Nil	300 ⁽⁷⁾	300

Name and principal position	Year ⁽¹⁾	Salary (\$) ⁽²⁾	Share-based awards (\$)	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$) ⁽²⁾
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
Geoffrey Goodall ⁽⁸⁾ Former President, CEO and CFO	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Lance Morginn ⁽⁹⁾ Former CFO, Treasurer and Secretary	2010 2009	Nil Nil	Nil Nil	9,100 20,400	Nil Nil	Nil Nil	Nil Nil	5,625 ⁽¹⁰⁾ Nil	14,725 20,400
Strato Malamas ⁽¹¹⁾ Former CEO, CFO and Treasurer	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Financial years ended September 30.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) Figures represent the grant date fair value of the options. The Company used the Black-Scholes option pricing model for calculating such fair value, as such model is commonly used by junior public companies. Assumptions used for such calculations include a risk free interest rate of 1.79% annualized volatility of 111% - 138% and a dividend rate of zero percent.
- (4) Mr. Kennedy has served as President and CEO since September 18, 2009, and as Secretary since December 9, 2009.
- (5) Fees for rent and administrative expenses.
- (6) Mr. Morita has served as CFO since September 18, 2009.
- (7) Fees for financial consulting services paid to a company controlled by Mr. Morita.
- (8) Mr. Goodall served as President from June 21, 2006 to March 5, 2009, as CEO from June 21, 2006 to August 14, 2007, and as CFO from June 21, 2006 to June 6, 2007.
- (9) Mr. Morginn served as CFO and Treasurer from August 14, 2007 to September 18, 2009, and as Secretary from September 18, 2009 to December 8, 2009.
- (10) Fees for professional fees.
- (11) Mr. Malamas served as CFO and Treasurer from June 6, 2007 to August 14, 2007, and as CEO from August 14, 2007 to September 18, 2009.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table sets out all option-based awards outstanding as at September 30, 2011 for each NEO. There were no share-based awards granted to any of the NEOs:

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Thomas Kennedy	100,000	0.18	March 1, 2013	Nil
John Morita	100,000	0.18	March 1, 2013	Nil
Lance Morginn	100,000	0.18	March 1, 2013	Nil

- (1) This amount is calculated as the difference between the market value of the securities underlying the options on September 30, 2011, being the last trading day of the Company's shares for the financial year, which was \$0.15, and the exercise price of the option. The exercise price of these options exceeded the market value of the Company's Common Shares at the year and hence these options were not in the money.

Incentive Plan Awards – Value Vested or Earned During The Year

The following table sets out the value vested during the year ended on September 30, 2011 for options awarded under the Plan for the NEO, as well as the value earned under non-equity incentive plans for the same period.

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 (\$) ⁽¹⁾
Thomas Kennedy	Nil ⁽¹⁾	N/A	N/A
John Morita	Nil ⁽¹⁾	N/A	N/A
Lance Morginn	Nil ⁽¹⁾	N/A	N/A

⁽¹⁾ This amount is based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.15 and the exercise price of the options.

PENSION PLAN BENEFITS

The Company does not have any non-cash compensation plans, long-term incentive plans, pension or retirement plans for its officers or directors and it did not pay or distribute any non-cash compensation during the year ended September 30, 2011, other than the grant of Options.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Termination and Change of Control Benefits

The Company does not have any plan contract, agreement or plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Company or a change in the NEO's responsibilities.

DIRECTOR COMPENSATION

There are no arrangements under which directors were compensated by the Company and its subsidiaries during the most recently completed financial year end for their services in their capacity as directors or consultants.

The following table sets forth particulars of all compensation paid to directors who were not NEOs during the year ended September 30, 2011:

Name	Fees earned	Share-based awards	Option-based awards ⁽¹⁾	Non-equity incentive plan compensation	Pension value	All other compensation	Total
	\$	\$	\$	\$	\$	\$	\$
James Chapman ⁽²⁾	Nil	Nil	9,100 ⁽³⁾	Nil	Nil	900 ⁽⁴⁾	10,000
Elston Johnston ⁽⁵⁾	Nil	Nil	4,550 ⁽⁶⁾	Nil	Nil	Nil	4,550
Bruce Hirsche ⁽⁵⁾	Nil	Nil	4,550 ⁽⁶⁾	Nil	Nil	Nil	4,550

⁽¹⁾ Figures represent the grant date fair value of the options. The Company used the Black-Scholes option pricing model for calculating such fair value, as such model is commonly used by junior public companies. Assumptions used for such calculations include a risk free interest rate of 1.79% annualized volatility of 111% - 138% and a dividend rate of zero percent.

