



MANAGEMENT INFORMATION CIRCULAR

As at May 16, 2012
unless otherwise noted

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of CAZA GOLD CORP. (the “Company” or “Caza”), at the time and place and for the purposes set forth in the Notice of Meeting.

Note: The term "shareholder" as defined in the *Business Corporations Act* S.B.C. 2002, c.57 (the "Act"), except in section 385, means a person whose name is entered in a securities register of a company as a registered owner of a share of the company or, until such an entry is made for the company:

- (a) in the case of a company incorporated before the coming into force of the Act, a subscriber, or
- (b) in the case of a company incorporated under the Act, an incorporator.

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally or by telephone by directors, officers or employees of the Company at a nominal cost. The cost of this solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying Form of Proxy are nominees of the Company's management. **A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him at the Annual General Meeting (the “Meeting”) may do so either by:**

**STRIKING OUT THE PRINTED NAMES AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY; OR
BY COMPLETING ANOTHER PROPER FORM OF PROXY.**

The completed proxy must be deposited at the office of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, Toronto, Ontario M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time fixed for the Meeting.

A shareholder who has given a proxy may revoke it by an instrument in writing by the shareholder or by his attorney in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the office of Computershare Trust Company, Proxy Department, or to the registered office of the Company, #1040 – 999 West Hastings Street, Vancouver, B.C. V6C 2W2, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or to the Chairman of the Meeting or any adjournment thereof, or in any other

manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

If the instructions as to voting indicated in the proxy are certain, the shares represented by the proxy will be voted on any poll and where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares will be voted on any poll in accordance with the specifications so made. IF A CHOICE IS NOT SO SPECIFIED, IT IS INTENDED THAT THE PERSON DESIGNATED BY MANAGEMENT IN THE ACCOMPANYING FORM OF PROXY WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED ON THE FORM OF PROXY AND FOR THE NOMINEES OF MANAGEMENT FOR DIRECTORS AND AUDITOR.

The form of proxy accompanying this Information Circular confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters, which may properly come before the Meeting. As of the date of this Information Circular, the management of the Company knows of no such amendment or variation or matters to come before the Meeting other than those referred to in the accompanying Notice of Meeting.

NON-REGISTERED HOLDERS

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their own names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees of administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)), of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “OBOs”.

In accordance with the requirements of National Policy 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer*, of the Canadian Securities Administrators, the Company has elected to send the notice of meeting, this information circular and proxy (collectively the “Meeting Materials”) directly to the NOBOs, and indirectly through Intermediaries to the OBOs.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder.

VIFs, whether provided by Caza or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. **Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

NOTICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Shares registered in their own names. These shareholders (“Beneficial Shareholders”) should note that only proxies deposited by persons whose names appear on the register of shareholders of the Company (“Registered Shareholders”) can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those shares will not be registered in the name of the shareholder on the Company’s Central Securities Register. Such shares will, more likely, be registered under the name of the shareholder’s broker or its nominee. In Canada, the vast majority of such Shares are registered under the name of CDS & Co., which acts as a nominee for many Canadian brokerage firms. Shares held by brokers for their clients can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting the Shares for their clients. The Company does not know for whose benefit the Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries 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, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by a broker is identical to the form of proxy provided to Registered Shareholders. However, its purpose is limited to instructing the broker/nominee how to vote on behalf of the Beneficial Shareholder. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“Broadridge”). Broadridge typically provides Beneficial Shareholders with their own form of proxy, and asks Beneficial Shareholders to return the proxy forms to Broadridge or to vote their Shares by telephone. A Beneficial Shareholder receiving such a proxy from Broadridge cannot use that proxy to vote his or her shares directly at the Meeting. Accordingly, it is strongly recommended that Beneficial Shareholders return their completed proxies, or record their votes by telephone with Broadridge, well in advance of the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere herein, none of the following persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors:

- (a) any director or executive officer of the Company at any time since the commencement of the Company’s last completed financial year;
- (b) any proposed nominee for election as a director of the Company; and
- (c) any associate or affiliate of any of the foregoing persons.

FINANCIAL STATEMENTS, DIRECTORS REPORT, MANAGEMENT'S DISCUSSION AND ANALYSIS & ADDITIONAL INFORMATION

Please note that the figures in this Information Circular are in Canadian dollars unless otherwise indicated.

The consolidated financial statements of the Company for the year ended December 31, 2011 (the "Financial Statements"), including the accompanying notes and the auditor's report will be presented to the shareholders at the Meeting. These documents have also been mailed to those of the Company's shareholders who have requested them. The Financial Statements have also been filed on SEDAR and may be found at www.sedar.com.

Additional information relating to the Company may be found on SEDAR at www.sedar.com. In addition, a security holder may contact the Company to request copies of the Company's financial statements and Management's Discussion and Analysis ("MD&A"). Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

APPOINTMENT AND REMUNERATION OF AUDITOR

The management of the Company will recommend to the Meeting to appoint Smythe Ratcliffe LLP, Chartered Accountants, of 7th floor, Marine Building, 355 Burrard Street, Vancouver, B.C. V6C 2G8 as auditor of the Company to hold office until the close of the next Annual General Meeting of shareholders. It is proposed that the remuneration to be paid to the auditor be fixed by the directors.

Smythe Ratcliffe LLP, Chartered Accountants was first appointed auditor of the Company on November 20, 2008.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue unlimited common shares without par value (the "Common Shares") of which 56,661,045 Common Shares are issued and outstanding as at May 16, 2012.

Only the holders of Common Shares are entitled to vote at the Meeting and the holders of Common Shares are entitled to one vote for each Common Share held. The directors of the Company fixed **May 8, 2012** as the record date for the determination of the shareholders entitled to vote at the Annual General Meeting.

To the knowledge of the Directors or Senior Officers of the Company, there are no beneficial owners or persons exercising control or direction over Company shares carrying more than 10% of the outstanding voting rights.

ELECTION OF DIRECTORS

Management proposes to fix the number of Directors of the Company at five (5) and to nominate the persons listed in the following table for election as Directors. Each Director will hold office until the next Annual General Meeting, unless his office is earlier vacated. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. THE COMPANY HAS NOT RECEIVED NOTICE OF AND MANAGEMENT IS NOT AWARE OF ANY PROPOSED NOMINEE IN ADDITION TO THE NAMED NOMINEES. In the

event that prior to the meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the proxy as nominee to vote the shares represented by proxy for the election of any other person or persons as directors.

The following table sets out the names of Management's current nominees; their positions and offices in the Company; principal occupations; the period of time that they have been Directors of the Company; and the number of shares of the Company which each beneficially owns or over which control or direction is exercised. Four of the nominees are residents of Canada, with all four Canadian directors resident in British Columbia and one of the nominees is a resident of the State of Washington, in the USA. The term of each of the present directors expires at the Annual General Meeting.

Name, Province, Country of Residence and Present Office Held	Director Since	# of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised at the Date of This Information Circular	Principal Occupation and if not at Present an Elected Director, Occupation During the Past Five (5) Years
Bradford J. Cooke ⁽¹⁾ British Columbia, Canada Director and Chairman	November 15, 2007	1,812,727 Common Shares	Chairman, CEO and director of Canarc Resource Corp. and Endeavour Silver Corp., Director and CEO of Caza Gold Corp., Director of Aztec Metals Corp.
Philip Yee ⁽¹⁾ British Columbia, Canada Director, CFO and VP-(Finance)	November 15, 2007	100,000 Common shares	CFO, VP-(Finance), or Controller of Canarc Resource Corp. since May, 2003; Director, CFO, and VP-(Finance) of Caza Gold Corp. since Nov. 2007; CFO of Aztec Metals Corp. since May 2003, CFO of Parallel Resources Ltd. since Nov. 2009
Stewart L. Lockwood British Columbia, Canada Director and Corporate Secretary	May 14, 2009	166,666 Common shares	Lawyer with Vector Corporate Finance Lawyers since 2001
Anthony Hawkshaw ⁽¹⁾ British Columbia, Canada Director	June 3, 2009	0 Common Shares	CFO for Chariot Resources Limited from October 2004 to January 2006; CFO for Grove Energy Limited from September 2004 to April 2007; Director for Statesman Resources Ltd. since July 2006; Director and CFO for Rio Alto Mining Limited since June 2009

Name, Province, Country of Residence and Present Office Held	Director Since	# of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised at the Date of This Information Circular	Principal Occupation and if not at Present an Elected Director, Occupation During the Past Five (5) Years
Greg Myers Washington, U.S.A. Director, President and CEO	April 28, 2011	115,000 Common Shares	Professional Geologist; from 2000 to present, VP Business Development for Pacific Northwest Capital; President Mystery Creek Resources; COO and VP Exploration, Zacoro Metals; Chief Mine Geologist for BHP Billiton; Regional Geologist for Phelps Dodge; Consulting Geologist for Newmont Mining, Coeur, IMA Exploration, Kennecott, Westmont Mining; President and CEO of Caza Gold Corp. since January 18, 2010

(1) Member of Audit Committee

The Company became a reporting issuer as a result of a Plan of Arrangement with Canarc Resource Corp. effective June 24, 2008. The Company established an Audit Committee following the appointment of a third director to the board of directors in June, 2009.

