

**BONAPARTE RESOURCES INC.**

**5384B Imperial Street  
Burnaby, BC V5J 1E6**

**NOTICE AND MANAGEMENT INFORMATION CIRCULAR**

**FOR THE ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS  
TO BE HELD ON FRIDAY, JUNE 14, 2013**

*May 14, 2013*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisor.*

## BONAPARTE RESOURCES INC.

5384B Imperial Street  
Burnaby, British Columbia V5J 1E6  
Telephone: (604) 484-8750  
Facsimile: (604) 599-0222

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of Bonaparte Resources Inc. (the “**Company**”) will be held at the offices of Clark Wilson LLP located at 900 - 885 West Georgia Street, Vancouver, British Columbia, on Friday, June 14, 2013, at 10:00 am (Vancouver time) for the following purposes:

- (1) to receive the audited financial statements of the Company for the financial year ended August 31, 2012, and the accompanying report of the auditors;
- (2) to set the number of directors of the Company for the ensuing year at four;
- (3) to elect Thomas Randall Saunders, Robert Jamieson, Mike England and Tom McCandless as directors of the Company to hold office until the next annual general meeting, or until such time as their successors are duly elected or appointed in accordance with the Company’s constating documents;
- (4) to appoint Manning Elliott LLP, Chartered Accountants, as the auditors of the Company for the ensuing fiscal year and to authorize the directors to fix the remuneration to be paid to the auditors;
- (5) to consider and, if thought fit, approve an ordinary resolution to approve the Company’s rolling stock option plan, as described in the Information Circular accompanying this Notice of Meeting; and
- (6) to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Management Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Company’s board of directors (the “**Board**”) has fixed May 13, 2013, as the record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to receive such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company’s transfer agent, Computershare Investor Services Inc. at 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

If you are a non-registered shareholder of the Company and have received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, this 14th day of May, 2013.

By Order of the Board

*/s/Thomas Randall Saunders* \_\_\_\_\_

Thomas Randall Saunders  
President, Chief Executive Officer,  
Secretary and Director

# **BONAPARTE RESOURCES INC.**

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## **MANAGEMENT INFORMATION CIRCULAR**

May 14, 2013

### **INTRODUCTION**

This Information Circular accompanies the Notice of Annual General and Special Meeting (the “**Notice**”) and is furnished to shareholders holding common shares in the capital of Bonaparte Resources Inc. (the “**Company**”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the shareholders to be held at 10:00 a.m. (Vancouver time) on Friday, June 14, 2013, at the offices of Clark Wilson LLP, 900 - 885 West Georgia Street, Vancouver, British Columbia or at any adjournment or postponement thereof.

#### **Date and Currency**

The date of this Information Circular is May 14, 2013. Unless otherwise stated, all amounts herein are in Canadian dollars.

### **PROXIES AND VOTING RIGHTS**

#### **Management Solicitation**

The solicitation of proxies by the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

#### **Appointment of Proxy**

Registered shareholders are entitled to vote at the Meeting. A shareholder is entitled to one vote for each common share that such shareholder holds on the record date of May 13, 2013 (the “**Record Date**”) on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.**

**TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc. (the "**Transfer Agent**") at their offices located at 9th Floor, 100 University Avenue Toronto, Ontario, M5J 2Y1, by mail or fax, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. Alternatively, the completed form of proxy may be delivered to the chairman (the "**Chairman**") of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder's attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

#### **Revocation of Proxies**

A shareholder who has given a proxy may revoke it at anytime before it is exercised by an instrument in writing (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (a) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or (b) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

#### **Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons**

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. **The common shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE**

**DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF THE COMPANY'S BOARD OF DIRECTORS FOR DIRECTORS AND AUDITOR.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

**BENEFICIAL SHAREHOLDERS**

**The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting.** 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). **Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of common shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the common shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote common shares directly at the Meeting - the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its common shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them

and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his or her common shares.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, determined by the Company's board of directors (the "**Board**") to be the close of business on May 13, 2013, a total of 14,113,987 common shares were issued and outstanding. Each common share carries the right to one vote at the Meeting.

Only registered shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns or exercises control or direction over, directly or indirectly, common shares carrying 10% or more of the voting rights attached to the outstanding common shares of the Company.

### **RECEIPT OF FINANCIAL STATEMENTS**

The directors will place before the Meeting the financial statements for the year ended August 31, 2012 together with the auditors' reports thereon.

### **NUMBER OF DIRECTORS**

The Articles of the Company provide for a board of directors of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the shareholders.

