

## TANZANIA MINERALS CORP.

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### INFORMATION CIRCULAR

(containing information as at November 7, 2012, unless otherwise stated)

#### SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management (the "Management") of Tanzania Minerals Corp. (the "Company"), for use at the Annual and Extraordinary General Meeting (the "Meeting") of the shareholders (the "Shareholders") of the Company, to be held on Thursday, the 13th day of December, 2012, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. The solicitation will be primarily by mail; however, proxies (the "Proxies") may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

#### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of Proxy are directors and/or officers of the Company. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the accompanying form of proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying form of proxy and insert the name of the Shareholder's nominee in the blank space provided, or complete another instrument of proxy.** A proxy will not be valid unless it is duly completed, signed and deposited with the Company's registrar and transfer agent, Computershare Trust Company of Canada ("Computershare") by hand or mail at 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. A proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited by hand or mail with Computershare at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-9524, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the accompanying form of proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxy holder will do so in accordance with such direction. **In the absence of any instruction in a proxy, it is intended that such shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

The accompanying form of proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, the Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "Ordinary Resolution") unless the motion requires a "Special Resolution", in which case a majority of not less than two thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common

shares held by Shareholders of the Company who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name.** Shareholders who do not hold their common 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 name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

Applicable regulatory rules require 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 shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("Broadridge"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own ("OBOs" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("NOBOs" for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101, issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs. This year, the Company has decided to take advantage of those provisions of National Instrument 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from our Transfer Agent, Computershare Trust Company of Canada ("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 contains 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 security holder materials are being sent to both registered and non-registered owners of the shares 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. In this event, 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 the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a shareholder and vote common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

All references to shareholders in this Information Circular and the accompanying form of proxy are to registered shareholders unless specifically stated otherwise.

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

Except as otherwise disclosed herein, none of:

- (a) the directors or executive officers of the Company at any time since the beginning of the last financial year of the Company;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

### **RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Company consists of an unlimited number of common shares ("Common Shares") without par value and an unlimited number of preferred shares. On November 7, 2012 (the "Record Date") there were 72,153,197 Common Shares issued and outstanding, each share carrying the right to one vote. No preference shares were issued and outstanding.

Any Shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, based upon filings made with Canadian securities regulators as at the Record Date, no person beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of our voting securities.

### **EXECUTIVE COMPENSATION**

In accordance with the provisions of applicable securities legislation, the Company had two "Named Executive Officers" during the financial year ended February 29, 2012, namely Kal Matharu and Lorilee Kozuska.

#### **Definitions: For the purpose of this Information Circular:**

"**CEO**" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**closing market price**" means the price at which the company's security was last sold, on the applicable date,

- (a) in the security's principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Handbook;

"**external management company**" includes a subsidiary, affiliate or associate of the external management company;

"**grant date**" means a date determined for financial statement reporting purposes under Section 3870 of the Handbook;

"**incentive plan**" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"**incentive plan award**" means compensation awarded, earned, paid, or payable under an incentive plan;

"**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 National Instrument 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

"**NI 52-107**" means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

"**option-based award**" 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;

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

"**replacement grant**" means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

"**repricing**" means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

"**share-based award**" 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.

## **COMPENSATION DISCUSSION AND ANALYSIS**

### **NEO Compensation Discussion and Analysis**

The objective of the Company's compensation strategy is to provide adequate levels of base compensation for its NEO's as well as discretionary bonuses to act as incentive mechanisms for achieving corporate goals and objectives. Each NEO receives a base salary in recognition of the position's day-to-day duties and responsibilities, which constitutes the largest share of the NEO's compensation package. The Board reviews each NEO's base salary on an annual basis, and may also consider an NEO's qualifications, experience, length of service and past contributions in determining an NEO's base salary.

The Board may also set, throughout the year, discretionary bonuses to serve as incentive mechanisms for the meeting of particular corporate goals and objectives, or for the Company's financial performance. NEO's are also eligible to participate in the Company's stock option plan (the "Option Plan") and receive grants of stock options thereunder.