NOTES:

- (a) The information as to shareholdings has been furnished by the respective nominees.
- (b) Except as indicated in the table, each of the above nominees is now a director of the Company and was so elected as at the date indicated in the table.

The directors and officers of the Company beneficially own, directly or indirectly, 2,273,432 Shares representing approximately 4.01% of the outstanding Shares. None of the directors or officers of the Company have entered into a non-competition or non-disclosure agreement with the Company.

Corporate Cease Trade Orders or Bankruptcies

Within 10 years before the date of this Information Circular, none of the directors, proposed directors, executive officers or promoters of the Company was a director, chief executive officer or chief financial officer of any company (including Caza) that was:

- (a) subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) subject to an order that was issued after the director or executive officer 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; or
- (c) has been within 10 years before the date of this Information Circular, a director or executive officer of any issuer 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.

Personal Bankruptcies

In the 10 years prior to the date hereof, none of the directors, proposed directors, executive officers or promoters of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has become 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.

Penalties or Sanctions

No director, proposed director, officer, Insider or promoter of Caza or Shareholder holding sufficient number of securities of Caza to affect materially the control of Caza, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

STATEMENT OF EXECUTIVE COMPENSATION

See Schedule "A" attached hereto.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at the end of the Company's most recently completed financial year, i.e. December 31, 2011, the following equity securities of the Company were authorized for issuance with respect to compensation plans:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Securityholders	4,367,900 Options	\$0.37	1,235,040 Options ⁽¹⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total:	4,367,900 Options	\$0.35	1,235,040 Options

(1) The only equity compensation plan the Company maintains is its “rolling” stock option plan (a “Rolling Plan”) reserving a maximum of 10% of the issued shares of the Company at the time of the stock option grant, which Rolling Plan was initially approved by the shareholders on May 14, 2009 at the Annual General Meeting held on that date and was most recently approved by the shareholders at the Company’s Annual General Meeting held on June 16, 2011. As at December 31, 2011, there were 56,029,400 common shares issued and outstanding.

INDEBTEDNESS TO COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers and senior officers of the Company or any of its subsidiaries, proposed nominees for election or associates of such persons is or has been indebted to the Company (other than routine indebtedness) in excess of \$50,000 at any time for any reason whatsoever, including the purchase of securities of the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Company's last completed financial year, other than as set out below or as disclosed elsewhere herein, no informed person of the Company, any proposed director of the Company or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. The term “informed person” as defined in National Instrument 51-102, Continuous Disclosure Obligations, means:

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

MANAGEMENT CONTRACTS

There are no management functions of the Company or its subsidiaries which are to any substantial degree performed by a person other than a director or executive officer of the Company or its subsidiaries. Canarc Resource Corp. ("Canarc"), the former parent company of Caza Gold Corp., has agreed to provide administrative assistance to the Company on a time allocation basis and for out-of-pocket expenses on a cost recovery basis. Certain of the current directors of the Company, namely Bradford J. Cooke and Philip Yee, are Executive Officers of Canarc Resource Corp. and Stewart Lockwood, a director and the Corporate Secretary of the Company, is also the Corporate Secretary of Canarc Resource Corp.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of Employee Incentive Stock Option Plan

The Exchange requires all TSX Tier 2 listed companies to have a stock option plan in place that has been approved by the shareholders of the Company. The terms of any stock option plan and incentive stock options granted by the Company are in accordance with the rules and policies of the Exchange, including the number of common shares under option, the exercise price and expiry date of such options, and any amendments thereto. The Company fully disclosed the terms of its initially adopted Employee Incentive Stock Option Plan (the "**Plan**"), in its Prospectus, effective dated October 21, 2010. The Plan is a rolling 10% stock option plan and was adopted on May 14, 2009.

As it is a requirement of the Exchange that rolling stock option plans must receive shareholder approval yearly at the Company's Annual General Meeting, shareholder approval to the Company's Plan, was again sought at the Company's Annual General Meeting held on June 16, 2011 and is once again being sought at the Company's Annual General Meeting to be held on June 12, 2012. The Company made minor amendments to the Plan in 2011 and a copy of the Plan, as amended, was attached as Schedule "C" to the Company's 2011 Management Information Circular.

At the Meeting, the shareholders will be asked to consider, and the directors, believing it to be in the best interests of the Company, recommend the shareholders approve, a resolution whereunder the Company allocate and reserve 10% of the issued Common Shares of the Company from time to time for use in its current Plan (the "2011 Plan"). The 2011 Plan complies with the rules set forth for such plans by the Exchange. The 2011 Plan provides for the issuance of options to "Directors", "Employees", "Consultants" and "Management Company Employees" of the Company to purchase common shares of the Company. Any stock options which are issuable under the 2011 Plan would be issued at the discretion of the Board of Directors and would be exercisable during a period not exceeding ten years. The exercise price will not be lower than the "Discounted Market Price" of the Shares on the Exchange at the time of grant. In the context of the 2011 Plan, "Discounted Market Price" means the last closing price of the Company's shares on the day immediately preceding the date on which the directors grant and publicly announce the options, less the applicable discount, and will not otherwise be less than \$0.10 per share. Disinterested shareholder approval will be obtained for any reduction in the exercise price of options granted to persons who are insiders of the Company at the time of such proposed amendment.

The objective of the 2011 Plan is, as before, to provide for and encourage ownership of common shares of the Company by its directors, officers, key employees and selected consultants so that such persons may increase their stake in the Company and benefit from increases in the value of the common shares, in order to align the interests of such persons with those of shareholders. The 2011 Plan is designed to be competitive with the benefit programs of other companies in the natural resource industry. It is the view of management that the 2011 Plan is a significant incentive for the directors, officers and

key employees to continue and to increase their efforts in promoting the Company's operations to the mutual benefit of both the Company and such individuals.

A copy of the 2011 Plan was attached as Schedule "C" to the Company's Management Information Circular and is available for viewing on SEDAR at www.sedar.ca. Reference should be made thereto for a complete statement of the terms and conditions of the 2011 Plan. No changes will be made to the Plan at the upcoming Annual General Meeting. Shareholder approval is being sought at the upcoming meeting as it is a requirement of the TSX Venture Exchange that rolling stock option plans must receive shareholder approval yearly at the Company's Annual General Meeting.

The text of an ordinary resolution, in substantially the form as set out below, will be placed before the shareholders of the Company at the Company's Annual General Meeting to be held June 12, 2012:

"A. The Company's stock option plan, (the "2011 Plan") be and is hereby approved, ratified and confirmed;

B. the Board of Directors are granted the power and authority to make certain amendments to the 2011 Plan or any option without shareholder approval, including: amendments of a "housekeeping" nature; a change to the vesting provisions of an option; accelerating the expiry date of an option; amending the definitions contained within the 2011 Plan; amending or modifying the mechanics of the exercise of options (except with respect to the requirement that full payment be received for the exercise of options); amendments that are necessary to comply with the provisions of applicable laws or the rules, regulations and policies of the Exchange; or any more senior exchange upon which the Company may be listed, amendments relating to the administration of the 2011 Plan; amendments that are necessary to suspend or terminate the 2011 Plan; and any other amendment, whether fundamental or otherwise, not requiring shareholder approval as may be allowed by the Exchange or any more senior exchange upon which the Company may be listed under their applicable rules, regulations and policies."

In the event of a negative vote by the shareholders with respect to the approval of the 2011 Plan, management reserves the right to submit such resolution pertaining to the incentive stock option plan to the next general meeting of the shareholders.

Reference is made to the section captioned "Election of Directors" for further details with respect to the present positions of the Company's directors and the number of shares held in the Company.

Approval of Shareholder Rights Plan

At the Meeting, the shareholders will be asked to consider, and the directors, believing it to be in the best interests of the Company, recommend the shareholders approve and ratify a Shareholder Rights Plan Agreement as summarized below under the heading "Summary of Shareholder Rights Plan Agreement".

