

ANSUE CAPITAL CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF COMMON SHAREHOLDERS

TO BE HELD ON JULY 15, 2011

AND

MANAGEMENT INFORMATION CIRCULAR DATED JUNE 14, 2011

Neither the TSX Venture Exchange, its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) nor any securities regulatory authority has in any way passed upon the merits of the transactions described herein.

ANSUE CAPITAL CORP.
Suite 490, 580 Hornby Street
Vancouver, British Columbia
V6C 3B6

NOTICE OF ANNUAL AND SPECIAL MEETING OF COMMON SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders of common shares of Ansue Capital Corp. (the “**Corporation**”) will be held at the Computershare Board Room, Computershare Trust Company of Canada, 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9 on July 15, 2011 at 11:00 a.m. (Vancouver time), for the following purposes:

1. to receive and consider the audited annual financial statements of the Corporation for the financial year ended January 31, 2011, and the report of the auditors thereon;
2. to consider and if deemed advisable, to pass, with or without variation, an ordinary resolution authorizing and approving an increase in the number of directors on the board of directors of the Corporation (the “**Board**”) from three (3) to five (5), subject to the Corporation’s Articles of Incorporation, whereby the directors of the Corporation, between the Meeting and the next annual meeting of shareholders, may appoint additional directors not exceeding one-third (1/3) of the number of directors holding office at the expiration of the Meeting to serve until the next annual meeting;
3. to elect directors to hold office until the Qualifying Transaction (as defined in the accompanying management information circular prepared for the purposes of the Meeting (the “**Information Circular**”)) becomes effective or, if the Qualifying Transaction does not become effective, until the next annual general meeting of the holders of Common Shares or until their successors are elected or appointed;
4. to appoint Chang Lee LLP, Chartered Accountants, as the auditors of the Corporation for the ensuing year and to authorize the Board to fix the auditors’ remuneration;
5. to consider and, if thought appropriate, to pass, with or without variation, conditional upon the Qualifying Transaction being completed, an ordinary resolution, the full text of which is set forth in the Information Circular, to approve the Corporation’s stock option plan;
6. to consider and if deemed advisable, to pass, with or without variation, conditional upon the Qualifying Transaction being completed, a special resolution to authorize and approve an amendment to the Corporation’s articles to effect a name change of the Corporation to “Caracara Silver Inc.” (the “**Name Change**”), or such other name as the directors of the Corporation determine is appropriate, as more particularly set forth in the Information Circular;
7. to consider and, if thought appropriate, to pass, with or without variation, conditional upon the Qualifying Transaction being completed, a special resolution to approve the consolidation (the “**Consolidation**”) of the authorized capital of the Corporation on the basis of a factor of one new common share for three existing common shares; and
8. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Information Circular.

Only shareholders of record as of the close of business on June 10, 2011 are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment or adjournments thereof in person are requested to date, sign and return the accompanying instrument of proxy (“Instrument of Proxy”) for use at the Meeting or any adjournment or adjournments thereof. To be effective, the enclosed Instrument of Proxy must be mailed so as to reach or be deposited with Computershare Trust Company of Canada, Attention: Proxy Department, 3rd Floor, 510

Burrard Street, Vancouver, BC, V6C 3B9, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, British Columbia) prior to the time set for the Meeting or any adjournment or adjournments thereof.

DATED this 14th day of June, 2011.

**BY ORDER OF THE BOARD OF DIRECTORS OF
ANSUE CAPITAL CORP.**

(Signed) "Suzanne Wood"

President, Chief Executive Officer, Chief Financial Officer,
Secretary and Director