In setting compensation and bonus levels, the Board has not yet established any formal objectives or criteria as the Company's current stage of development and financial resources requires flexibility in determining remuneration for its NEO's. The Board will,

as circumstances require, review and consider the general risks associated with the Company's compensation policies and strategies in terms of compensation paid or proposed to be paid to its NEO's.

### Option-Based Awards

The Option Plan is used to attract, retain and incentivize qualified and experienced personnel. The Option Plan is an important part of the Company's long-term incentive strategy for its NEO's, as well as for its other directors, officers, other management, employees and consultants (collectively, "eligible persons"), permitting them to participate in any appreciation of the market value of the Company's Common Shares over a stated period of time. The Option Plan is designed to foster a proprietary interest in stock ownership, and to reinforce a commitment to the Company's long-term growth, performance and success as well as increases in shareholder value. The Board reviews the grant of stock options to NEO's from time to time, based on various factors such as the NEO's level of responsibility and role and importance in the Company achieving its corporate goals, objectives and prospects. Previous grants of options are taken into account when consider new grants of stock options to NEO's. For information regarding the Option Plan, see "Approval of Amended Option Plan".

The Company has no equity compensation plans other than the Stock Option Plan.

Kal Matharu, the Company's CEO and director, and Lorilee Kozuska, the Company's CFO, are the NEOs of the Company for the purposes of the following disclosure. The Company does not have any other NEOs given that no executive officer of the Company or individual serving in a similar capacity, other than Mr. Matharu and Ms. Kozuska, receives total compensation for acting in such a capacity in excess of \$150,000. Mr. Matharu and Ms. Kozuska are not employees of the Company. They provide their services as officers of the Company in their respective consulting capacity. The compensation for the NEOs, directly or indirectly, for the Company's most recently-completed financial year ended February 29, 2012 is as follows:

### NEO Summary Compensation Table

The following table sets out certain information respecting the compensation paid to the NEOs during the three most recently completed financial years in which they were acting in the capacity of a NEO.

Name and principal position (a)	Year (b)	Fees (\$) (c)	Share-based awards (\$) (d)	Option-based awards (\$) <sup>(1)</sup> (e)	Non-equity incentive plan compensation (\$) (f)		Pension value (\$) (g)	All other compensation (\$) (h)	Total Compensation (\$) (i)
					Annual Incentive Plans (f1)	Long-term incentive plans (f2)			
Kal Matharu <sup>(2)</sup> President/CEO	2012	267,400	Nil	497,946 <sup>(4)</sup>	Nil	Nil	Nil	168,000	933,346
	2011	210,500	Nil	332,500 <sup>(5)</sup>	Nil	Nil	Nil	32,500	623,000
	2010	184,200	Nil	Nil	Nil	Nil	Nil	Nil	184,200
Lorilee Kozuska <sup>(3)</sup> CFO	2012	36,470	Nil	31,595 <sup>(6)</sup>	Nil	Nil	Nil	Nil	68,065
	2011	19,740	Nil	Nil	Nil	Nil	Nil	Nil	19,740
	2010	28,500	Nil	Nil	Nil	Nil	Nil	Nil	28,500

(1) The figures thus shown are based on the fair value estimated at the date of option grant using the Black-Scholes pricing model under the following assumptions: (i) risk free weighted average interest rate is 1.63%; (ii) expected dividend yield of 0%; (iii) average expected volatility is 75%; and (iv) an expected term of five years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.

(2) Mr. Matharu was appointed as President and CEO July 22, 2010.

(3) Ms. Kozuska was appointed as CFO July 22, 2010.

(4) Representing a total of 900,000 shares having an exercise price of \$0.90 per share and expiring March 3, 2016. The exercise price was determined as at the close of trading on the TSX Venture Exchange on March 3, 2011.

(5) Representing a total of 950,000 shares having an exercise price of \$0.40 per share and expiring September 24, 2015. The exercise price was determined as at the close of trading on the TSX Venture Exchange on September 24, 2010.