⁽²⁾ Mr. Chapman was appointed a director of the Company on June 6, 2007.

⁽³⁾ The Company granted options to Mr. Chapman to purchase 100,000 Common Shares on March 1, 2011 at an exercise price of \$0.18 per Common Share expiring March 1, 2013.

⁽⁴⁾ The Company paid \$900 to James Chapman for geological consulting services.

⁽⁵⁾ Messrs. Johnston and Hirsche were directors of the Company on December 17, 2010.

⁽⁶⁾ The Company granted options to Messrs. Johnston and Hirsche to purchase 50,000 Common Shares each on March 1, 2011 at an exercise price of \$0.18 per Common Share expiring March 1, 2013.

Outstanding Option-Based Awards

The following table sets forth particulars of all outstanding option-based awards granted to the directors who were not NEOs which were outstanding at the end of the most recently completed financial year ended September 30, 2011:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
James Chapman	100,000	0.18	March 1, 2013	Nil
Elston Johnston	50,000	0.18	March 1, 2013	Nil
Bruce Hirsche	50,000	0.18	March 1, 2013	Nil

⁽¹⁾ This amount is based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.15 and the exercise price of the options.

Narrative Discussion

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the most recently completed financial year.

As disclosed elsewhere in this Information Circular, the Company has a Stock Option Plan for the granting of options to its officers, employees, directors and consultants. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

Incentive Plan Awards – Value Vested or Earned During The Year

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the year ended September 30, 2011:

Name	Option-based awards - Value vested during the year (\$) ⁽¹⁾	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
James Chapman	Nil	N/A	N/A
Elston Johnston	Nil	N/A	N/A
Bruce Hirsche	Nil	N/A	N/A

⁽¹⁾ This amount is based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.15 and the exercise price of the options.

A description of the significant terms of the Plan is found under "Stock Option Plan".

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the end of the year ended September 30, 2011. See Particulars of Other Matters to be Acted Upon – Stock Option Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options.	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))
Equity compensation plans approved by securityholders - (the Stock Option Plan)	1,400,000	\$0.18	269,150
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
TOTAL:	1,400,000	\$0.18	269,150

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year or as of the Record Date, 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 or indebted to another entity where such indebtedness was 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.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, officer or principal shareholder of the Company or any associate or affiliate of the foregoing persons, has any direct or indirect material interest in any transactions in which the Company has participated within the three year period prior to the date of this Information Circular, that has materially affected or will materially affect the Company.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Adoption of New Articles

The Company is seeking shareholder approval to replace its articles (the "**Current Articles**") with a new form of articles (the "**New Articles**"), with a view to incorporating the latest changes in laws and procedures and to providing the Company with greater flexibility in certain circumstances. The directors believe that adopting the New Articles will enable the Company to be more efficient and cost-effective, will provide the Company with greater flexibility in communicating with shareholders and in holding meetings and will provide shareholders with certain rights not provided for in the Current Articles.

The resolution approving the Articles must be passed by not less than two-thirds of the votes cast by the shareholders present in person or by proxy at the Meeting.

Copies of the proposed Articles will be available for viewing at the Company's offices at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, and will also be available for viewing at the Meeting.