The Shareholder Rights Plan Agreement provides that it will not be effective unless it is confirmed by a resolution passed at the meeting by a majority of the votes cast. At the meeting, shareholders will be asked to adopt a resolution confirming the Shareholder Rights Plan. The Shareholder Rights Plan was not adopted in response to or in anticipation of any pending or threatened take-over bid. It is not intended to and will not prevent a take-over of the Company.

Purpose of the Shareholder Rights Plan

The Shareholder Rights Plan has the following main objectives:

1. to provide the Board of Directors time to consider value-enhancing alternatives to a take-over bid and to allow competing bids to emerge;
2. to ensure that shareholders of the Company are provided equal treatment under a take-over bid; and
3. to give adequate time for shareholders to properly assess a take-over bid without undue pressure.

It is not intended to deter take-over bids. Take-over bid contests for corporate control provide a singular opportunity for shareholders to obtain a one-time gain. After the acquisition of effective control, the opportunity for this one-time gain normally does not reoccur. As with most public companies, control of the Company can probably be secured through the ownership of much less than 50% of the shares. Without a shareholder rights plan, it would be possible for a bidder to acquire effective control, over a relatively short period of time, through open market and private purchases, using various techniques permitted under the securities legislation in Canada, without making a bid available to all shareholders. Such acquisition of control would probably be an effective deterrent to other potential offerors. The person acquiring control would probably, over a period of time, be able to consolidate and increase its control without the price for control ever being tested through an open market auction. Shareholder rights plans are designed to prevent this occurrence by forcing all acquisitions of control into a public offer mode.

A public offer will not necessarily achieve all of the objectives of ensuring the maximum value to shareholders. A take-over bid can be completed in a time period as short as 35 days. This is too short a time period to ensure that the directors can develop other competing alternatives. The Shareholder Rights Plan is intended to provide time to shareholders to properly assess any take-over bid and to provide the board of directors with sufficient time to explore and develop alternatives for maximizing shareholder value, including, if considered appropriate, identifying and locating other potential bidders.

Summary of the Shareholder Rights Plan

The following is a summary of the terms of the Shareholder Rights Plan.

General

The rights will be issued pursuant to the Shareholder Rights Plan agreement dated and effective June 12, 2012, between the Company and Computershare Trust Company of Canada as the rights agent. The Shareholder Rights Plan is subject to the approval of the TSX Venture Exchange. Each right will entitle the holder to purchase from the Company one Common Share at the exercise price of \$25.00 Cdn. per share, subject to adjustments, at any time after the separation time (defined below). However, if a flip-in event (defined below) occurs, each right will entitle the holder to receive, upon payment of the exercise price, Common Shares having a market value equal to two-times the exercise price. The rights are non-exercisable until the separation time.

Trading of Rights

Until the separation time, the rights will be evidenced by the outstanding certificates for Common Shares and the rights will be transferred with, and only with, the Common Shares. As soon as practicable following the separation time, separate certificates evidencing the rights will be mailed to holders of record of Common Shares as of the close of business at the separation time and the separate rights certificates will thereafter evidence the rights.

Separation Time and Acquiring Person

The rights will separate and trade apart from the Common Shares and become exercisable at the separation time. "Separation time" generally means the close of business on the 10th trading day following the commencement or announcement of the intent of any person to commence a take-over bid, other than a permitted bid or a competing bid, but under certain circumstances can mean the eighth trading day after a person becomes an "acquiring person" by acquiring 20% or more of the voting shares of any class.

Flip-in Event

A "flip-in event" will, in general terms, occur when a person becomes an acquiring person. Upon the occurrence of a flip-in event, each right will entitle the holder to acquire, on payment of the exercise price, that number of Common Shares having a market value equal to two-times the exercise price. However, any rights beneficially owned by an acquiring person or by any direct or indirect transferees of such person, will be void. The term "beneficial ownership" is defined to include, under certain circumstances, shares owned indirectly through affiliates, associates, trusts and partnerships, other situations of ownership deemed by operation of law, shares subject to acquisition or voting agreements and shares owned by persons acting jointly or in concert. There are several exceptions, including exceptions directed towards investment managers, trust companies, and independent managers of pension plans who are not participating in a take-over bid.

Permitted Bids

Permitted bids are exempted from the operation of the Shareholder Rights Plan. In summary, a permitted bid is a take-over bid made by way of take-over bid circular which complies with the following provisions:

- (a) It is made to all holders of voting shares of the Company of a particular class and for all those voting shares.
- (b) No voting shares can be taken up and paid for before the close of business on the "Permitted Bid Expiry Date", as described below, and unless more than 50% of voting shares held by shareholders independent of the offeror are tendered and not withdrawn.
- (c) Voting shares may be tendered at any time until the Permitted Bid Expiry Date and may be withdrawn until taken up and paid for.
- (d) If the condition described in (b) above is met, there will be a public announcement and the take-over bid will be open for a further period of 10 business days.

The Shareholder Rights Plan contains provisions designed to ensure that, if considered appropriate, the time for tendering to two or more competing permitted bids will occur on the same date.

Permitted Bid Expiry Date

The Permitted Bid provisions require that for a Take-Over to be a Permitted Bid it must be left open until the Permitted Bid Expiry Date. The "Permitted Bid Expiry Date" means 60 days following the date of the Take-Over Bid.

Exchange Option

Under certain circumstances, the board of directors of the Company can, on exercise of a right and payment of the exercise price, issue other securities or assets of the Company in lieu of Common Shares. The board of directors of the Company can also determine to issue in exchange for the rights, but without payment of the exercise price, Common Shares having a value equal to the exercise price or other securities or assets of the Company having the same value.

Adjustments

The exercise price, the number and kind of shares subject to purchase upon exercise of each right and the number of rights outstanding are subject to adjustment from time to time to prevent dilution in the event that the Company takes certain actions involving the Company's share capital which would otherwise have a dilutive effect.

Redemption

At any time before the occurrence of a flip-in event, the board of directors may elect to redeem the rights in whole at a redemption price of \$0.0001 per right.

Waiver

The board of directors may waive the application of the Shareholder Rights Plan to any flip-in event if it determines that a person became an acquiring person by inadvertence, conditional upon such person having, within 10 days after the determination by the board of directors, reduced its beneficial ownership of shares such that it is no longer an acquiring person. The board of directors may also, until a flip-in event has occurred, waive the application of the Shareholder Rights Plan to any particular flip-in event, but in that event, the board of directors shall be deemed to have waived the application of the Shareholder Rights Plan to any other flip-in event which may arise under any take-over bid then in effect.

Amendments

The board of directors may amend the Shareholder Rights Plan to correct clerical or typographical errors, to maintain the validity of the plan as a result of any changes in any applicable legislation or to increase or decrease the exercise price. Any amendments required to maintain the validity of the Shareholder Rights Plan must be submitted to the shareholders of the Company or, after the separation time, to the holders of the rights for confirmation.

The Board of Directors shall have the exclusive power and authority to administer and, subject to the consent of the Rights Agent, acting reasonably, amend the Shareholder Rights Plan and to exercise all rights and powers specifically granted to the Board of Directors or the Corporation, or as may be necessary or advisable in the administration of the Shareholder Rights Plan, including, without limitation, the right and power to (a) interpret the provisions of the Shareholder Rights Plan and (b) make all determinations deemed necessary or advisable for the administration of this Agreement (including a determination to terminate or redeem or not to terminate or redeem the Rights or to terminate or amend the Agreement). However, material supplements or amendments to the Shareholder Rights Plan require the prior written consent of the TSX Venture Exchange. The Shareholder Rights Plan is subject to the receipt of any requisite approval or consent from any governmental or regulatory authority, and without limiting the generality of the foregoing, necessary approvals of the TSX Venture Exchange, such as to the issuance of Voting Shares and the issuance of convertible debt, equity or other securities or other property or assets.

Term

The Shareholder Rights Plan has a term of 3 years, unless terminated earlier, however it is subject to confirmation at the Meeting.

Shareholder Approval

All members of the Board of Directors have unanimously determined that the Shareholder Rights Plan is in the best interest of the Company. **THE BOARD OF DIRECTORS OF THE COMPANY UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” THE RESOLUTION APPROVING THE SHAREHOLDER RIGHTS PLAN.** All proxies received by the Company will be voted in favour of the adoption of the Shareholder Rights Plan, unless a proxy contains express instructions to vote against the Shareholder Rights Plan. Subject to final TSX Venture Exchange approval, the Shareholder Rights Plan will become effective as of the date of shareholder approval of the Shareholder Rights Plan only if it is approved by greater than 50% of the votes cast by shareholders present in person or represented by proxy at the Meeting. If the Shareholder Rights Plan is not approved at the Meeting, it will not become effective and no Rights will be issued under it.