- (6) Representing a total of 75,000 shares having an exercise prices of \$0.90 for 50,000 shares and expiring March 3, 2016 and of \$0.27 for 25,000 shares and expiring February 8, 2017. The exercise prices were determined as at the close of trading on the TSX Venture Exchange on March 3, 2011 and February 8, 2012, respectively.

## INCENTIVE PLAN AWARDS

### Common Share Purchase Plan

The Company has in effect the Option Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. The Company has no equity incentive plans other than the Option Plan.

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

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the named executive officers and which were outstanding as at the fiscal year ended February 29, 2012:

Name (a)	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money-options <sup>(1)</sup> (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)
Kal Matharu	900,000	0.90	Mar 3, 2016	Nil	Nil	Nil
Lorilee Kozuska	25,000	0.27	Feb 8, 2017	Nil	Nil	Nil
	50,000	0.90	Mar 3, 2016	Nil	Nil	Nil

- (1) "In-the-money options" means the excess of the market value of the Company's shares on February 29, 2012, over the exercise price of the options. The last trading price of the Company's shares at its financial year ended February 29, 2012, was \$0.20.

### Incentive Plan Awards – Value Vested Or Earned During The Year

There was no value vested or earned during the year ended February 29, 2012, in respect of incentive plan awards to the named executive officers.

### Termination And Change Of Control Benefits

During the year ended February 29, 2012, the Company did not have any contracts, agreements, plans or arrangements in place with any NEO that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive, resignation, retirement, a change of control of the Company or a change in an NEO's responsibilities).

## DIRECTOR COMPENSATION

### Director Compensation

The Board established and adopted compensation guidelines for its independent directors, which are reviewed by the Company on an annual basis. The guidelines provide for the payment of fees to independent directors who are not otherwise compensated under a formal management agreement. The fees are paid to independent directors for attendance at various directors and/or committee meetings, the consideration of consent resolutions of the directors or audit committee, and the review of related documentation. Each independent director receives fees in the amount of \$1,000 per meeting attended. The Company may also pay a fee for any additional services rendered by directors at the regular rates for services. In such instances, Board approval will be obtained. All directors are reimbursed by the Company for travel and other out-of-pocket expenses incurred in attending meetings.

During the Company's financial year ended February 29, 2012, directors' fees in the amount of \$4,000 were paid to James Walchuck, \$3,000 was paid to Robert Dzisiak and \$1,000 was paid to John Icke.

There are no formal plans other than the Option Plan pursuant to which options to purchase securities of the Company were or may be granted to executive officers. The Company grants incentive stock options from time to time to its Directors, Officers, Consultants and Employees in accordance with TSX Venture Exchange (the "Exchange") Policy at the discretion of its Board of Directors.

### Director Compensation Table

The following table discloses all amounts of compensation provided by the Company to its directors who are not NEOs for the financial year ended February 29, 2012.

Name	Fees earned (\$)	Share-Based awards (\$)	Option based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John Icke <sup>(2)</sup>	1,000	N/A	138,318	N/A	N/A	N/A	139,318
James Walchuck	4,000	N/A	138,318	N/A	N/A	N/A	142,318
John Knowles <sup>(3)</sup>	0	N/A	154,042	N/A	N/A	N/A	154,042
Robert Dzisiak <sup>(4)</sup>	3,000	N/A	23,586	N/A	N/A	N/A	26,586

- (1) The figures thus shown are based on the fair value estimated at the date of option grant using the Black-Scholes pricing model under the following assumptions: (i) risk free weighted average interest rate is 1.63%; (ii) expected dividend yield of 0%; (iii) average expected volatility is 75%; and (iv) an expected term of five years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (2) Mr. Icke resigned as a director of the Company effective April 26, 2011. All options granted to Mr. Icke expired 30 days from the date of his resignation.
- (3) Mr. Knowles was elected as a director of the Company effective March 3, 2011.
- (4) Mr. Dzisiak was elected as a director of the Company effective September 6, 2011.