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at four. The number of directors will be approved if the affirmative vote of the majority of common shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at four.

**Management recommends the approval of the resolution to set the number of directors of the Company at four.**

### **ELECTION OF DIRECTORS**

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal. The Company's current Board consists of Thomas Randall Saunders, Robert Jamieson, Mike England, William Pettigrew and Tom McCandless. William Pettigrew has decided to not stand for re-election. In the absence of instructions to the contrary, the enclosed Form of Proxy will be voted for the nominees listed in the Form of Proxy, all of whom are presently members of the Board.

Management of the Company proposes to nominate the persons named in the table below for election by the shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

<b>Name Province Country of Residence and Position(s) with the Company</b>	<b>Principal Occupation Business or Employment for Last Five Years</b>	<b>Periods during which Nominee has Served as a Director</b>	<b>Number of Common Shares Owned <sup>(1)</sup></b>
Thomas Randall Saunders British Columbia, Canada  <i>President, Chief Executive Officer, Secretary and Director</i>	President of Otway Investments Inc. (June 1995 to present) a private British Columbia investment company; director of Croydon Mercantile Corp. <sup>(5)</sup> (June 1999 to present); and director of Ross River Minerals Inc. <sup>(5)</sup> (June 2008 to present).	July 10, 2007 to present	1,223,334 <sup>(3)</sup>
Robert Jamieson <sup>(2)</sup> British Columbia, Canada  <i>Chief Financial Officer and Director</i>	Self-employed Chartered Accountant in British Columbia (1977 to present); Chief Financial Officer and director of Harbour Pacific Minerals Inc. <sup>(5)</sup> (December 2004 to present); President and director of Croydon Mercantile Corp. <sup>(5)</sup> (March 1996 to present); and Chief Financial Officer and director of Ross River Minerals Inc. <sup>(5)</sup> (April 2007 to present).	July 10, 2007 to present	600,001 <sup>(4)</sup>



<b>Name Province Country of Residence and Position(s) with the Company</b>	<b>Principal Occupation Business or Employment for Last Five Years</b>	<b>Periods during which Nominee has Served as a Director</b>	<b>Number of Common Shares Owned <sup>(1)</sup></b>
<p>Mike England<sup>(2)</sup> British Columbia, Canada</p> <p><i>Director</i></p>	<p>Self-employed investor relations consultant since January 1995; President, England Communications Ltd. a private B.C. company since February 2009; President, CEO and Director of Geo Minerals Ltd. <sup>(5)</sup> (September 2005 to December 2011); Director, President and CEO of GeoNovus Minerals Corp. <sup>(5)</sup> (October 2011 to present); Director of Alston Ventures Inc. (November 2007 to July 2012); President, CEO and Director of Alix Resources Corp. <sup>(5)</sup> (June 2007 to present); Director of Kent Exploration Inc. <sup>(5)</sup>, (October 2007 to March 2012); Director of Caribou King Resources Ltd. <sup>(5)</sup> (September 2009 to present) and CEO (February 2011 to present); Director, CEO and President of Ashburton Ventures Inc., a company listed on the TSX Venture Exchange since January 2007, December 2008, and September 2009 respectively; Director of Zone Resources Inc., a junior oil and gas company listed on the TSX Venture Exchange (May 2008 to April 2011); Director of Abbastar Resources Corp. <sup>(5)</sup> (April 2009 to April 2010); Director of BTU Capital Corp., a junior mining company listed on the NEX Board (April 2009 to present); Director of Aintree Resources Corp. a company listed on the TSX Venture Exchange (October 2009 to present); Director of Archean Star Resources Inc. <sup>(5)</sup> (January 2011 to present); and Director of Discovery Ventures Inc. <sup>(5)</sup> (November 2011 to June 2012).</p>	<p>June 21, 2012 to present</p>	<p>100,000</p>
<p>Tom McCandless<sup>(2)</sup> British Columbia, Canada</p> <p><i>Director</i></p>	<p>Geological Consultant (July 2008 to present); Chief Mineralogist, Stornoway Diamonds Corp., a mining company listed on the TSX (January 2006 to June 2008); Director of Ashburton Ventures Inc., a company listed on the TSX Venture Exchange (November 2008 to present).</p>	<p>June 21, 2012 to present</p>	<p>Nil</p>

Notes:

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Record Date, based upon information furnished to the Company by the individual directors.
- (2) Member of the Audit Committee.
- (3) Mr. Saunders also beneficially holds 35,000 options to purchase common shares of the Company at \$0.45 per share expiring February 8, 2016.
- (4) Mr. Jamieson also beneficially holds 35,000 options to purchase common shares of the Company at \$0.45 per share expiring February 8, 2016.
- (5) A junior mining company listed on the TSX Venture Exchange.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

**Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.**

### **Cease Trade Orders**

Except as disclosed below, no proposed director of the Company is, or within the ten years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Zone Resources Inc., a company of which Michael B. England became a director in May of 2008, was issued a cease trade order dated May 7, 2008 by the Alberta Securities Commission and a cease trade order dated May 14, 2008 by the British Columbia Securities Commission for failing to file annual audited financial statements for the period ending December 31, 2007 within the required time period. Zone Resources Inc. received a Revocation Order from the Alberta Securities Commission on September 9, 2008 and from the British Columbia Securities Commission on September 9, 2008.

### **Bankruptcies**

No proposed director of the Company has, within ten years before the date of this Information Circular, been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

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

### **Penalties or Sanctions**

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 securityholder in deciding whether to vote for a proposed director.

## STATEMENT OF EXECUTIVE COMPENSATION

### General

For the purpose of this Information Circular:

“CEO” of the Company means each 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;

“CFO” of the Company means each 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; and

“NEO” or “**named executive officer**” means each of the following individuals:

- (a) a CEO,
- (b) a CFO,
- (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, 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, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year, and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity at the end of the most recently completed financial year.

### Compensation Discussion and Analysis

The overall objective of the Company’s compensation strategy is to offer medium-term and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest caliber and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the Chief Executive Officer, if any, in this regard. The Company currently has medium-term and long-term compensation components in place, and intends to further develop these compensation components. The objectives of the Company’s compensation policies and procedures are to align the interests of the Company’s employees with the interests of the Company’s shareholders. Therefore a significant portion of the total compensation is based upon overall corporate performance. The Company currently uses primarily fees, incentive stock options and discretionary bonuses to compensate its NEOs.

The Company does not have in place a Compensation and Nominating Committee. All tasks related to developing and monitoring the Company’s approach to the compensation of officers of the Company and to developing and monitoring the Company’s approach to the nomination of directors to the Board are performed by the members of the Board. The compensation of the NEOs and the Company’s employees is reviewed, recommended and approved by the independent directors of the Company.

The Company chooses to grant stock options to NEOs to satisfy the long-term compensation component. The Board may consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant. The Board considers that the payment of such discretionary annual cash bonuses satisfies the medium term compensation component. In the future, the Board may also consider the grant of options to purchase common shares of the Company with longer future vesting dates to satisfy the long term compensation component.

Commencing January 1, 2011, the board of directors of the Company agreed that Thomas Randall Saunders, President, Chief Executive Officer, Secretary and a director of the Company, will be paid a fee of \$4,000 (plus tax) per month indirectly through Malesa Investments Inc., a private company wholly-owned by Mr. Saunders, for management services rendered as the CEO of the Company, and Robert Jamieson, Chief Financial Officer and a director of the Company, will be paid a fee of \$2,000 (without tax) per month until August 31, 2012 and \$2,000 per month (plus tax) thereafter for management services as an officer for services rendered as CFO.

Under the Company's compensation policies and practices, NEOs and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Based on this review, the Board believes that the compensation policies and practices do not encourage executive officers to take unnecessary or excessive risk.

#### *Option-Based Awards*

In accordance with Policy 4.4 of the TSX Venture Exchange (the "Exchange"), the directors of the Company have adopted a rolling Stock Option Plan (the "Plan") which requires annual shareholder approval pursuant to Exchange policies. The Plan complies with the requirements of Exchange Policy 4.4 for Tier 2 issuers. Under the Plan, a maximum of 10% of the issued and outstanding shares of the Company are proposed to be reserved at any time for issuance on the exercise of stock options. As the number of shares reserved for issuance under the Plan increases with the issue of additional shares by the Company, the Plan is considered to be a "rolling" stock option plan. See "Approval of Stock Option Plan".

The Company does not have in place a Compensation and Nominating Committee. Accordingly, decisions regarding the grant of stock options are made by the Board. The Board takes into account previous grants of option-based awards when making decisions about new grants.