The text of the resolution approving the Shareholder Rights Plan is set forth below:

“BE IT RESOLVED WITH OR WITHOUT AMENDMENT AS AN ORDINARY RESOLUTION THAT:

1. The Shareholder Rights Plan Agreement, dated for reference June 12, 2012, between the Company and Computershare Trust Company of Canada, as described in the Information Circular of the Company dated as at May 16, 2012, be and it is hereby approved, ratified and confirmed.
2. The actions of the directors and officers of the Company in adopting the Shareholder Rights Plan and in executing and delivering the Shareholder Rights Plan Agreement be and the same are hereby approved and authorized.
3. The Company be authorized to abandon the Shareholder Rights Plan if the Company’s Board of Directors deems it appropriate and in the best interests of the Company to do so.
4. Any one director or officer of the Company be and is hereby authorized and directed to execute all such documents and to do and perform all other acts and things as such director or officer, in such person’s sole and absolute discretion, deems necessary or desirable to carry out the intent of the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the preparation and execution of such document or the doing or performance of such act or thing.”

A copy of the Shareholder Rights Plan Agreement will be available for inspection at the registered and records office of the Company at 1040-999 West Hastings Street, Vancouver, B.C. V6C 2W2, during normal business hours up to **June 12, 2012** being the date of the Meeting, and at the Meeting. A copy of the Shareholder Rights Plan may also be obtained by sending a written request to the President of the Company at the Company’s registered office located at 1040- 999 West Hastings Street, Vancouver, B.C. V6C 2W2.

It is not known that any other matters will come before the Meeting other than as set forth above and in the Notice of Meeting accompanying this Information Circular, but if such should occur the persons named in the accompanying Form of Proxy intend to vote on them in accordance with their best judgement, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment thereof.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Company's Board of Directors believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 – Corporate Governance Guidelines

provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 – Disclosure of Corporate Governance Practices (“NI 58-101”) prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board of Directors is currently comprised of five directors and assuming the re-election of management’s nominees to the Board as described in this Information Circular, the Company’s Board of Directors will be comprised of five (5) directors immediately following the conclusion of the Annual General Meeting. Only one of the directors is independent for the purposes of NI 58-101. Bradford J. Cooke is not independent since he has served as the Chief Executive Officer and President of the Company from November 2007 to January 2010. Philip Yee is not independent since he serves as Chief Financial Officer of the Company. Stewart Lockwood is not independent since he is deemed to have a “material relationship” with the Company, per National Instrument 52-110. Gregory Myers is not independent since he serves as Chief Executive Officer and President of the Company. Anthony Hawkshaw is an independent director of the Company.

Directorships

Certain of the directors are also directors of other reporting issuers as follows:

Director	Other Reporting Issuers
Bradford J. Cooke	Endeavour Silver Corp. Canarc Resource Corp. Radius Gold Inc.
Philip Yee	N/A
Stewart L. Lockwood	N/A
Anthony Hawkshaw	Rio Alto Mining Limited Statesman Resources Ltd.
Gregory Myers	N/A

Orientation and Continuing Education

New Board members receive an orientation package which includes reports on operations and results, and public disclosure filings by the Company. Board meetings are generally held at the Company’s offices and, from time to time, are combined with presentations by the Company’s management to give the directors additional insight into the Company’s business. In addition, management of the Company makes itself available for discussion with the Board members.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing 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. In addition, the Company has adopted a whistle blower policy, which is set out in its Charter of the Audit Committee which is attached as Schedule “B” hereto.

Nomination of Directors

As disclosed elsewhere herein, the Company became a reporting issuer, as a result of a Plan of Arrangement with Canarc Resource Corp. and initially was comprised of two directors. The Company's management is currently comprised of five directors and five officers. During the financial year ended December 31, 2011, the Company adopted a Nominating Committee Charter and appointed a Nominating Committee comprised of directors Stewart Lockwood (Chairman of the Nominating Committee) and Bradford Cooke. In making recommendations to the board, the Nominating Committee is to be guided by the Nominating Committee Charter. The Nominating Committee is responsible for establishing criteria for the selection of new directors to serve on the Board of Directors, taking into account at a minimum all applicable laws, rules, regulations and listing standards, a potential candidate's experience, areas of expertise and other factors relative to the overall composition of the Board of Directors. The Nominating Committee is also responsible for: (1) Identifying individuals believed to be qualified as candidates to serve on the Board of Directors and selection or recommendation that a majority of the members of the Board of Directors be independent; (2) Selection of candidates for all directorships to be filled by the Board of Directors or by the shareholders at an annual or special meeting; (3) Monitoring the orientation and continuing education program for directors; (4) Reviewing the Board of Director's committee structure and recommending to the Board persons to serve on the committees of the Board, giving consideration to the criteria for service on each committee as set forth in the charter for such committee, as well as to any other factors the Committee deems relevant and, when appropriate, making recommendations regarding the removal of any member of any committee; (5) Recommending to the Board persons to serve as the Chair of the committees of the Board of Directors; (6) Overseeing and approving the management continuity planning process; (7) Annually reviewing and evaluating the succession plans relating to the Chief Executive Officer and other executive officer positions and making recommendations to the Board of Directors with respect to the selection of individuals to occupy these positions; (8) Developing, as required, clear position descriptions for the chair of the board and the chair of each board committee; (9) Developing, with the Board, a clear position description for the CEO, which includes delineating management's responsibilities and the corporate goals and objectives that the CEO is responsible for meeting; (10) Developing and recommending to the Board of Directors for its approval an annual self-evaluation process of the Board of Directors and its committees, which may also include specific ongoing expectations and responsibilities for directors, including basic duties and responsibilities with respect to attendance at board meetings and related matters. Based on the results of the annual evaluation, as well as on any other matters the Committee shall deem relevant, the Committee shall make such recommendations to the Board of Directors regarding board processes and other items deemed appropriate to improve or ensure the effective functioning of the Board of Directors as the Committee shall from time to time deem advisable or appropriate; and (11) Performing any other activities consistent with the Nominating Committee Charter, the Company's Articles and governing law as the Committee or the Board of Directors deem appropriate.

Compensation

The Company has established a Compensation Committee that is currently comprised of directors, Bradford J. Cooke (Chair) and Anthony Hawkshaw. Mr. Cooke is not independent as he was an executive officer of the Company until January, 2010. Mr. Hawkshaw is independent. Messrs. Cooke and Hawkshaw have human resource and compensation experience relevant to oversee and advise on the Company's executive compensation practices.

The Committee members have the necessary experience to enable them to make decisions on the suitability of the Company's compensation policies or practices. Both Compensation Committee members have extensive experience in the mining industry. Details of their experience is set out herein under the heading "Audit Committee" – under the subheading "Relevant Education and Experience".

The Compensation Committee's primary responsibilities are to:

- (a) review and assess the adequacy of this Charter annually and, where necessary, recommend changes to this Charter;
- (b) review the adequacy and form of compensation of senior management and ensure that the compensation realistically reflects the risks and responsibilities of such positions;
- (c) review and recommend to the Board of Directors for approval policies relating to compensation of the Company's senior management and directors;
- (d) review the performance of the Company's senior management and recommend annually to the Board of Directors for approval the amount and composition of compensation to be paid to the Company's senior management;
- (e) review and approve the corporate goals and objectives relevant to CEO, President and CFO and other senior officer's compensation, as relevant, evaluate their performance in light of these goals and objectives and set their compensation based on this evaluation;
- (f) review and make recommendations to the Board of Directors with respect to pension, stock option and other incentive plans for the benefit of senior management;
- (g) oversee the administration of the Company's employee stock option plan for the benefit of directors, officers and employees of and services providers to the Company and its subsidiaries;
- (h) review the adequacy and form of the compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks of such positions and fix the amount and composition of compensation to be paid to members of the Board of Directors and the committees thereof;
- (i) review and assess the design and competitiveness of the Company's compensation and benefit programs generally;
- (j) report to the Board of Directors on all other matters and recommendations made by the Compensation Committee;
- (k) follow the process established by it for all committees of the Board for assessing the performance of the Committee; and
- (l) exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

Other Board Committees

At present, the Board has established an Audit Committee, a Nominating Committee, a Compensation Committee and a Corporate Disclosure Policy Committee. Details relating to the Audit, Nominating and Compensation Committees are disclosed herein.

The Company's Corporate Disclosure Policy Committee is headed by the President, Dr. Greg Myers. In making recommendations to the Board and carrying out its functions, the Corporate Disclosure Policy Committee is guided by the Corporate Disclosure Policy as adopted by the Company.