Other than as set forth in the foregoing or elsewhere herein, no director of the Company who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, 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 directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.
- (d) Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all outstanding share-based and option-based awards granted to each director who is not an NEO and which were outstanding at February 29, 2012:

Name (a)	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money-options <sup>(1)</sup> (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)
John Icke <sup>(2)</sup>	250,000	0.90	Mar 3, 2016	Nil	N/A	N/A
James Walchuck	250,000	0.90	Mar 3, 2016	Nil	N/A	N/A

John Knowles <sup>(3)</sup>	250,000	0.90	Mar 3, 2016	Nil	N/A	N/A
	100,000	0.27	Feb 8, 2017	Nil	N/A	N/A
Robert Dzisiak <sup>(4)</sup>	150,000	0.27	Feb 8, 2017	Nil	N/A	N/A

- (1) "In-the-money options" means the excess of the market value of the Company's shares on February 29, 2012 over the exercise price of the options. The last trading price of the Company's shares at its financial year ended February 29, 2012 was \$0.20.
- (2) Mr. Icke resigned as a director of the Company effective April 26, 2011 and subsequently these options expired 30 days from his resignation.
- (3) Mr. Knowles was appointed as a director of the Company effective March 3, 2011.
- (4) Mr. Dzisiak was elected as a director of the Company effective September 6, 2011.

#### Incentive Plan Awards – Value Vested Or Earned During The Year

There was no incentive plan awards value vested or earned during the year ended February 29, 2012 in respect of incentive plan awards to the directors.

#### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION

The only equity compensation plan which the Company has in place is the Option Plan which was previously approved by the Shareholders on September 6, 2011. The Option Plan has been established to attract and retain employees, consultants, officers or directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company. The Option Plan is administered by the directors of the Company. The Option Plan provides that the number of shares issuable under the Option Plan, together with all of the Company's other previously established or proposed share compensation arrangements may not exceed 10% of the total number of issued and outstanding shares of the Company. All options expire on a date not later than five years after the date of grant of such option.

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of February 29, 2012.

#### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup> (#) (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (#) (c)
Equity compensation plans approved by securityholders <sup>(2)</sup>	4,250,000	\$0.68	2,965,319
Equity compensation plans not approved by securityholders <sup>(3)</sup>	1,309,768 <sup>(4)</sup>	\$0.73	N/A
TOTAL	5,559,768	\$0.69	2,965,319

- (1) The foregoing information is presented as of February 29, 2012.
- (2) Represents the Option Plan of the Company, which reserves a number of common shares equal to 10% of the then outstanding common shares from time to time for issue pursuant to stock options.
- (3) Represents warrants granted as partial compensation in payment of agents fees or of finder's fees.
- (4) Of the total, 164,288 agents warrants were subsequently expired as of April 26, 2012.

#### INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Other than as disclosed hereunder, none of the directors, senior officers, proposed nominees for election as directors or their associates have been indebted to the Company since the beginning of the last completed financial year.

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

Except as otherwise disclosed herein, none of:



- (a) the directors or senior officers of the Company at any time since the beginning of the last financial year of the Company;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

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

For purposes of the following discussion, "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 a subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over 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 the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the notes to the Company's financial statements for the financial year ended February 29, 2012, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Company or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

#### **FINANCIAL STATEMENTS**

The audited financial statements of the Company as at and for the period ended February 29, 2012 (the "Financial Statements"), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the Auditor's Report thereon and the Company's Management Discussion and Analysis, are being mailed only to those Shareholders who are on the supplemental mailing list maintained by the Company's registrar and transfer agent. Copies of the Financial Statements, together with the Auditor's Report thereon and the Company's Management Discussion and Analysis, Notice of Meeting, Information Circular and Proxy will be available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and the Company's head office at Suite 210, 400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5.

#### **ELECTION OF DIRECTORS**

The persons named in the accompanying form of Proxy intend to vote in favour of fixing the number of directors at four (4). Although Management is nominating four (4) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

Each director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, if his office is earlier vacated, in accordance with the Articles of the Company.