#### **Summary Compensation Table**

Particulars of compensation paid to each individual that was a NEO in the Company's most recently completed financial year are set out in the summary compensation table below for each of the Company's three most recently completed financial years:

Name and Principal Position	Year Ending August 31,	Salary (\$)	Share-based Awards <sup>(2)</sup> (\$)	Option-based Awards <sup>(3)</sup> (\$)	Non-equity Incentive Plan Compensation <sup>(1)</sup> (\$)		Pension Value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Thomas Randall Saunders <sup>(4)</sup> <i>President, CEO, Secretary and Director</i>	2012	48,000	Nil	Nil	Nil	Nil	Nil	Nil	48,000
	2011	35,840	Nil	18,377	Nil	Nil	Nil	Nil	54,217
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Robert Jamieson <sup>(5)</sup> <i>CFO and Director</i>	2012	24,000	Nil	Nil	Nil	Nil	Nil	Nil	24,000
	2011	16,000	Nil	18,377	Nil	Nil	Nil	Nil	34,377
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

<sup>(1)</sup> "Non-equity Incentive Plan Compensation" includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.

- (2) “Share-based Awards” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.
- (3) “Option-based Awards” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.
- (4) Thomas Randall Saunders has been President, Chief Executive Officer, Secretary and director since its incorporation on July 10, 2007. Mr. Saunders resigned as the Chief Financial Officer on October 26, 2009.
- (5) Robert Jamieson has been Chief Financial Officer since October 26, 2009 and a director since its incorporation on July 10, 2007.

*Narrative*

The Company agreed to pay Thomas Randall Saunders and Robert Jamieson a fee of \$4,000 (plus tax) and \$2,000 (without tax) per month, respectively, in consideration for their respective services to the Company. There is no written agreement between the parties and therefore can be terminated at any time.

Other than as set forth in the foregoing, no NEO of the Company has received, during the three most recently completed financial years, compensation pursuant to:

- (a) any standard arrangement for the compensation of NEOs for their services in their capacity as NEOs, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of NEOs in their capacity as NEOs; or
- (c) any arrangement for the compensation of NEOs for services as consultants or expert.

There was no re-pricing of stock options under the Plan or otherwise during the Company’s financial year ended August 31, 2012.

**Incentive Plan Awards**

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

The following table sets forth the share-based and option-based awards for each NEO of the Company that were outstanding as of August 31, 2012.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Thomas Randall Saunders	35,000	\$0.45	February 8, 2016	Nil	N/A	N/A	N/A
Robert Jamieson	35,000	\$0.45	February 8, 2016	Nil	N/A	N/A	N/A

Note:

<sup>(1)</sup> Value is calculated based on the difference between the market value of the securities underlying the options as of the year ended August 31, 2012 of \$0.12 and the exercise price of the option.

*Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year ended August 31, 2012, by each NEO.

<b>Name</b>	<b>Option-based awards - Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards - Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Thomas Randall Saunders	Nil	N/A	N/A
Robert Jamieson	Nil	N/A	N/A

Note:

<sup>(1)</sup> The value is determined by calculating the difference between the market price of the underlying shares and the exercise price of the options on the vesting date.

*Narrative*

There was no re-pricing of stock options under the Plan or otherwise during the Company’s most recently completed financial year ended August 31, 2012.

Refer to the section titled “Compensation Discussion and Analysis”, above and “Approval of Stock Option Plan”, below for a description of all plan based awards and their significant terms.

**Pension Plan Benefits**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

**Termination and Change of Control Benefits**

The Company has not entered into any written agreements with any of its NEOs and does not have any termination and change of control benefits.

**DIRECTOR COMPENSATION**

**Director Compensation Table**

The following table sets forth the details of compensation provided to the directors, other than the NEOs, during the most recently completed financial year ended August 31, 2012.

<b>Name</b>	<b>Fees Earned (\$)</b>	<b>Share-based Awards<sup>(2)</sup> (\$)</b>	<b>Option-based Awards<sup>(3)</sup> (\$)</b>	<b>Non-equity Incentive Plan Compensation (\$)</b>	<b>Pension Value (\$)</b>	<b>All other Compensation (\$)</b>	<b>Total Compensation (\$)</b>
William Pettigrew <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Matthew Turner <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Drechsler <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mike England <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Tom McCandless <sup>(5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

<sup>(1)</sup> William Pettigrew will resign as a director of the Company on June 14, 2013.

<sup>(2)</sup> Matthew Turner resigned as a director of the Company on June 21, 2012.

- (3) Richard Drechsler resigned as a director of the Company on June 21, 2012.  
 (4) Mike England has been a director of the Company since June 21, 2012.  
 (5) Tom McCandless has been a director of the Company since June 21, 2012.