Assessments

Due to the size of the Company's board of directors and the stage of development of the Company, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committee.

AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees (“NI 52-110”) reporting issuers in those jurisdictions which have adopted NI 52-110 are required to provide disclosure with respect to its audit committee including the text of the audit committee's charter, composition of the committee, and the fees paid to the external auditor. The Company became a reporting issuer on the effective date of a Plan of Arrangement with Canarc Resource Corp., namely on June 24, 2008, in the provinces of British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia. Accordingly, the Company provides the following disclosure with respect to its audit committee:

Audit Committee Charter

The Company adopted an Audit Committee Charter, a copy of which is attached hereto as Schedule “B”. The Company's audit committee is governed by the attached Audit Committee Charter.

Composition of Audit Committee

The Company's current audit committee is comprised of three directors, as set forth below:

Bradford Cooke	Not Independent ⁽¹⁾	Financially literate ⁽²⁾
Philip Yee	Not Independent ⁽¹⁾	Financially literate ⁽²⁾
Anthony Hawkshaw	Independent ⁽¹⁾	Financially literate ⁽²⁾

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

The Company, being a “Venture Issuer” per NI 52-110, is relying on the exemption available to Venture Issuers contained in Section 6.1 of NI 52-110 *Audit Committees*. This exemption allows Venture Issuers to be in compliance with NI 52-110 notwithstanding the fact that not all members of the Audit Committee are “independent”. In addition, Section 6.1 exempts Venture Issuers from the requirement to include in an Annual Information Form (“AIF”) the disclosure relating to its Audit Committee as Venture Issuers are not required to file an AIF. Instead, the Company has included the disclosure which would be provided in an AIF, i.e. disclosure regarding its Audit Committee Charter and audit committee composition in this Management Information Circular and has attached its Audit Committee Charter hereto as Schedule “B”.

Relevant Education and Experience

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

Bradford J. Cooke is a director and the Chairman of the Company, as well as being a director, Chairman and Chief Executive Officer of Canarc Resource Corp. and Endeavour Silver Corp. He is also on the boards of directors of other junior exploration companies. Mr. Cooke is a professional geologist with 36 years experience in the mining industry, specializing in the discovery and development of mineral deposits. Mr. Cooke has worked as a project geologist managing mineral exploration programs for uranium, base metals and precious metals across Canada for Noranda Mines, Shell Minerals and Chevron Minerals (1976-1982). Mr. Cook also owned and operated Cooke Geological Consultants Ltd., discovering and developing several high grade gold vein deposits for clients in British Columbia between 1984 and 1987. In 1988, Mr. Cooke launched Canarc Resource Corp. and has overseen its growth since that time. In 2003, Mr. Cooke formed Endeavour Silver Corp. for the purpose of acquiring advanced high-grade silver-gold projects in Mexico which became one of the fastest growing primary producers of silver worldwide. Mr. Cooke is a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia, The Canadian Institute of Mining and Metallurgy, The Prospectors and Developers Association of Canada, the B.C. –Yukon Chamber of Mines, and a Fellow of the Geological Association of Canada.

Philip Yee is a director and the Chief Financial Officer of the Company. Mr. Yee is a professional accountant with MEng (Mining) and MBA degrees and over 20 years experience in corporate management, regulatory reporting, accounting, auditing and taxation. Mr. Yee has achieved professional accreditations as CPA, CGA, CMA, CMC, CIA and CFE. Between 1997 and 2003, Mr. Yee acted as Controller for a group of publicly-traded resource exploration companies. He has acted as Controller, then Finance Manager and then Chief Financial Officer for Endeavour Silver Corp. from 2003 to 2007. He is currently also the Chief Financial Officer and Vice-President (Finance) of Canarc Resource Corp.

Anthony Hawkshaw has over 30 years experience as professional accountant, manager and executive in the mining industry for companies such as Falconbridge Nickel, Echo Bay Mines and Pan American Silver. He has worked in North America, Mexico, Russia and Peru. Mr. Hawkshaw has extensive experience in the marketing of metals in refined and concentrate form and in metals trading, and has arranged numerous debt, equity and convertible debt financings with institutional investors, commercial banks and multilateral lending agencies. Mr. Hawkshaw is a Chartered Accountant and holds a BBM degree.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year, has a recommendation of the audit committee to nominate or compensate an external auditor not been adopted by the board of directors.

At no time since the commencement of the Company's most recently completed financial year has the Company relied on either of the exemptions contained in section 2.4, *De Minimis Non-audit Services*, or section 8, *Exemptions* of NI 52-110. Section 2.4 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 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors and, where applicable, by the audit committee, on a case-by-case basis.

Set forth below are details of certain service fees paid to the Company's external auditor in each of the last two fiscal years:

Financial Year End	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2011	\$33,000	Nil	\$2,500	Nil
December 31, 2010	\$26,000	Nil	Nil	Nil

(1) The aggregate fees billed by the Company's external auditor.

(2) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees".

(3) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.

(4) The aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than the services reported under clauses 1, 2 and 3 above.

Shareholder Feedback and Liaison

To date shareholder inquiries and concerns have been dealt with directly by management and by its Chief Financial Officer.

ADDITIONAL INFORMATION

Additional information concerning the Company is available on SEDAR at (<http://www.sedar.com>) and at the Company's web site at (www.cazagold.com). Financial information concerning the Company is provided in the Company's comparative audited financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2011, a copy of which was filed on SEDAR on April 27, 2012 and mailed to the those of the Company's shareholders who requested them.

BOARD APPROVAL

The contents of this Information Circular, including the schedules thereto, and the sending thereof to shareholders entitled to receive notice of the Meeting, to each director, to the auditors of the Company and to the appropriate governmental agencies, have been approved in substance by the directors of the Company pursuant to resolutions passed as of May 15, 2012.

DATED at Vancouver, B.C., this 16th day of May, 2012.

CERTIFICATE

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

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

BY ORDER OF THE BOARD
CAZA GOLD CORP.

"Bradford J. Cooke"
Bradford J. Cooke, Director

**Schedule “A” to the Information Circular
of Caza Gold Corp. (the “Company”)**

EXECUTIVE COMPENSATION

GENERAL PROVISIONS

“Named Executive Officer” (“NEO”) means each of the following individuals:

- (a) a Chief Executive Officer (“CEO”);
- (b) a Chief Financial Officer (“CFO”);
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 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, nor acting in a similar capacity, at December 31, 2011.

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant give or otherwise provide to each NEO and director for the financial year ended December 31, 2011.

COMPENSATION DISCUSSION AND ANALYSIS

The Company was incorporated on November 15, 2007 and became a reporting issuer on June 24, 2008 as a result of a Plan of Arrangement. The Company’s Board of Directors is comprised of five directors and five senior officers. The shares of the Company were listed on the TSX Venture Exchange effective November 22, 2010. The Company has now established an Audit Committee, a Compensation Committee, a Nominating Committee and a Corporate Disclosure Policy Committee. The composition of the various committees and the functions of the various committees is disclosed elsewhere herein. The Board of directors and its committees are responsible for establishing and monitoring the Company’s long range plans and programs for attracting, retaining, developing and motivating employees. The Board reviews recommendations from the Nominating Committee for the appointment of persons to senior executive positions, considers terms of employment including succession planning. The Compensation Committee considers matters of compensation. The Company adopted an incentive stock option plan on May 14, 2009, following the receipt of shareholder approval to the plan at the Company’s 2009 Annual General Meeting.

The Company’s compensation policies and programs are designed to be competitive with similar junior mining exploration companies and to recognize and reward executive performance consistent with the success of the Company’s business. The significant objectives, elements and formula for compensation to be awarded to, earned by, paid to, or payable to NEOs for the year ended December 31, 2011, were to:

- (i) Attract and retain experienced and talented executive officers;
- (ii) Inspire excellence in the performance of executive officers; and
- (iii) Align shareholder and executive officer interests.

The significant elements of compensation awarded to the NEOs are as follows:

Cash Salary:

The NEOs are paid a salary in order to ensure that the compensation package offered by the company is in line with that offered by other companies in our industry, and as an immediate means of rewarding the NEO for efforts expended on behalf of the company. The salary to be paid to a particular NEO is

determined by comparison to others in the industry. Payment of a cash salary fits within the objective of the compensation program since it rewards the NEO for performance of his or her duties and responsibilities. The payment of such salary may impact on other elements of the compensation package to a particular NEO in that a higher annual salary may result in a lower potential annual bonus.

For 2010 and 2011, salaries which were incurred by the Company for Messrs. Bradford Cooke and Philip Yee were allocated from companies with a certain common director and such allocations were on a cost recovery basis.