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Information Circular includes certain statements and information that constitute “forward-looking statements”, and “forward-looking information” under applicable securities laws (“forward-looking statements” and “forward-looking information” are collectively referred to herein as “forward-looking statements”, unless otherwise stated). Forward-looking statements appear in a number of places in this Information Circular and include statements and information regarding the intent, beliefs or current expectations of the Corporation’s officers and directors and statements relating to the Qualifying Transaction (as such term is defined herein). Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Information Circular, words such as “believe”, “anticipate”, “estimate”, “project”, “intend”, “expect”, “may”, “will”, “plan”, “should”, “would”, “contemplate”, “possible”, “attempts”, “seeks” and similar expressions, are intended to identify these forward-looking statements. Forward-looking statements may relate to the Corporation’s future outlook and anticipated events or results and may include statements regarding the Corporation’s future financial position, business strategy, budgets, litigation, projected costs, financial results, taxes, plans and objectives. The Corporation has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting the financial condition of its business. These forward-looking statements were derived utilizing numerous assumptions regarding expected growth, results of operations, performance and business prospects and opportunities that could cause the Corporation’s actual results to differ materially from those in the forward-looking statements. While the Corporation considers these assumptions to be reasonable, based on information currently available, such assumptions may prove to be incorrect. Accordingly, you are cautioned to not put undue reliance on these forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results.

Forward-looking statements are based on information available at the time such statements are made and/or management’s good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Material risk factors which could cause actual results to differ materially from the forward-looking statements, include, but are not limited to:

- failure to complete the Qualifying Transaction as described herein;
- changes in general economic conditions;
- changes in the Corporation’s ability to attract and retain key management and personnel; and
- changes in applicable regulatory requirements and regimes.

Forward-looking statements speak only as of the date such statements are made. Except as required by applicable law, the Corporation assumes no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If the Corporation updates any one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. You should not place undue importance on forward-looking statements and should not rely upon these statements as of any other date. All forward-looking statements contained in this Information Circular are expressly qualified in their entirety by this cautionary statement.

ANSUE CAPITAL CORP.

**ANNUAL AND SPECIAL MEETING OF COMMON SHAREHOLDERS
TO BE HELD JULY 15, 2011**

MANAGEMENT INFORMATION CIRCULAR

PERSONS MAKING THE SOLICITATION

This management information circular ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Ansue Capital Corp. (the "**Corporation**" or "**Ansue**") for use at the annual and special meeting of the holders of common shares ("**Common Shares**") of the Corporation (the "**Meeting**") to be held on July 15, 2011 at 11:00 a.m. (Vancouver time) at the Computershare Board Room, Computershare Trust Company of Canada, 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9. References in this Information Circular to the Meeting include any adjournment or adjournments thereof.

The costs incurred in the preparation and mailing of both the instrument of proxy and this Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated therefor.

In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation. The record date to determine the registered shareholders entitled to receive the Notice of Meeting is June 10, 2011 (the "**Record Date**").

All information provided herein is as at the Record Date unless otherwise indicated.

APPOINTMENT, REVOCATION AND VOTING OF PROXIES

Appointment and Revocation of Proxies

The persons named (the "Management Designees") in the enclosed instrument of proxy (the "Instrument of Proxy") have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification with him or her to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached, where an attorney executed the proxy form or, if the appointor is a company, under its seal or under the hand of its duly authorized officer or attorney or other person authorized to sign.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation's transfer agent, Computershare Trust Company of Canada, Attention: Proxy Department, 3rd Floor, 510 Burrard Street, Vancouver, BC, V6C 3B9, at least forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be

revoked by depositing an instrument in writing executed by the shareholder or by his or her authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the office of the Corporation or with Computershare Trust Company of Canada, Attention: Proxy Department, 3rd Floor, 510 Burrard Street, Vancouver, BC, V6C 3B9, at any time up to forty-eight (48) hours preceding the date of the Meeting or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof.

Voting of Proxies

Each shareholder may instruct his or her proxy how to vote his or her Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the shareholder’s name. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that

form to vote Common Shares directly at the Meeting. **The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Beneficial Shareholder may attend the Meeting as proxy holder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxy holder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

The Corporation will be sending these materials directly to Beneficial Shareholders are designated as non-objecting beneficial owners (NOBOs). These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the issuer (and the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

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

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value. As at the date hereof, there are 4,060,000 Common Shares and no preferred shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of shareholders entitled to receive Notice of the Meeting has been fixed at June 10, 2011 (previously defined as the Record Date). All such holders of record of Common Shares are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation's transfer agent, Computershare Trust Company of Canada, within the time specified in the attached Notice of Meeting, to attend and vote thereat by proxy the Common Shares held by them.