*Narrative*

No compensation was paid to any director of the Company for services rendered as a director during the Company's most recently completed financial year.

Except as set out herein, during the Company's most recently completed financial year, there were no standard compensation arrangements, or other arrangements in addition to or in lieu of standard arrangements, under which the directors of the Company were compensated for services in their capacity as directors (including any additional amounts payable for committee participation or special assignments), or for services as consultants or experts.

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

The following table sets forth the share-based and option-based awards for each director of the Company that were outstanding as of August 31, 2012.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
William Pettigrew <sup>(2)</sup>	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Matthew Turner <sup>(3)</sup>	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Richard Drechsler <sup>(4)</sup>	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Mike England <sup>(5)</sup>	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Tom McCandless <sup>(6)</sup>	Nil	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Value is calculated based on the difference between the market value of the securities underlying the options as of the year ended August 31, 2012 of \$0.12 and the exercise price of the option.  
 (2) William Pettigrew will resign as a director of the Company on June 14, 2013.  
 (3) Matthew Turner resigned as a director of the Company on June 21, 2012.  
 (4) Richard Drechsler resigned as a director of the Company on June 21, 2012.  
 (5) Mike England has been a director of the Company since June 21, 2012.  
 (6) Tom McCandless has been a director of the Company since June 21, 2012.

*Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year ended August 31, 2012, by each director.

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 (\$)
William Pettigrew <sup>(1)</sup>	Nil	N/A	N/A
Matthew Turner <sup>(2)</sup>	Nil	N/A	N/A
Richard Drechsler <sup>(3)</sup>	Nil	N/A	N/A
Mike England <sup>(4)</sup>	Nil	N/A	N/A
Tom McCandless <sup>(5)</sup>	Nil	N/A	N/A

**Notes:**

- (1) William Pettigrew will resign as a director of the Company on June 14, 2013.
- (2) Matthew Turner resigned as a director of the Company on June 21, 2012.
- (3) Richard Drechsler resigned as a director of the Company on June 21, 2012.
- (4) Mike England has been a director of the Company since June 21, 2012.
- (5) Tom McCandless has been a director of the Company since June 21, 2012.

*Narrative*

There was no re-pricing of stock options under the Plan or otherwise during the Company’s most recently completed financial year ended August 31, 2012.

Refer to the section titled “Compensation Discussion and Analysis”, above and “Approval of Stock Option Plan”, below for a description of all plan based awards and their significant terms.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth details of the Company’s compensation plans under which equity securities of the Company are authorized for issuance at the end of the Company’s most recently completed financial year ended August 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))
Equity compensation plans previously approved by security holders <sup>(1)</sup>	621,760 <sup>(2)</sup>	Nil	789,638
Equity compensation plans not previously approved by security holders <sup>(2)</sup>	N/A	N/A	N/A
<b>Total</b>	<b>621,760</b>	<b>\$0.19</b>	<b>789,638</b>

**Notes:**

- (1) The Plan was last approved by shareholders on May 31, 2012. As the Plan is a 10% rolling stock option plan, the Company is required to seek annual approval of its shareholders for the Plan pursuant to Exchange policies. The Company is seeking approval of the Plan at the Meeting.
- (2) Total consists of 621,760 common shares issuable upon exercise of the outstanding stock options.



## **APPOINTMENT OF AUDITOR**

Shareholders will be asked to vote for the appointment of Manning Elliott LLP, Chartered Accountants, to serve as auditors of the Company to hold office until the next annual general meeting of the shareholders or until such firm is removed from office or resigns as provided by law and to authorize the Board to fix the remuneration to be paid to the auditors. Manning Elliott LLP, Chartered Accountants, of Vancouver, British Columbia were first appointed as auditors of the Company on July 16, 2007.

**Management recommends shareholders to vote for the ratification of the appointment of Manning Elliott LLP, Chartered Accountants, as the Company's auditors for the ensuing fiscal year at a remuneration to be fixed by the Company's Board.**

## **AUDIT COMMITTEE DISCLOSURE**

National Instrument 52-110 of the Canadian Securities Administrators 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 Audit Committee Charter**

The Company's Audit Committee Charter was adopted by the Company's Board and Audit Committee on February 9, 2009. A copy of the Company's Audit Committee Charter is attached hereto as Schedule "A".

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

The Company's Audit Committee is comprised of three directors: Robert Jamieson, Mike England and Tom McCandless. As defined in National Instrument 52-110, Robert Jamieson, the Company's CFO, is not "independent", and Mike England and Tom McCandless are independent. All of the Audit Committee members are "financially literate", as defined in National Instrument 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The audit committee members meet periodically with management and annually with the external auditors.