In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

#### **INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT**

The following table sets out the names of the persons proposed to be nominated by Management for election as a director, the province or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the

Company, the period of time for which he has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular.

Name, Province and Country of Ordinary Residence and Positions Held with the Company <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>	Date First Became a Director	No. of Shares Beneficially To Be Owned, Directly or Indirectly <sup>(1)(2)</sup>
Kal Matharu <sup>(3)</sup> Winnipeg, Manitoba President, CEO and Director	Advisor and consultant; active in construction and real estate development in East Africa; president and CEO of Tanzania Minerals Corp.	July 22, 2010	4,400,000
James Walchuck Vancouver, British Columbia Director	Mining professional and professional engineer; president and CEO for Encanto Potash Corp., previously president and CEO for Pacific Coast Nickel Corp. and Tournigan Energy Ltd.	July 22, 2010	1,432,258
John Knowles <sup>(3)</sup> Winnipeg, Manitoba Director	President and CEO of Wildcat Exploration; previously Executive Vice President and CFO for Aur Resources Inc; previously VP and CFO HudBay Minerals Inc. and its predecessor company	March 3, 2011	NIL
Robert Dzisiak <sup>(3)</sup> Winnipeg, Manitoba Director	President and CEO of Karoo Exploration Corp.; previous president and CEO of R.J. O'Brien & Associates Canada Inc; previously President and CEO of CFG Canada; previously Canadian VP of Operations for Benson Quinn Co.	September 6, 2011	500,000

(1) The information as to ordinary residence, principal occupation and number of common shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by the nominee director and his or her associates and affiliates, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.

(2) The number of shares of the Company carrying the right to vote in all circumstances beneficially owned directly or indirectly, or over which control or direction is exercised by each proposed nominee as at the date hereof is based on information furnished by the transfer agent of the Company and by the nominees themselves.

(3) Member of Audit Committee.

All of the proposed nominees are ordinarily resident in Canada. The Company does not currently have an Executive Committee of its Board of Directors. The members of the Audit Committee are Messrs. Matharu, Knowles and Dzisiak.

Except as disclosed below, as at the date of this Information Circular and within the ten years before the date of this Information Circular, no proposed director:

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

- (b) has within 10 years before the date of the Information Circular 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 the assets of the director, officers or shareholders.

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

#### **AUDIT COMMITTEE DISCLOSURE**

The charter of the Company's audit committee and the other information required to be disclosed by Form 52-110F2 – Disclosure by Venture Issuers is attached to this Information Circular as Schedule "A".

#### **CORPORATE GOVERNANCE**

The information required to be disclosed by National Instrument 58-101F2 Corporate Governance Disclosure (Venture Issuer) is attached to this information circular as Schedule "B".

#### **APPOINTMENT AND REMUNERATION OF AUDITORS**

Management recommends the re-appointment of Davidson & Company LLP, Chartered Accountants, of Suite 1200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1G6, as auditors for the Company, to hold office until the next annual general meeting of the Shareholders at a remuneration to be fixed by the Board of Directors, and the persons named in the enclosed Proxy intend to vote in favour of such re-appointment.

#### **MANAGEMENT CONTRACTS**

The Company is not a party to a Management Contract with anyone other than directors or executive officers of the Company.

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

##### **AMENDED STOCK OPTION PLAN**

At last year's annual general meeting, the Company proposed and its Shareholders re-approved a 10% "rolling" stock option plan. Under the policies of the TSX Venture Exchange (the "Exchange"), a rolling stock option plan must be re-approved on a yearly basis by Shareholders. In addition to the foregoing, the Company proposes to amend its stock option plan for certain minor administrative changes and to add a provision respecting withholding taxes in response to recent changes from Canada Revenue Agency. Accordingly, Shareholders will be asked to pass an ordinary resolution adopting and approving the Company's amended "rolling" stock option plan, (the "Amended Option Plan"). The details of the Amended Option Plan are set forth below.