Registered holders of Common Shares of record as at the close of business on the Record Date are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that: (i) such person transfers his or her Common Shares after the close of business on the Record Date; and (ii) such transferee, at least ten (10) days prior to the Meeting, produces properly endorsed share certificates to the transfer agent of the Corporation or otherwise establishes his or her ownership of the Common Shares, in which case the transferee may vote those Common Shares.

The Articles of the Corporation provide that quorum for the transaction of any business at a meeting of shareholders shall be present at a meeting of shareholders if at least two persons are present holding or representing by proxy not less than 5% of the outstanding shares of the Corporation entitled to vote at the meeting.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person beneficially owns, or exercises control or direction over, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all outstanding Common Shares, other than as set out below:

| <u>Name of Shareholder</u> | <u>Number of Common Shares Beneficially Owned, or over which Control or Direction is Exercised, Directly or Indirectly</u> | <u>Percentage of Common Shares Beneficially Owned, or over which Control or Direction is Exercised, Directly or Indirectly</u> |
|----------------------------|--|--|
| Suzanne Wood | 800,000 | 19.7% |
| Anne B. Chopra | 800,000 | 19.7% |

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation Discussion and Analysis

Pursuant to Policy 2.4 of the TSX Venture Exchange Inc. (the “**TSXV**”), and until the Corporation completes a Qualifying Transaction, as such term is defined in the policies of the Exchange, no compensation of any kind may be provided to the Corporation’s directors or officers, directly or indirectly, by any means, including payment of salary, other than compensation that may be provided by way of options (“**Options**”) to purchase Common Shares in the Corporation. Currently issued Options were issued as stand alone stock option grants, but the Corporation is proposing to adopt a stock option plan of the Corporation (the “**Option Plan**”) pursuant to the close of the Qualifying Transaction. For a copy of the Option Plan, please see Exhibit A attached hereto.

The Corporation chooses to issue Options to maintain a competitive position in the Capital Pool Company (“**CPC**”) marketplace and because it is the only permissible form of compensation that may be awarded to its directors and officers while it is a CPC.

The objective and purpose of any Option reward is to encourage the Corporation’s officers and directors to find a Qualifying Transaction that is in the best interest of the shareholder. If a Qualifying Transaction is not successfully completed, or if one is completed that does not increase the value of the Common Shares during the term of the Option, the directors and officers will receive no benefit, or very little benefit, from any Options.

With respect to the grant of Options, the Chief Executive Officer recommends to the Board the individual equity incentive awards for each executive officer and director. The Board then takes these recommendations into consideration when making final decisions on compensation for those executive officers. The Board does not use formulas for each grant, but is restricted by the policies of the Exchange and the Plan in how many Options it may grant. Options under the Option Plan are awarded to executive officers by the Board based upon the level of responsibility and contribution of the individuals towards the Corporation’s goals and objectives. See “*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of Stock Option Plan*” for a detailed description of the Option Plan. Previous grants of Options to a particular individual will be taken into account when considering future grants of Options to that particular individual.

Following the completion of a Qualifying Transaction by the Corporation, if any, it is anticipated that the Corporation will pay compensation to its directors and officers in accordance with industry standards, depending on the nature and size of the particular business that the Corporation acquires in connection with any Qualifying Transaction that it may complete.

Share Based and Non-Equity Incentive Plan Compensation

Other than the existing Options, the Corporation has not at any time granted any share-based awards nor has it provided any awards pursuant to a non-equity incentive plan.

Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans

The Corporation currently has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for its Named Executive Officer or directors of the Corporation.