### **Relevant Education and Experience**

Each of Mr. Jamieson, Mr. England and Mr. McCandless meet the requirements set out in Section 3 – Relevant Education and Experience of Form 52-110F2 – Audit Committee Disclosure by Venture Issuers.

#### *Robert Jamieson*

Mr. Jamieson has been an active Chartered Accountant in British Columbia since 1977. Mr. Jamieson has been a self-employed Chartered Accountant in British Columbia for 28 years. He has been Chief Financial Officer and a director of Harbour Pacific Minerals Inc. since December 2004 and President and a director of Croydon Mercantile Corp. since March 1996. Mr. Jamieson is also the Chief Financial Officer and director of Ross River Minerals Inc. and has been since April 2007. Mr. Jamieson obtained a Licentiate in Accounting from the University of British Columbia in 1973 and a Bachelors of Commerce (Finance) from the University of British Columbia in 1972.

*Mike England*

Mr. England has been involved in public markets since 1983, beginning with CM Oliver & Co., and Richardson Greenshields, and later working for RBC Dominion Securities. Since 1995, Mr. England has been involved directly with public companies, particularly in the mining sector, serving various roles including investor relations, chief financial officer, directorships and presidencies.

*Tom McCandless*

Dr. McCandless has more than 30 years of experience in the exploration industry, and was part of the Senior Management of Ashton Mining of Canada who discovered the Renard kimberlites in Quebec that are slated to become Quebec's first diamond mine. From 2008 to the present, Dr. McCandless has been a consultant to the industry through MCC Geoscience, Inc., for diamond and metals projects in North America, South America, Africa, and Scandinavia. Dr. McCandless also holds the position of Adjunct Professor at the University of Arizona and the University of Alberta, and has published extensively on the geochemistry of ore deposits. He currently sits on the board of numerous public mining exploration companies and is also a Qualified Person as defined by National Instrument 43-101.

**Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

**Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 (*Exemptions*) permits a company to apply to a securities regulatory authority for an exemption from the requirements of National Instrument 52-110 in whole or in part.

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company. A copy of the Company's Audit Committee Charter is attached hereto as Schedule "A".

**External Auditor Service Fees**

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company's external auditor in the last two fiscal years, by category, are as follows:

<b>Financial Year Ended August 31</b>	<b>Audit Fees (\$)</b>	<b>Audit Related Fees (\$)</b>	<b>Tax Fees (\$)</b>	<b>All Other Fees (\$)</b>
2012	19,700	3,800	Nil	Nil

2011	\$15,000	Nil	Nil	Nil
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**Exemption**

The Company is relying on the exemption provided by section 6.1 of National Instrument 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of National Instrument 52-110.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director, executive officer or employee, proposed nominee for election to the Board, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

None of the directors or executive officers of the Company is or, at any time since the beginning of the most recently completed financial year, has been indebted to the Company. None of the directors' or executive officers' indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed below and elsewhere in this Information Circular, no informed person of the Company, proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company has had any material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company.

**"Informed person"** means

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution of it; and
- (d) the Company has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

On September 6, 2011 the Company obtained an unsecured short term loan from Thomas Randall Saunders, the Company's President, Chief Executive Officer, Secretary and director, for \$65,000. The loan bears interest at bank prime plus 3% per annum and is due on September 6, 2012. Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, common shares or who exercises control or direction of common shares, or a combination of both carrying more than ten percent of the voting rights attached to the common shares outstanding (an **"Insider"**); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of common shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all

holders of the same class of common shares. The loan to Mr. Saunders was repaid on April 3, 2012 in the amount of \$67,222.47 including interest.

During the most recently completed financial year, the Company entered into the following transactions with Informed Persons:

- (a) The Company incurred rent fees of \$5,600 with Malesa Investments Inc., a private company owned by Randall Saunders.
- (b) The Company owed \$76,901 to Malesa Investments Inc., a private company owned by Randall Saunders for management services, office rent and out of pocket expenses..
- (c) The Company owed \$28,000 to Robert Jamieson for management and accounting services.

### MANAGEMENT CONTRACTS

Since the start of the Company's financial year ended August 31, 2012, there were no management functions of the Company, which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

### CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices as follows:

#### Board of Directors

The Board of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

Mike England and Tom McCandless are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from shareholders. Thomas Randall Saunders is the President, Chief Executive Officer and Secretary of the Company and Robert Jamieson is the Chief Financial Officer of the Company and are therefore not independent.