Summary of the New Articles

The provisions of the New Articles are substantially similar to those of the Current Articles. The substantive changes from the Current Articles are as follows:

1. The Company may use the uncertificated shares and electronic records keeping systems currently in use worldwide and that are being increasingly adopted in Canada. The system, now known as the "Direct Registration" system, will provide a cost benefit to the Company as well as make share transactions more expedient and efficient.
2. The Company may communicate by mail, fax or email with other persons including directors, officers and shareholders, and delivery of notices to such persons shall be deemed to have occurred if the notice is mailed, faxed or emailed to the address or number, as applicable, provided by such person to the Company.
3. If on two consecutive occasions a notice or record sent to a shareholder is returned because the shareholder cannot be located, the Company shall not be required to send further notices or records to a shareholder until the shareholder informs the Company in writing of his or her new address.
4. In the event of a redemption of some but not all of the shares of any class, the directors may, subject to any special rights and restrictions attached to such shares, determine the manner of selecting the shares to be redeemed.
5. The Company may, by directors' resolution, alter its articles and share structure to (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares, (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established, (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares, (d) if the Company is authorized to issue shares of a class of shares with par value (i) decrease the par value of those shares; or (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares; (e) change all or any of its unissued shares, or fully paid issued, shares with par value into shares without par value or any of its unissued shares share without par value into shares with par value; and (f) alter the identifying name of any of its shares; and by ordinary resolution otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act* (British Columbia).
6. The quorum for shareholders' meetings is changed from one shareholder holding not less than 5% of the issued and outstanding shares to one shareholder present in person or represented by proxy.
7. Shareholder meetings may, if authorized by directors' resolution, be held in jurisdictions outside British Columbia.

Shareholder Approval

At the Meeting, shareholders will be asked to pass the following resolution:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- (a) the Company create and adopt new Articles in substitution for and cancellation of the existing Articles; and
- (b) any director or officer of the Company is authorized to execute and file such documents and take such further action, including any filings with the Registrar of Companies, that may be necessary to effect the adoption of the New Articles."

The New Articles shall have effect immediately on the date and time the Articles are deposited for filing in the Company's records office.

The Board believes the passing of the foregoing special resolution is in the best interests of the Company and recommends that shareholders vote in favour of the resolution. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the foregoing special resolution.

To pass the proposed special resolution, an affirmative vote of not less than two-thirds (2/3) of the votes cast by the shareholders of the Company present in person or by proxy at the Meeting is required.

Stock Option Plan

New 10% Rolling Plan

The Board adopted a stock option plan on August 12, 2009 (the “**Existing Plan**”). The Plan was established to provide incentive to directors, officers and employees and consultants. The Existing Plan is a 10% rolling plan that provides for issuance of Common Shares upon exercise of options equal to a maximum of 10% of the issued and outstanding Common Shares from time to time.

On December 16, 2011, the Board approved a new stock option plan (the “**New Plan**”) to replace the Existing Plan, which incorporates, among other things, provisions concerning the new requirements of the Canada Revenue Agency concerning withholding tax payments on exercised options. As a 10% rolling plan the aggregate number of Common Shares issuable as options under the New Plan may be up to 10% of the Company’s issued and outstanding Common Shares on the date on which an option is granted, less Common Shares reserved for issuance on exercise of options then outstanding under the New Plan. The purpose of the New Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. The New Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees (an “**Optionee**”). If the New Plan is approved by shareholders, all outstanding options under the Existing Plan will be rolled into and deemed granted under the New Plan. As at the date of this Information Circular, there are no outstanding options under the Existing Plan.

Eligible Optionees

To be eligible to receive a grant of options under the New Plan, regulatory authorities require an Optionee to be either a director, officer, employee, consultant or an employee of a company providing management or other services to the Company or a subsidiary at the time the option is granted.

Options may be granted only to an individual eligible, or to a non-individual that is wholly-owned by individuals eligible, for an option grant. If the option is granted to a non-individual, it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the option remains in effect.