- (a) the Amended Option Plan reserves, for issue pursuant to stock options, a maximum number of Common Shares equal to 10% of the outstanding common shares of the Company from time to time, with no mandatory vesting provisions (apart from options granted to Consultants performing Investor Relations Activities, see (e) below);
- (b) the number of common shares reserved for issue to any one person in any 12 month period under the Amended Option Plan may not exceed 5% of the outstanding common shares at the time of grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange);
- (c) the number of common shares reserved for issue to any Consultant in any 12 month period under the Amended Option Plan may not exceed 2% of the outstanding common shares at the time of grant;
- (d) the aggregate number of Common Shares reserved for issue to any person employed to provide Investor Relations Activities in any 12 month period under the Amended Option Plan may not exceed 2% of the outstanding common shares at the time of grant;

- (e) options granted to Consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any 3 month period;
- (f) the exercise price per common share for a stock option may not be less than the Market Price of the common shares at the time of the grant;
- (g) stock options may have a term not exceeding ten years;
- (h) stock options (other than options held by a person involved in investor relations activities) will cease to be exercisable 90 days after the optionee ceases to be a Director (which term includes a senior officer), Employee, Consultant, Eligible Charitable Organization or Management Company Employee otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the board of directors of the Company. Stock options granted to persons involved in Investor Relations Activities will cease to be exercisable 30 days after the optionee ceases to serve in such capacity otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the board of directors of the Company.
- (i) stock options are non-assignable and non-transferable;
- (j) the Amended Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the common shares;
- (k) upon the occurrence of an Accelerated Vesting Event (as defined in the Amended Option Plan), the Board will have the power, at its sole discretion and without being required to obtain the approval of Shareholders or the holder of any stock option, to make such changes to the terms of stock options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of stock options, conditionally or unconditionally; (b) terminating every stock option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the stock options are proposed to be granted to or exchanged with the holders of stock options, which replacement options treat the holders of stock options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of Common Shares under such transaction; (c) otherwise modifying the terms of any stock option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any stock option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of the Amended Option Plan be final, conclusive and binding; and
- (l) in connection with the exercise of an option, as a condition to such exercise, the Company shall require the optionee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option.

"Consultant", "Director", "Employee", "Investor Relations Activities", "Management Company Employee", "Market Price" and "Eligible Charitable Organization" all have the same definition as in the policies of the Exchange.

Pursuant to the Board's authority to govern the implementation and administration of the Amended Option Plan, all previously granted and outstanding stock options shall be governed by the provisions of the Amended Option Plan.

Management recommends, and the persons named in the enclosed form of proxy intend to vote in favour of, the adoption and approval of the Amended Option Plan. Unless a proxy contains express instructions to vote otherwise, it is intended that all proxies received will be voted in favour of the adoption and approval of the Amended Option Plan.

## **ACTS AND DEEDS OF DIRECTORS**

Shareholders will be requested to pass an ordinary resolution to confirm, ratify and approve all acts, deeds and things done by and the proceedings of the directors and officers of the Company on behalf of the Company during the preceding year.

As of the date of this Information Circular, management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the Proxy.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company, at Suite 210, 400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5 phone (204) 942-3191 and such documents will be sent by mail or electronically by email as may be specified at the time of the request.

## **DIRECTOR APPROVAL**

The contents of this Information Circular and the sending thereof to the Shareholders of the Company have been approved by the Board of Directors.

DATED at Vancouver, British Columbia, this 16th day of November, 2012.