Summary Compensation Table

From January 1, 2011 to December 31, 2011, the Company had two Named Executive Officers (for the purposes of applicable securities legislation) (“NEOs”), namely, Gregory Myers (President and Chief Executive Officer) and Philip Yee (Vice-President, Finance, and Chief Financial Officer).

The following table sets forth, for the years indicated the compensation of the Named Executive Officers and also includes the Company’s Vice-Presidents of Exploration and Shareholder Communication:

Name and principal position	Year	Salary ⁽¹⁾ (\$)	Share-Based Awards (\$)	Option-Based awards ⁽²⁾ (\$)	No. of Securities Underlying Options	Non-equity incentive plan compensation ⁽³⁾ (\$)		Pension value ⁽⁵⁾ (\$)	All other Compensation ⁽⁶⁾ (\$)	Total Compensation ⁽⁷⁾ (\$)
						Annual incentive plans ⁽³⁾	Long-term incentive plans ⁽⁴⁾			
Greg Myers ⁽⁸⁾ CEO	2011	\$208,649	N/A	\$104,464	400,000	N/A	N/A	N/A	\$47,935	\$361,048
	2010	\$172,141	N/A	\$120,186	90,180	N/A	N/A	N/A	N/A	\$292,327
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Philip Yee CFO	2011	\$78,121	N/A	\$52,232	200,000	N/A	N/A	N/A	\$30,000	\$160,353
	2010	\$57,625	N/A	\$91,003	68,400	N/A	N/A	N/A	N/A	\$148,628
	2009	\$46,602	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$46,602
Donald Cameron ⁽⁹⁾	2011	\$133,596	N/A	\$88,910	200,000	N/A	N/A	N/A	N/A	\$222,506
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gregg Wilson ⁽¹⁰⁾	2011	\$46,351	N/A	\$39,174	150,000	N/A	N/A	N/A	\$20,000	\$105,525
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Includes the dollar value of cash and non-cash base salary earned during the fiscal year.
- (2) The amount represents the fair value, on the date of grant, of awards made under the Company’s Stock Option Plan. The grant date fair value has been calculated using the Black Scholes Option Pricing Model in accordance with International Financial Reporting Standards. The Company has not granted any stock options.

- (3) These amounts include annual non-equity incentive plan compensation, such as bonuses and discretionary amounts for the year ended December 31.
- (4) N/A.
- (5) N/A.
- (6) These amounts cover all compensation other than amounts already set out in the table for the year ended December 31 and include directors' fees, as applicable and annual bonuses for prior year's performance.
- (7) These amounts include dollar value of total compensation for the fiscal year. This is the sum of all amounts reported in columns with footnotes 1 to 6 above for each NEO and executive officer.
- (8) Mr. Myers was appointed President and CEO of the Company on January 18, 2010.
- (9) Mr. Donald Cameron resigned as Vice-President of exploration on January 4, 2012.
- (10) Mr. Gregg Wilson was appointed Vice-President of Shareholder Communications in June 2011.

Outstanding Option Based Awards:

In May 2009, the Company adopted the Stock Option Plan. The Stock Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board. The Plan provides that options to purchase common shares of the Company will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options will expire on a date not later than ten (10) years after the issuance of such option. Subject to the requirements of the policies of the applicable securities regulatory authorities, if any, and the prior receipt of any necessary regulatory approval, the Board may, in its absolute discretion, amend or modify the Plan or any outstanding option granted under the Plan, as to the provisions set out in the Plan. The Plan provides that the Company may allocate and reserve certain common shares in its capital stock for use under the Plan, which Plan provides for the reservation of a maximum of 10% of the issued shares of the Company at the time of the stock option grant, in accordance with Exchange policy.

The following table sets out all option-based awards and share-based awards outstanding as at December 31, 2011, for each NEO:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽¹⁾
Gregory Myers CEO	400,000	\$0.35	22-Nov-2015	\$0	Nil	N/A
	50,900	\$0.42	30-Nov-2015	\$0	Nil	N/A
	400,000	\$0.375	22-June-2016	\$0	Nil	N/A
Philip Yee CFO	300,000	\$0.35	22-Nov-2015	\$0	Nil	N/A
	42,000	\$0.42	30-Nov-2015	\$0	Nil	N/A
	200,000	\$0.375	22-June-2016	\$0	Nil	N/A
Donald Cameron ⁽²⁾ Vice-President, Exploration	200,000	\$0.57	3-Feb.-2012	\$0	Nil	N/A
Gregg Wilson ⁽³⁾ Vice-President, Shareholder Communication	150,000	\$0.35	22-Nov-2015	\$0	Nil	N/A
	150,000	\$0.375	22-June-2016	\$0	Nil	N/A

(1) Calculated based on the difference between the closing market price of the common shares on the last trading day of the most recently completed financial year (being \$0.26 on December 28, 2011, being the last day the shares traded prior to December 31, 2011) and the exercise or base price of the option.

(2) Mr. Donald Cameron resigned effective January 4, 2012.

(3) Mr. Gregg Wilson was appointed Vice-President of shareholder Communication in June 2011.

The process by which the Board grants option-based awards to executive officers is:

The Board approves base salaries and annual cash incentives at the same time to facilitate consideration of target direct compensation to executive officers.

Annual bonuses, if any and stock options are not based on objective and formal measures, such as share price and E/P ratios, due to the current early stage and development of the Company.

Employment Agreements

Messrs. Gregory Myers, Philip Yee, and Gregg Wilson have entered into any employment agreements with the Company. Particulars of their Employment Agreements are set out herein under the heading “Termination and Change of Control Benefits”.

Incentive Plan Awards – Value vested or earned during the year

Stock Option Plan

The Company adopted a stock option plan in May 2009. The Stock Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board. The Plan provides that options to purchase common shares of the Company will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options will expire on a date not later than ten (10) years after the issuance of such option. Subject to the requirements of the policies of the applicable securities regulatory authorities, if any, and the prior receipt of any necessary regulatory approval, the Board may, in its absolute discretion, amend or modify the Plan or any outstanding option granted under the Plan, as to the provisions set out in the Plan. The Plan provides that the Company may allocate and reserve certain common shares in its capital stock for use under the Plan, which Plan provides for the reservation of a maximum of 10% of the issued shares of the Company at the time of the stock option grant, in accordance with Exchange policy.

Incentive Plan Awards – Value Vested or Earned during the Year

The following table sets out all incentive plan awards which were vested or earned during the fiscal year ended December 31, 2011, for each NEO:

Name	Option-based awards ⁽¹⁾ (\$)		Share-based awards ⁽²⁾		Non-equity incentive plan compensation – Value earned during the year (\$)
	No. of Securities Underlying Options Vested	Value vested during the year	No. of Shares or Units of Shares Vested	Value vested during the year (\$)	
Philip Yee CFO	216,800	\$8,556	N/A	N/A	N/A

Name	Option-based awards ⁽¹⁾ (\$)		Share-based awards ⁽²⁾		Non-equity incentive plan compensation – Value earned during the year (\$)
	No. of Securities Underlying Options Vested	Value vested during the year	No. of Shares or Units of Shares Vested	Value vested during the year (\$)	
Gregory Myers ⁽³⁾ CEO	340,360	\$11,316	N/A	N/A	N/A
Donald Cameron ⁽⁴⁾ Vice-President, Exploration	80,000	\$0	N/A	N/A	N/A
Gregg Wilson ⁽⁵⁾ Vice-President, Shareholder Communication	120,000	\$3,900	N/A	N/A	N/A

(1) Aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date

(2) Aggregate dollar value realized upon vesting of share-based awards

(3) Dr. Myers was appointed Chief Executive Officer and President of the Company on January 18, 2010.

(4) Mr. Donald Cameron resigned effective January 4, 2012.

(5) Mr. Gregg Wilson was appointed Vice-President of Shareholder Communication in June 2011.

During the fiscal year ended December 31, 2011, an aggregate of 1,749,160 incentive plan awards were vested or earned.

Pension Plan Benefits

No pension plan or retirement benefit plans have been instituted by the Company and none are proposed at this time.

Termination and Change of Control Benefits

The Company has employment agreements which include change of control provisions with each of Gregory Myers, Philip Yee, and Gregg Wilson, which agreements have been approved by the board of directors. The change of control provisions recognize the critical nature of these positions and the individuals involved and the requirement to protect the individuals from disruption to their employment in the event of a change of control of the Company. The change of control provisions are designed to treat the individuals in a manner consistent with industry standards for executives in similar positions.

If a change of control of the Company had occurred on December 31, 2011, the total cost to the Company of related payment to the NEOs is estimated at CAD\$935,000. Estimated payments to individual NEOs are as described below assuming mentioned events have occurred on December 31, 2011.