Compensation of Named Executive Officer

Named Executive Officer Table

The following table provides compensation information for the financial year ended January 31, 2011 in respect of Suzanne Wood, the President, Chief Executive Officer, Chief Financial Officer and Secretary of the Corporation (the “Named Executive Officer”).

| Name and Principal Position | Fiscal Year Ended January 31 | Salary (\$) | Share-Based Awards (\$) | Option-Based Awards ⁽²⁾ (\$) | Non-Equity Incentive Plan Compensation (\$) | | Pension Value (s) | All Other Compensation (s) | Total Compensation (s) |
|--|------------------------------|-------------|-------------------------|---|---|---------------------------|-------------------|----------------------------|------------------------|
| | | | | | Annual Incentive Plans | Long-Term Incentive Plans | | | |
| Suzanne Wood, President, Chief Executive Officer, Chief Financial Officer and Secretary ⁽¹⁾ | 2011 2010 | Nil Nil | N/A N/A | 7,464 Nil | N/A N/A | N/A N/A | N/A N/A | N/A Nil | 14,928 Nil |

Notes:

- (1) Suzanne Wood was appointed President, Chief Executive Officer, Chief Financial Officer and Secretary on December 3, 2009. She is also a director of the Corporation. Ms. Wood received no compensation for her role as a director of the Corporation.
- (2) The Corporation has calculated the grant date fair value of the Options granted to the Named Executive Officer using the Black-Scholes model. The Corporation chose this methodology because it is recognized as the most common methodology used for valuing options and doing value comparisons. The Black-Scholes weighted average assumptions used by the Corporation were: (i) an initial expected useful life of 5 years; (ii) a forfeiture rate of 0%; (iii) a volatility of 98%; and (iv) a risk free interest rate of 2.68%.
- (3) Represents the aggregate of Salary, Option-based awards and All other compensation.

Outstanding Option-Based Awards

The following table sets forth information in respect of Option-based awards outstanding at the end of the financial year ended January 31, 2011 held by the Named Executive Officer.

| Name | Option-Based Awards | | | | Share-Based Awards | |
|---|--|----------------------------|------------------------|---|---|---|
| | No. of securities underlying unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised In-The-Money Options ⁽²⁾ (\$) | No. of Shares or Units of Shares That Have Not Vested (#) | Market or Payout Value of Shares-Based Awards that Have Not Vested (\$) |
| Suzanne Wood, President, Chief Executive Officer, Chief Financial Officer and Secretary | 100,000 | 0.10 | June 2, 2015 | 10,000 | N/A | N/A |

Note:

- (1) Based on the closing price of the Common Shares on March 1, 2011 of \$0.20, being the last day the Common Shares traded on the TSXV during the financial year ended January 31, 2011.

Termination and Change of Control Benefits

Other than as provided for at common law, there is no contract, agreement, plan or arrangement that provides for payments to the Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in the Named Executive Officer's responsibilities.

Compensation of Directors

Director Compensation Table

The following table sets out the compensation paid to directors of the Corporation for the financial year ended January 31, 2010.

| Name ⁽¹⁾ | Fees Earned (\$) | Share-Based Awards (\$) | Option-Based Awards ⁽²⁾ (\$) | Non-Equity Incentive Plan Compensation (\$) | Pension Value (\$) | All Other Compensation (\$) | Total Compensation ⁽³⁾ (\$) |
|---------------------|------------------|-------------------------|---|---|--------------------|-----------------------------|--|
| Anne B. Chopra | N/A | N/A | 7,464 | N/A | N/A | Nil | 7,464 |
| Dale Peterson | N/A | N/A | 14,928 | N/A | N/A | Nil | 14,928 |

Notes:

- Information for Suzanne Wood, the President, Chief Executive Officer, Chief Financial, Secretary and a director of the Corporation is provided under "Compensation of Named Executive Officer - Named Executive Officer Table".
- The Corporation has calculated the grant date fair value of the Options granted to the directors using the Black Scholes model. The Corporation chose this methodology because it is recognized as the most common methodology used for valuing options and doing value comparisons. The Black Scholes weighted average assumptions used by the Corporation were: (i) an initial expected useful life of 5 years; (ii) a forfeiture rate of 0%; (iii) a volatility of 98%; and (iv) a risk free interest rate of 2.68%.
- Represents the aggregate of Option-based awards and All other compensation.