**BY ORDER OF THE BOARD OF DIRECTORS  
TANZANIA MINERALS CORP.**

"Kal Matharu"  
KAL MATHARU  
President & CEO

## SCHEDULE "A"

### TANZANIA MINERALS CORP. FORM 52-110F2 AUDIT COMMITTEE DISCLOSURE

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#### **ITEM 1: THE AUDIT COMMITTEE'S CHARTER**

##### **PURPOSE**

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

##### **COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board of Directors (the "Board").
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
4. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
5. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
6. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee (attended in person or by phone). The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
7. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

##### **ROLES AND RESPONSIBILITIES**

1. The overall duties and responsibilities of the Committee shall be as follows:
  - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;

- (b) to establish and maintain a direct line of communication with the Company's internal auditors, if any, and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Company's financial and auditing personnel;
    - (iv) co-operation received from the Company's personnel during the audit;
    - (v) internal resources used;
    - (vi) significant transactions outside of the normal business of the Company;
    - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors, if any, are to:
- (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
  - (b) review and approve the internal audit plan; and
  - (c) review significant internal audit findings and recommendations, and management's response thereto.
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;

- (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
5. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - (i) the annual report to shareholders;
    - (ii) the annual information form, if required;
    - (iii) annual and interim MD&A;
    - (iv) prospectuses;
    - (v) news releases discussing financial results of the Company; and
    - (vi) other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Company's consolidated financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
  - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

## **ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE**

The current members of the Committee are Kal Matharu, Robert Dzisiak and John Knowles. All members are considered financially literate, as those terms are used in National Instrument 52-110 ("NI 52-110") of the Canadian Securities Administrators.

Pursuant to the provisions relating to independence set out in section 1.4 of NI 52-110:

- Mr. Matharu is not considered independent due to the fact that he is the President and CEO.
- Messrs. Dzisiak and Knowles are considered independent.



### **ITEM 3: RELEVANT EDUCATION AND EXPERIENCE**

The relevant education and/or experience of each member of the Audit Committee is as follows:

#### **Mr. Kal Matharu**

Mr. Kal Matharu and his family have been involved in business in East Africa for over 75 years focusing primarily on construction and real estate development. Mr. Matharu has been actively bridging the business worlds of North America and East Africa for over ten years. Presently, he holds the position of President/CEO of TMC, which is a gold exploration company in Tanzania. He has acted as an advisor and consultant for major North American companies and helped them to establish themselves in East Africa. Kal acquired his basic education in East Africa and completed University in Canada. He holds a Bachelor of Science from University of Manitoba.

#### **Mr. Robert Dzisiak**

Mr. Dzisiak is currently the president of Karoo Exploration Corp. From 2009 until 2011, Mr. Dzisiak acted as the president and chief executive officer of RJ Obrien & Associates, a boutique futures firm, which specializes in futures, options and foreign exchange trading. He is also on the board of directors of Meridex Software Corp.

#### **Mr. John Knowles**

Mr. Knowles is President and CEO of Wildcat Exploration Ltd, a mining exploration company, prior to which he was Executive Vice President and Chief Financial Officer of Aur Resources Inc. from 2005 to 2006. He was Vice President and Chief Financial Officer of HudBay and its predecessor company from 1996 to 2005. Mr. Knowles has over 25 years of experience in senior roles with Canadian and international resource companies. He is a director of private companies involved in international gold exploration, bio-pharmaceuticals and real estate development. He is a Chartered Accountant and holds a Bachelor of Commerce degree from Queen's University.

### **ITEM 4: AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Davidson & Company LLP) not adopted by the Board.

### **ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS**

#### **NON-AUDIT SERVICES**

NI 52-110 requires that the Committee pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor.

In respect of the most recently completed financial year, the Company has relied on the exemption for such pre-approval set out in section 2.4(c) of NI 52-110, namely that the performance of the non-audit services by the external auditor was brought to the attention of the Committee and approved by the Committee prior to the completion of the audit for the most recently completed financial year.

#### **OTHER EXEMPTIONS**

In respect of the most recently completed financial year, the Company has not relied on an exemption from NI 52-110, in whole or in part, granted by a securities regulatory authority or regulator under Part 8 of NI 52-110.

### **ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted.

### **ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)**

The aggregate fees charged to the Company by the external auditor in each of the last three fiscal years is as follows:

	<u>FYE 2011</u>	<u>FYE 2010</u>	<u>FYE 2009</u>
Audit fees <sup>(1)</sup>	\$83,703	\$40,045	\$9,537
Audit related fees <sup>(2)</sup>	--	--	--
Tax fees <sup>(3)</sup>	--	\$1,750	--
All other fees (non-tax) <sup>(4)</sup>	--	\$24,990	--
<b>Total Fees:</b>	<b>\$83,703</b>	<b>\$66,785</b>	<b>\$9,537</b>

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" includes all other non-audit services.