Gregory Myers, President and CEO

Dr. Myers initially entered into an agreement dated effective January 12, 2010 (the “Prior Agreement”) whereby the parties entered into a Consulting Agreement to provide the Company with the services of Dr. Myers as President and CEO of the Company in consideration and upon the terms set out in the Prior Agreement. Effective June 1, 2011, the parties entered into an Executive Consulting Agreement (the “Myers Contract”) which replaced and superseded the Prior Agreement and confirmed Mr. Myers’ appointment as the President and CEO of the Company. The Myers Contract is for a period of one year, with automatic renewal on its anniversary date for an additional one year term and contains provisions

regarding base salary, short-term incentives, eligibility for benefits and security based compensation. The Myers Contract also contains confidentiality provisions of indefinite application. The Myers Contract provides that, upon termination without cause, Dr. Myers is entitled to receive approximately US\$220,000 based on an amount equal to his estimated annual salary at the time of termination, plus the amount of the previous year's annual bonus and any outstanding stock options will remain in good standing for 30 days. The Myers Contract provides that upon voluntary resignation, Dr. Myers is required to provide the Company with 90 days' written notice and to assist the Company, and on a best efforts basis, with finding a replacement acceptable to the Board of Directors. In the event of a resignation or termination within 6 months of a change in control, Dr. Myers is entitled to receive approximately US\$440,000 based on an amount equal to twice his estimated annual salary at the time of termination, plus the amount which equals two times the amount of any annual bonus paid to Dr. Myers within the 12 month period prior to the time of termination. The Myers Contract also contains non-competition and non-solicitation clauses effective during the term of employment.

Philip Yee, CFO

Mr. Yee initially had an unwritten service agreement with the Company providing for Mr. Yee's services to the Company as CFO of the Company. Effective June 1, 2011, the parties entered into an Executive Consulting Agreement (the "Yee Contract") which replaced and superseded the verbal agreement and confirmed Mr. Yee's appointment as the CFO of the Company. The Yee Contract is for a period of one year, with automatic renewal on its anniversary date for an additional one year term and contains provisions regarding base salary, short-term incentives, eligibility for benefits and security based compensation. The Yee Contract also contains confidentiality provisions of indefinite application. The Yee Contract provides that, upon termination without cause, Mr. Yee is entitled to receive approximately CAD\$180,000 based on an amount equal to his estimated annual salary at the time of termination, plus the amount of the previous year's annual bonus and any outstanding stock options will remain in good standing for 30 days. The Yee Contract provides that upon voluntary resignation, Mr. Yee is required to provide the Company with 90 days' written notice and to assist the Company, on a best efforts basis, with finding a replacement acceptable to the Board of Directors. In the event of a resignation or termination within 6 months of a change in control, Mr. Yee is entitled to receive approximately CAD\$360,000 based on an amount equal to twice his estimated annual salary at the time of termination, plus the amount which equals two times the amount of any annual bonus paid to Mr. Yee within the 12 month period prior to the time of termination. The Yee Contract also contains non-competition and non-solicitation clauses effective during the term of employment.

Gregg Wilson, Vice-President, Shareholder Communications

Mr. Wilson initially had an unwritten service agreement with the Company providing for Mr. Wilson's shareholder communications services to the Company. Effective June 1, 2011, the parties entered into an Executive Consulting Agreement (the "Wilson Contract") which replaced and superseded the verbal agreement and confirmed Mr. Wilson's appointment as the Vice-President, Shareholder Communications of the Company. The Wilson Contract is for a period of one year, with automatic renewal on its anniversary date for an additional one year term and contains provisions regarding base salary, short-term incentives, eligibility for benefits and security based compensation. The Wilson Contract also contains confidentiality provisions of indefinite application. The Wilson Contract provides that, upon termination without cause, Mr. Wilson is entitled to receive approximately CAD\$90,000 based on an amount equal to his estimated annual salary at the time of termination, plus the amount of the previous year's annual bonus. The Wilson Contract also provides that, upon voluntary resignation, Mr. Wilson is required to provide the Company with 90 days' written notice and to assist the Company, on a best efforts basis, with finding a replacement acceptable to the CEO. In the event of a resignation or termination within 6 months of a change in control, Mr. Wilson is entitled to receive approximately CAD\$135,000 based on an amount equal to eighteen months' of Mr. Wilson's monthly fee at the time of termination, plus the

amount which equals one and one-half times the amount of any annual bonus paid to Mr. Wilson within the 12 month period prior to the time of termination, and any outstanding stock options will remain in good standing for 30 days. The Wilson Contract also contains non-competition and non-solicitation clauses effective during the term of employment.

Director Compensation

The following table sets out director compensation for the year ended December 31, 2011 for each director other than NEOs:

Name ⁽¹⁾	Fees earned (\$) ⁽²⁾	Share-based awards (\$) ⁽³⁾	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) ⁽⁴⁾	Total (\$)
Anthony Hawkshaw	Nil	Nil	\$39,174	N/A	N/A	Nil	\$39,174
Stewart Lockwood	Nil	Nil	\$39,174	N/A	N/A	\$117,369 ⁽⁵⁾	\$156,543
Bradford J. Cooke	Nil	Nil	\$78,348	N/A	N/A	N/A	\$78,348

Notes:

- (1) Does not include disclosure for a director who is also an NEO unless compensation has not previously been fully disclosed herein.
- (2) Includes all fees awarded, earned, paid or payable in cash for services as a director, including annual retainer fees, committee, chair and meeting fees.
- (3) The amount represents the fair value of the award, on the date of grant, of awards made under the Company's Stock Option Plan. The grant date fair value has been calculated using the Black Scholes Option Pricing Model in accordance with International Financial Reporting Standards.
- (4) Includes all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly. Legal fees earned for legal services rendered by a law firm in which Stewart Lockwood is a partner.
- (5) Legal fees incurred by the Company to a law firm in which Mr. Stewart Lockwood is a partner.

During the fiscal year ended December 31, 2011, no compensation was paid or is payable by the Company to the directors of the Company or the Company's subsidiaries, if any, for their services in their capacity as directors, including any amounts payable for committee participation or special assignments pursuant to any standard or other arrangements, or as consultants or experts.

The following table sets out all share-based awards and option-based awards outstanding as at December 31, 2011, for each director, excluding a director who is already set out in disclosure for a NEO for the Company:

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 (\$) ⁽¹⁾	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
Stewart	150,000	\$0.35	Nov. 22, 2015	\$0	N/A	N/A	N/A
Lockwood	50,000	\$0.42	Nov. 30, 2015	\$0	N/A	N/A	N/A
	150,000	\$0.375	June 22, 2016	\$0	N/A	N/A	N/A
Anthony Hawkshaw	150,000	\$0.35	Nov. 22, 2015	\$0	N/A	N/A	N/A
	150,000	\$0.375	June 22, 2016	\$0	N/A	N/A	N/A
Bradford J. Cooke	600,000	\$0.35	Nov. 22, 2015	\$0	N/A	N/A	N/A
	45,000	\$0.42	Nov. 30, 2015	\$0	N/A	N/A	N/A
	300,000	\$0.375	June 22, 2016	\$0	N/A	N/A	N/A

Notes:

- (1) Calculated based on the difference between the closing market price of the common shares on the last trading day of the most recently completed financial year (being \$0.26 on December 28, 2011, being the last day the shares traded prior to December 31, 2011) and the exercise or base price of the option.

The following table sets out all incentive plan awards (value vested or earned) during the year ended December 31, 2011, for each director, excluding a director who is already set out in disclosure for a NEO for the Company:

Name	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Share-based awards - Value vested during the year ⁽²⁾ (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Stewart Lockwood	\$4,800	N/A	Nil
Anthony Hawkshaw	\$3,900	N/A	Nil
Bradford J. Cooke	\$16,410	N/A	N/A

Notes:

- (1) Aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date
- (2) Aggregate dollar value realized upon vesting of share-based awards



**Schedule "B" to the Information Circular of
Caza Gold Corp. (the "Corporation")**

CHARTER OF THE AUDIT COMMITTEE

1. AUDIT COMMITTEE MANDATE

The Audit Committee (the "Committee") will assist the Board of Directors (the "Board") of Caza Gold Corp. (the "Company") in fulfilling its oversight responsibilities. The Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct as more fully described below. In performing its duties, the Committee will maintain effective working relationships with the Board of directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Company's business, operations and risks.

2. COMMITTEE ORGANIZATION

2.1 *Composition & Independence*

The Committee will be comprised of **three (3)** or more directors as determined by the Board. The Committee members shall satisfy the "independence" requirements as may be required from time to time by the applicable securities regulatory requirements.