Outstanding Option-Based Awards

The following table sets forth information in respect of Option-based awards outstanding at the end of the financial year ended January 31, 2011 held by the directors.

| Name ⁽¹⁾ | Option-Based Awards | | | | Share-Based Awards | |
|---------------------|--|----------------------------|------------------------|---|---|--|
| | No. of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised In-The-Money Options ⁽²⁾ (\$) | No. of Shares or Units of Shares That Have Not Vested (#) | Market or Payout Value of Share-Based Awards that Have Not Vested (\$) |
| Anne B. Chopra | 100,000 | 0.10 | June 2, 2015 | 10,000 | N/A | N/A |
| Dale Peterson | 200,000 | 0.10 | June 2, 2015 | 20,000 | N/A | N/A |

Notes:

- Information for Suzanne Wood, the President, Chief Executive Officer, Chief Financial, Secretary and a director of the Corporation is provided under "Compensation of Named Executive Officer - Named Executive Officer Table".
- Based on the closing price of the Common Shares on March 1, 2011 of \$0.200, being the last day the Common Shares traded on the TSXV during the financial year ended January 31, 2011.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Corporation's compensation plans under which equity securities are authorized for issuance as at January 31, 2011.

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾ |
|--|---|---|---|
| The Option Plan ⁽²⁾ | 9,785,834 | Nil | 9,785,834 |
| Equity compensation plans not approved by security holders | 400,000 | 0.10 | Nil |
| Total | 400,000 | 0.10 | 9,785,834 |

Note:

- (1) The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Option Plan shall not exceed 9,785,834, being 20% of the issued and outstanding shares of the Corporation at the effective date of the Option Plan, being on the close of the Qualifying Transaction.
- (2) Option Plan to be approved at the Meeting, conditional upon the completion of the Qualifying Transaction.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or proposed director of the Corporation or any associate of the foregoing is, or at any time since the beginning of the Corporation's most recently completed financial year has been, indebted to the Corporation, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular, the Corporation is not aware of any material transaction involving any informed person of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any of informed person or proposed director.

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in other business opportunities on their own behalf and on behalf of other corporations, and situations may arise where such directors and officers will be in competition with the Corporation. Individuals concerned shall be governed in any conflicts or potential conflicts by applicable law and internal policies of the Corporation.

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

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

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly,

by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors and the approval of the Option Plan.

AUDIT COMMITTEE DISCLOSURE

Audit Committee Charter

The text of the audit committee charter is as disclosed in Exhibit B.

Composition of the Audit Committee

The following provides the members of the Audit Committee and certain information regarding these members:

| Name | Independent/ Not Independent ⁽¹⁾ | Financially Literate/ Not Financially Literate ⁽¹⁾ | Relevant Education and Experience |
|----------------|---|---|---|
| Suzanne Wood | Not Independent | Financially Literate | Ms. Wood has over 20 years experience in the financial and corporate management of private and public companies. In 1986, Ms. Wood founded Wood & Associates through which Ms. Wood has been providing consulting services including the preparation of financial reports, registration statements, and other statutory reports and filings. Ms. Wood obtained a Bachelor of Arts from the University of British Columbia in 1980 and after graduating from University, she spent three years with Revenue Canada Taxation. |
| Anne B. Chopra | Not Independent | Financially Literate | Ms. Chopra was engaged with Potash One Inc., a TSX listed resource issuer, as the Corporate Counsel and Manager of Business and International Affairs from November, 2007 to March 2011. Since December 1996, Ms. Chopra has been practicing in the areas of Corporate, Commercial and Securities Law. In addition and since August 2008, Ms. Chopra is the President, Director, CEO, CFO and Secretary to Harvest One Capital Inc., a TSXV Capital Pool Company. Ms. Chopra obtained her Bachelors of Commerce from the University of Alberta in 1983 and a Masters of Industrial Relations from Queen's University in 1984. In 1992, she was admitted to the Law Society of Alberta and in 1997 was admitted to the Law Society of British Columbia. Ms. Chopra has completed the Public Company's Directors' Courses entitled Going Public and Continuous Disclosure at Simon Fraser University. |
| Dale Peterson | Independent | Financially Literate | Mr. Peterson was appointed President of Assure Capital Finance, Inc, a firm that provides strategic and tactical assurance and advisory financial service to small to medium enterprises in a select set of industries on March 1, 2010. Dale obtained a Diploma in Business Administration from Northern Alberta Institute of Technology in 1975, and completed the Canadian Securities Course in 1985, and the Life Underwriters Association in 1992. |