**ITEM 8: EXEMPTION**

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## APPENDIX "B"

### Form 58-101F2 CORPORATE GOVERNANCE DISCLOSURE (VENTURE ISSUERS)

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#### Item 1: Board of Directors

The Board facilitates its exercise of independent supervision over management through:

- (a) Strategic Planning. The Company's strategic business plan, including capital budgeting, is prepared by Mr. Matharu, President and CEO of the Company. The plan is then reviewed and discussed by the Board.
- (b) Periodic review. The Board meets at scheduled times and on an as needed basis with senior management to discuss the implementation of the Company's strategic plan and any issues in respect thereof, to discuss any material variances from the capital budget, and to give guidance to senior management and otherwise revise the strategic plan and capital budget as required.
- (c) Audit Committee. The Audit Committee is made up of a majority of independent directors, and has direct communication with internal personnel responsible for financial statement preparation and meets independently with the Company's external auditors as required. The Audit Committee's responsibilities include reviewing financial statements and the integrity of the Company's internal controls and management information systems. The Audit Committee meets with the Board annually and on an as needed basis to discuss these matters. Members of the Board are encouraged to bring any matter of concern in respect to the foregoing matters to the Audit Committee.
- (d) Corporate Governance. The Board as a whole is responsible for establishing and developing corporate governance practices appropriate for the Company.
- (e) Approvals. In addition to those matters which must, by law, be approved by the Board, approval for any transaction which is outside the ordinary course of business, with a non-arms length party or could be considered to be material to the Company must be approved by the Board.
- (f) Independent members. Meetings of the Board, independent of management, are encouraged as circumstances require.

The Board is currently comprised of four directors, being Kal Matharu, James Walchuck, John Knowles and Robert Dzisiak. The following directors are considered "independent":

- James Walchuck
- John Knowles
- Robert Dzisiak

The following directors are not considered "independent":

- Kal Matharu is not considered independent due to the fact that he is the President and CEO.

For purposes of the foregoing discussion, "independence" is defined as a member who has no direct or indirect relationship which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of the member's independent judgment, and expressly includes but is not limited to an individual who has a relationship with the issuer pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer other than as remuneration for acting in his or her capacity as a member or as a part-time chair or vice-chair of the board of directors or any board committee.

**Item 2: Directorships**

The following is a list of each director of the Company who is also a director of other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction:

Name	Other Reporting Issuer
Kal Matharu	N/A
James Walchuck	Encanto Potash Corp. Legion Resources Corp. Samaranta Mining Corporation
John Knowles	HudBay Minerals Inc. Wildcat Exploration Ltd. Augyva Mining Resources Inc. Roxgold Inc.
Robert Dzisiak	Meridex Software Corporation

**Item 3: Orientation and Continuing Education**

The Board does not currently have formal procedures or a program for the orientation of new board members, as no new board members are presently contemplated, or for the continuing education of board members.

**Item 4: Ethical Business Conduct**

The Board does not currently take any formal steps to encourage and promote a culture of ethics and business conduct. Board members, however, are expected to maintain the highest standards of integrity and to lead by example.

**Item 5: Nomination of Directors**

The Board is not currently taking any steps to identify new candidates for Board nomination, as the current number of directors and the composition of the Board is considered adequate for a corporation of the current size and stage of development of the Company.

**Item 6: Compensation**

The Board does not currently have a Compensation Committee.

**Item 7: Other Board Committees**

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

**Item 8: Assessments**

The Board as a whole assesses its performance, the performance of Board committees and the contribution of individual directors on an ongoing basis.

The Company allows any member of the Board to engage an outside advisor at the expense of the Company in appropriate circumstances. The engagement of an outside advisor is subject to the approval by the Board as a whole.