#### Directorships

Certain directors of the Company (or nominees for director) are presently a director of one or more other reporting issuers, namely:

Name of Director	Names of Other Reporting Issuers
Thomas Randall Saunders	Ross River Minerals Inc. <sup>(1)</sup> Croydon Mercantile Corp. <sup>(2)</sup>
Robert Jamieson	Ross River Minerals Inc. <sup>(1)</sup> Croydon Mercantile Corp. <sup>(2)</sup> Harbour Pacific Minerals Inc. <sup>(3)</sup>

Name of Director	Names of Other Reporting Issuers
Mike England	Aintree Resources Corp. <sup>(1)</sup> Alix Resources Corp. <sup>(1)</sup> Archean Star Resources Inc. <sup>(1)</sup> Ashburton Ventures Inc. <sup>(1)</sup> BTU Capital Corp. <sup>(5)</sup> GeoNovus Minerals Corp. <sup>(1)</sup> Caribou King Resources Ltd. <sup>(1)</sup>
Tom McCandless	Ashburton Ventures Inc. <sup>(1)</sup> Caribou King Resources Ltd. <sup>(1)</sup>

**Notes:**

- (1) TSX Venture Exchange.
- (2) Not Listed. Reporting issuer in the province of British Columbia.
- (3) Not Listed. Reporting issuer in the province of Alberta.
- (4) Not Listed. Reporting issuer in the provinces of British Columbia, Alberta and Ontario.
- (5) NEX Board

**Orientation and Continuing Education**

New directors to the Board are provided with access to recent publicly filed documents of the Company, all reports and the Company's internal financial information, access to management, experts and consultants, and a summary of significant corporate and securities responsibilities.

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

**Ethical Business Conduct**

The Board 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 director's 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.

**Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have 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, show support for the Company's mission and strategic objectives, and a willingness to serve.

**Compensation**

The Board conducts annual reviews with regard to the compensation of the Company's directors and executive officers. To make its recommendations on such compensation, the Board may take into account the types of compensation and the amounts paid to directors and senior officers of comparable, publicly-traded Canadian companies.

**Other Board Committees**

The Board has no other committees other than the Audit Committee.

## **Assessments**

The Board regularly monitors the adequacy of information given to directors, communications between the board and management and the strategic direction and processes of the Board and its committees to satisfy itself that the board, its committees, and its individual directors are performing effectively.

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associates or affiliates of any such directors, executive officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of common shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors, the appointment of auditors and approval of Plan (as defined herein).

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

### **Approval of Stock Option Plan**

At the Meeting, shareholders will be asked to approve by ordinary resolution, the Company's current 10% rolling stock option plan (the "**Plan**"). Under the Plan, a maximum of 10% of the issued shares of the Company, from time to time, may be reserved for issuance pursuant to the exercise of options granted. The Exchange requires listed companies that have "rolling" stock option plans in place to receive shareholder approval to such plan on a yearly basis at the Company's annual shareholders meeting.

The purpose of the Plan is to provide the Company with a share related mechanism to enable the Company to attract, retain and motivate qualified directors, officers, employees and other service providers, to reward those parties for advancing the interests of the Company and to enable and encourage such individuals to acquire shares in the Company as long term investments.

The Plan complies with the current policies of Exchange for Tier 2 issuers. The Plan is considered a "rolling" stock option plan whereby the number of shares reserved for issuance under the Plan will increase with the issue of additional shares of the Company.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan which was filed on SEDAR on March 10, 2011 with the Company's 2011 Management Information Circular:

1. The exercise price of stock options granted under the Plan will be set by the Board in its sole discretion, at the time of grant and will not be less than the prevailing price permitted by the policies of the Exchange. Presently, the policies of the Exchange requires the exercise price of stock options cannot be less than the closing price of the Company's shares traded through the facilities of the Exchange on the date prior to the date of grant, less allowable discounts. If the Company's shares are no longer listed for trading on the Exchange, then the exercise price will not be less than the minimum price permitted by such other exchange or quotation system on which the shares are listed or quoted for trading.
2. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, without having been exercised in full, the number of shares in respect of the expired or terminated option shall again be available for the purpose of the Plan.
3. All options granted under the Plan may not have an expiry date exceeding ten years from the date on which the option is granted.
4. Options granted to any one individual in any 12 month period cannot exceed more than 5% of the issued shares of the Company, while the Company is a Tier 2 issuer.