Note:

(1) As defined by National Instrument 52-110 – *Audit Committees* (“NI 52-110”).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

During the most recently completed financial year, the Corporation has not relied on the *De Minimis Non-audit Services* exemption provided for in section 2.4 of NI 52-110. However, as a “venture issuer”, the Corporation is relying on certain exemptions provided by section 6.1 of NI 52-110.

External Auditor Service Fees

The following table discloses the fees billed to the Corporation by its external auditor during the two most recently completed financial years.

| Financial Year Ended | Audit fees⁽¹⁾ | Audit related fees | Tax fees | All other fees |
|-----------------------------|---------------------------------|---------------------------|-----------------|-----------------------|
| January 31, 2011 | \$7,850 | Nil | Nil | Nil |
| January 31, 2010 | \$5,370 | Nil | Nil | Nil |

Notes:

(1) The aggregate fees billed for audit services.

CORPORATE GOVERNANCE

General

The Board views effective corporate governance as an essential element for the effective and efficient operation of the Corporation. The Corporation believes that effective corporate governance improves corporate performance and benefits all of its shareholders. The following statement of corporate governance practices sets out the Board’s review of the Corporation’s governance practices relative to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and National Policy 58-201 - *Corporate Governance Guidelines*.

Board of Directors

An “independent director” generally is one who has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board, which is responsible for supervising the management of the business and affairs of the Corporation, is currently comprised of three directors of whom one is independent as such term is defined in NI 52-110. The independent director is Dale Peterson. Suzanne Wood and Anne B. Chopra are not independent as Suzanne Wood is a member of the Corporation’s management and Anne B. Chopra owns approximately 19.8% of the issued and outstanding shares of the Corporation. The Board facilitates its exercise of independent supervision over management by having two-thirds of the Board consist of individuals who are not part of management of the Corporation.

Other Board Positions

The following table sets out the directors, officers and Promoter(s) of the Corporation that are, or have been within the last five years, directors, officers or Promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

| Name of Director, Officer or Promoter | Name of Reporting Issuer | Name of Exchange or Market | Position | Term |
|--|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| Anne Chopra | Harvest One Capital Inc. | TSX Venture | President, CFO, CEO, Director | August 28 to present |
| Suzanne Wood | Sandpoint Capital Inc. | TSX Venture | Director and Secretary | September 2006 to October 2008 |
| | Carolina Capital Corp. | TSX Venture | Director, President and Secretary | July 26, 2010 to present |
| Dale Peterson | Fireswirl Technologies Inc. | TSX Venture | CEO President and Director | August, 2006 to December, 2008 |
| | Great Canadian Gaming Corporation | TSX | Sr. VP Business Development | June, 2003 to July 2006 |

Orientation and Continuing Education

Given the current size of the Corporation and the Board, the Corporation provides only a limited orientation and education program for new directors. This process includes discussions with management and the Board, with respect to the business and operations of the Corporation. Each new Board member is also entitled to review all previous minutes of the Board and the shareholders.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts 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 Corporation. The Board has also adopted a whistleblower protection policy with respect to the confidential and anonymous reporting of complaints and irregularities.