Restrictions

The New Plan is subject to the following restrictions:

- (a) The Company must not grant an option to a director, employee, consultant, or consultant company (the “**Service Provider**”) in any 12-month period that exceeds 5% of the outstanding Common Shares of the Company, unless the Company has obtained approval by a majority of the Disinterested Shareholders (defined below) of the Company;
- (b) The aggregate number of options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 2% of the outstanding shares calculated at the date of the grant, without prior regulatory approval;
- (c) The Company must not grant an option to a Consultant in any 12 month period that exceeds 2% of the outstanding shares calculated at the date of the grant of the option;
- (d) The aggregate number of Common Shares reserved for issuance under options granted to Insiders (defined below) must not exceed 10% of the outstanding shares (in the event that the

New Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;

- (e) The number of optioned shares issued to Insiders in any 12 month period must not exceed 10% of the outstanding shares (in the event that the New Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (f) The issuance to any one Optionee within a 12 month period of a number of Common Shares must not exceed 5% of outstanding shares unless the Company has obtained Disinterested Shareholder Approval to do so;
- (g) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so; and
- (h) The Company may implement such procedures and conditions as the Board deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

Definitions

“Disinterested Shareholder Approval” means the approval by a majority of the votes cast by all shareholders of the Company at the Meeting excluding votes attached to listed Common Shares beneficially owned by Insiders (defined below) of the Company and Associates (as defined in the British Columbia *Securities Act*) of Insiders.

An **“Insider”** is a director, or senior officer of the Company, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting Common Shares carrying more than 10% of the voting rights attached to all outstanding voting Common Shares of the Company.

Material Terms of the New Plan

The following is a summary of the material terms of the New Plan:

- (a) persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the New Plan;
- (b) all options granted under the New Plan expire on a date not later than 10 years after the issuance of such options. However, should the expiry date for an option fall within a trading Blackout Period (as defined in the New Plan, generally meaning circumstances where sensitive negotiations or other like information is not yet public), within 9 business days following the expiration of a Blackout Period;
- (c) for options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) an Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) if an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;

- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the New Plan);
- (h) vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period;
- (i) in the event of a take over bid being made to the shareholders generally, immediately upon receipt of the notice of the take over bid, the Company shall notify each Optionee currently holding any Options, of the full particulars of the take over bid, and all outstanding options may, notwithstanding the vesting terms contained in the New Plan or any vesting requirements subject to regulatory approval; and
- (j) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the New Plan with respect to all New Plan shares in respect of options which have not yet been granted under the New Plan.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the New Plan may be made by the Board without further shareholder approval. Accordingly, the Board proposes that the New Plan also provide the following:

The Board may, without shareholder approval:

- (i) amend the New Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the New Plan, if applicable;
- (iii) change the termination provision of an option granted under the New Plan if it does not entail an extension beyond the original expiry date of such option;
- (iv) make such amendments to the New Plan as are necessary or desirable to reflect changes to securities laws applicable to the Company;
- (v) make such amendments as may otherwise be permitted by regulatory authorities;
- (vi) if the Company becomes listed or quoted on a stock exchange or stock market senior to the CNSX-V, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the New Plan to reduce the benefits that may be granted to Service Providers.

Shareholder Approval

At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to adopt the New Plan, with or without variation, as follows:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Stock Option Plan, approved by the board of directors of the Company on December 16, 2011, as more particularly described in the Information Circular of the Company dated for reference January 25, 2012, be ratified and approved;

2. all outstanding options granted previously by the Company be rolled into the Stock Option Plan;
3. to the extent permitted by law, the Company be authorized to abandon all or any part of the Stock Option Plan if the directors of the Company deem it appropriate and in the best interests of the Company to do so; and
4. any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give effect to these resolutions.”

The Board recommends that shareholders vote in favour of the Plan. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the foregoing ordinary resolution.

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

A copy of the New Plan will be available for inspection at the Meeting.

ADDITIONAL INFORMATION

Financial information is provided in the audited financial statements of the Company for the year ended September 30, 2011 and in the related management discussion and analysis (together, the “**Financial Statements**”). The Financial Statements were filed on SEDAR at www.sedar.com on December 9, 2011 and will be placed before the Meeting.

Additional information relating to the Company and a copy of the Financial Statements may be obtained at www.sedar.com, and upon request from the Company at Suite 804 – 750 West Pender Street, Vancouver, BC, V6C 2T7, telephone: (604) 682-2928 or fax: (604) 685-6905. Copies of the above documents will be provided, upon request, free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of this Information Circular.

DIRECTORS' APPROVAL

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, this 25th day of January, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

“Thomas Kennedy”

Thomas Kennedy,
Chief Executive Officer