5. Options granted to any one consultant in any 12 month period cannot exceed more than 2% of the issued shares of the Company.
6. Options granted to all persons, in aggregate, conducting investor relations activities in any 12 month period cannot exceed more than 2% of the issued shares of the Company.
7. If the option holder ceases to be a director, officer, employee or other service provider of the Company (other than by reason of death, disability and termination of services for cause), as the case may be, then the option granted must expire on the earlier of the expiry date and the date that is 90 days following the date that the option holder ceases to be a director, officer, employee or service provider of the Company.
8. If the option holder ceases to be a director, officer, employee or other service provider of the Company by reason of termination of services for cause, then the option granted shall cease to be exercisable upon such termination for cause.
9. Options held by an option holder who is engaged in investor relations activities must expire on the earlier of the expiry date of the option and the date that is 30 days after the option holder ceases to be employed by the Company to provide investor relations activities, while the Company is a Tier 2 issuer.
10. Notwithstanding items 7 and 8, an optionee's heirs or administrators shall have until the earlier of:
  - (a) one year from the death of the optionee; and
  - (b) the expiry date of the options, in which to exercise any options outstanding at the time of death of the optionee.
11. Stock options granted to directors, senior officers, employees or consultants will vest when granted unless determined by the Board on a case by case basis, other than options granted to consultants performing investor relations activities, which will vest in stages over 12 months with no more than one quarter of the options vesting in any three month period.
12. The Plan will be administered by the Board of the Company who will have the full authority and sole discretion to grant options under the Plan to any eligible party, including themselves.
13. The options shall not be assignable or transferable by an optionee.
14. The Board may from time to time, subject to regulatory approval, amend or revise the terms of the Plan.

The Plan provides that other terms and conditions may be attached to a particular stock option at the discretion of the Board.

The Plan is subject to receipt of annual Exchange acceptance to its filing. Shareholders will be asked at the Meeting to consider, and if thought fit, to approve an ordinary resolution approving the Company's current Plan.

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. The Company's Stock Option Plan (the “**Plan**”) as set forth in the Information Circular dated May 14, 2013, including the reservation for issuance under the Plan at any time of a maximum of 10% of the issued shares of the Company, be and is hereby approved, confirmed and ratified, subject to the acceptance of the Plan by the TSX Venture Exchange (the “**Exchange**”).
2. The Company be and is hereby authorized to grant stock options pursuant and subject to the terms and conditions of the Plan, entitling the option holders to purchase up to that number of common shares reserved under the Plan from the shareholders shall be required prior to the exercise of all or part of any such options granted.

3. The Board of Directors be authorized to amend, modify or terminate the Plan with respect to common shares in respect of options which have not been granted under the Plan, so long as the effect of such amendments is intended to reduce the benefits of the Plan to service providers.
4. The Board of Directors be authorized in their absolute discretion to establish the Plan and administer the Plan in accordance with its terms and conditions.
5. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal of the Company or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the implementation of the Plan.”

The Plan requires approval by a majority of the votes cast by the disinterested shareholders present in person or by proxy at the Meeting. Unless otherwise directed, management intends to vote such proxies in favour of the resolution approving the Plan.

**Management of the Company recommends that shareholders vote in favour of the above ordinary resolution.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Shareholders may contact the Company at its office by mail at 5384B Imperial Street, Burnaby, British Columbia V5J 1E6, to request copies of the Company’s financial statements and related Management’s Discussion and Analysis (the “**MD&A**”). Financial information is provided in the Company’s audited financial statements and MD&A for the year ended August 31, 2012.

#### **OTHER MATTERS**

Other than the above, management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

#### **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of the Company which are available on the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

DATED at Vancouver, British Columbia as of 14th day of May, 2013.

On Behalf of the Board

*/s/Thomas Randall Saunders*

Thomas Randall Saunders  
President, Chief Executive Officer,  
Secretary and Director



**SCHEDULE "A"**  
**AUDIT COMMITTEE CHARTER**

## **Audit Committee Charter**

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of **BONAPARTE RESOURCES INC.** (the “Company”):

### *Mandate*

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

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

### *Composition*

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 51-102), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 51-102), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

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

### *Meetings*

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

### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review
  - (a) review and update this Audit Committee Charter annually; and
  - (b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
2. External Auditors
  - (a) review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
  - (b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
  - (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
  - (d) take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
  - (e) recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
  - (f) recommend to the Company's Board of Directors the compensation to be paid to the external auditors;

- (g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) 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;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
  - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

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

### 3. Financial Reporting Processes

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.