2.2 *Financial Training & Financial Expert*

Each member will be "financially literate" as defined in the applicable securities regulatory requirements or shall become financially literate within a reasonable period of time after his or her appointment to the Committee. Each member will have an understanding of the accounting principles used by the Company to prepare its financial statements and, in addition, will have at least one member who will be engaged in the active supervision of the persons engaged in the preparation, audit, analysis or evaluation of certain types of financial statements (the "financial expert").

2.3 *Financial Expert Duties*

The designation or identification of a member as Committee financial expert shall not impose on such member any duties, obligations or liabilities that are greater than the duties, obligations and liabilities imposed on any other member of the Committee or Board.

2.4 *Annual Appointment and Chairman Appointment*

The Board will appoint annually, at the organizational meeting of the full board on the recommendation of the Nominating / Corporate Governance Committee, if any, the members of the Committee. The Board will appoint one member of the Committee as the chair of the Committee.

2.5 *Removal & Compensation*

A Committee member shall be automatically removed without further action of the Board if the member ceases to be a director of the Company or, if initially an independent director as required by applicable legislation, is found by the Board to no longer be an independent director as required by this Charter. Committee members may be



otherwise removed or replaced by a vote of the Board upon recommendation of the Nominating Committee or other applicable committees, once such committees have been established. No independent member serving on the Committee shall receive directly or indirectly, any compensation, advisory or other compensation fee from the Company or an affiliate of the Company other than director fees for service as a director, board committee member, or as otherwise allowed by applicable legislation.

3. MEETINGS

3.1 *Quarterly Meetings*

The Committee is to meet at least four (4) times annually and as many additional times as the Committee deems necessary. Committee members will endeavor to be present at all meetings either in person or by telephone. As necessary or desirable, but in any case at least quarterly, the Committee shall meet with members of management and, if required external auditors, to discuss the financial reporting and any matter that the Committee or management deems necessary.

3.2 *Chairman Duties*

The Chairman in consultation with other members of the Committee, the Company's independent auditors and the appropriate officers of the Company, will be responsible for calling meetings of the Committee, establishing the agenda and supervising the conduct of the meeting. The Committee may also take any action permitted hereunder by unanimous written consent.

3.3 *Third Party Attendees at Meetings*

The Committee may request any officer or employee of the Company or the Company's outside legal counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consult to, the Committee.

3.4 *Quorum & Majority Voting*

Except as otherwise provided by this Charter or applicable laws or regulations, as amended from time to time:

- (a) A majority of the members of the Committee meeting, either present in person or by means of remote communication, or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the Committee, and
- (b) All actions of the Committee shall be by affirmative vote of a majority of those members so determined to be present or represented by proxy.

4. AUTHORITY

4.1 *Authority to Investigate & Require Disclosure*

Subject to the prior approval of the Board, the Committee is granted the authority to investigate and require such information and explanation from management, as it considers reasonably necessary, any matter or activity involving financial accounting, financial reporting, financial risk, and the internal controls of the Company. In addition, the Committee has the authority to require management to promptly inform the Committee and the external auditor of any material misstatement or error in the financial statements following the discovery of such instance.



4.2 Authority to Engage Outside Advisers

The Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and to set and pay the compensation for any advisors employed by the Committee.

4.3 Authority Over Company Auditors

In recognition of the fact that the independent auditors are ultimately accountable to the Committee, the Committee shall have the authority and responsibility to nominate for shareholder approval, evaluate, and where appropriate, replace the independent auditors and shall approve all audit engagement fees and terms and all non-audit engagements with the independent auditors. The Committee shall consult with management but shall not delegate these responsibilities.

5. ANNUAL PERFORMANCE EVALUATION

The Committee will conduct and review with the Board annually an evaluation of the Committee's performance with respect to the requirements of the Charter. The evaluation should set forth the goals and objectives of the Committee for the upcoming year.

6. SPECIFIC DUTIES

In carrying out its oversight responsibilities, the Committee will:

- (a) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- (b) Review with the Company's management and, as necessary, its external auditors and recommend to the Board the Company's quarterly and annual financial statements and management discussion and analysis that is to be provided to shareholders, stakeholders and the appropriate regulatory authorities, including any financial statement contained in a prospectus, information circular, registration statement or other similar document.
- (c) Review the Company's management annual and interim earnings press release before any public disclosure.
- (d) Recommend to the Board the external auditors to be nominated for the purposes of preparing or issuing an audit report or performing other audit's review or attest services and the compensation to be paid to the external auditors. The external auditors shall report directly to the Committee.
- (e) The Committee will annually review the qualifications, expertise and resources and the overall performance of external auditor and, if necessary, recommend to the Board the termination of the external auditor (and its affiliates), in accordance with the applicable securities laws.
- (f) Review with management the scope and general extent of the external auditors' annual audit. The Committee's review should include an explanation from the external auditors of the factors considered in determining the audit scope, including major risk factors. The external auditors should confirm to the Committee whether or not any limitations have been placed upon the scope or nature of their audit procedures.
- (g) Be directly responsible for the oversight of the work of the external auditors, including the resolution of disagreements between management of the Company and the external auditors.
- (h) Review with the Company's management and external auditors the Company's accounting and financial reporting controls. Obtain annually in writing from the external auditors their observations, if any, on significant weaknesses in internal controls as noted in the course of the auditor's work.
- (i) Evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company and ensure that the external



auditors discuss with the Committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

- (j) The Committee is to meet at least once annually, with the independent auditors, separately, without any management representatives present for the purpose of oversight of accounting and financial practices and procedures.
- (k) Review with the Company's management and external auditors significant accounting and reporting principles, practices and procedures applied by the Company in preparing its financial statements. Discuss with the external auditors their judgment about the quality of the accounting principles used in financial reporting.
- (l) Inquire as to the independence of the external auditors and obtain from the external auditors, at least annually, a formal written statement delineating all relationships between the Company and the external auditors and the compensation paid to the external auditors.
- (m) At the completion of the annual audit, review with management and the external auditors the following:
 - i. The annual financial statements and related notes and financial information to be included in the Company's annual report to shareholders.
 - ii. Results of the audit of the financial statements and the related report thereon and, if applicable, a report on changes during the year in accounting principles and their application.
 - iii. Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit. Inquire about the cooperation received by the external auditors during the audit, including all requested records, data and information.
 - iv. Inquire of the external auditors whether there have been any material disagreements with management, which, if not satisfactorily resolved, would cause them to issue a not standard report on the Company's financial statements.
- (n) Meet with management, to discuss any relevant significant recommendations that the external auditors may have, particularly those characterized as "material" or "serious". Typically, such recommendations will be presented by the external auditors in the form of a Letter of Comments and Recommendations to the Committee. The Committee should review responses of management to the Letter of Comments and Recommendations from external auditors and receive follow-up reports on action taken concerning the aforementioned recommendations.
- (o) Have the sole authority to review in advance, and grant any appropriate pre-approvals, of all non-audit services to be provided by the independent auditors and, in connection therewith, to approve all fees and other terms of engagement. The Committee shall also review and approve disclosures required to be included in periodic reports filed with securities regulators with respect to non-audit services performed by external auditors.
- (p) Be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, and periodically assess the adequacy of those procedures.
- (q) Review and approve the Company's hiring of partners, employees and former partners and employees of the present and past auditors.
- (r) Review with management and the external auditors the methods used to establish and monitor the Company's policies with respect to unethical or illegal activities by the Company employees that may have a material impact in the financial statements.
- (s) The Committee will conduct an appropriate review of all proposed related party transactions to identify potential conflict of interest and disclosure situations. The Committee shall submit the related party transaction to the Board of Directors for approval by a majority of independent directors, excluding any director who is the subject of a related transaction, and implementation of appropriate action to protect the Company from potential conflicts of interest.



- (t) The Committee will, if required, prepare a report for the inclusion on the Company's proxy statement for its annual meeting of stockholders describing the Committee's structure, its members and their experience and education. The report will address all issues then required by the rules of the regulatory authorities.

7. COMPLAINT PROCEDURES

The Committee shall, if not otherwise covered by Board approved procedures, establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- (b) the confidentiality, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensuring that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis;
- (d) the review of policies and procedures in effect for considering officers' expenses and perquisites; and
- (e) the performance of other oversight functions as requested by the Board. The Committee must periodically review such procedures to ensure they are effective and ensure compliance by the Company with such procedures.

8. LIMITATIONS ON COMMITTEE'S DUTIES

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. These are the responsibility of management and the independent auditor. Nor is it the duty of the Committee to assure compliance with the laws and regulations.