Nomination of Directors

All members of the Board are encouraged to identify prospective additions to the Board. Any recommendations would be approved by the entire Board and elected annually by the shareholders of the Corporation.

The Board must have a sufficient number of directors to carry out its duties efficiently, presenting a diversity of views and experience. The Board as a whole reviews the contributions of the directors and considers whether the current size of the Board promotes effectiveness and efficiency, and currently believes that the appropriate size of the Board is five members.

Compensation of Directors and Officers

For a discussion on the process by which the Board determines compensation for the directors and executive officers, see "*COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS – Compensation Discussion and Analysis*".

Other Board Committees

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

Assessment of Directors, the Board and Board Committees

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

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

Financial Statements

The audited financial statements of the Corporation for the financial year ended January 31, 2011 and the auditors' report thereon will be tabled at the Meeting. A copy of the audited financial statements, the auditors' report thereon and management's discussion and analysis for the year ended January 31, 2011 are enclosed with this Information Circular.

Background to the Qualifying Transaction

As announced in the press release of the Corporation dated April 14, 2011 (a copy of which is available under the Corporation's profile on SEDAR, at www.sedar.com), the Corporation has entered into a definitive agreement (the "**Definitive Agreement**") with Southern Andes Energy Inc. ("**Southern Andes**") pursuant to which the Corporation has agreed, subject to the satisfaction of certain conditions, to acquire (the "**Acquisition**") all of the issued and outstanding shares of Caracara Silver Inc. ("**Caracara**") and thus indirectly all of the shares of Alpaca Exploraciones SAC, as well as all of the issued and outstanding shares of Solex del Peru SAC ("**Solex**"). As a result of the Acquisition, the Corporation will acquire all of the silver assets of Southern Andes which comprise 24,600 hectares of concessions located approximately 200 kilometres north of Juliaca, Peru. It is intended that the Acquisition will constitute the "Qualifying Transaction" of the Corporation (the "**Qualifying Transaction**") as such term is defined in the policies of the Exchange.

As consideration for the Acquisition, the Corporation has agreed to issue 100 million common shares to Southern Andes and to assume intercorporate debt owing to Southern Andes by Caracara and/or Alpaca Exploraciones SAC and/or Solex in the estimated amount of C\$250,000. The Corporation has also agreed to assume the obligation of Caracara to issue shares to Cybersonic Ltd ("**Cybersonic**") which arose pursuant to a purchase agreement, as amended, dated September 27, 2010 further to the purchase by Caracara of a certain technical data base relating to mineral claims located in the Pilunani region of Peru. As a result of this assumption agreement, upon completion of the Acquisition, Ansue will have the obligation to issue to Cybersonic 5,676,000 pre-consolidation common shares and an additional 2,924,000 pre-consolidation common shares on the one year anniversary of the completion of the Acquisition. Caracara retains the obligation to make certain cash payments to Cybersonic aggregating US\$400,000.

The Acquisition is conditional upon the receipt of all requisite and regulatory and third party consents, including without limitation, the consent of the Exchange and Ansue having C\$150,000 in net-free available cash on completion of the Acquisition, and will close once all the conditions as described in the Definitive Agreement have been satisfied or waived (the "**Effective Time**"). The Definitive Agreement contains covenants, representations and warranties that are customary for transactions of a similar nature.

Increasing the Fixed Number of Directors

The Corporation's articles of incorporation provide that the Board shall consist of at least three (3) and up to such other number as may be approved by shareholders. The Corporation currently has three (3) directors. The Corporation wishes to increase and fix the number of directors at five (5); accordingly, at the Meeting, shareholders of the Corporation will be asked to consider and if thought appropriate, to approve and adopt an ordinary resolution authorizing and approving an increase in the number of directors on the Board from three (3) directors to five (5) directors. Such increase shall be subject to the Corporation's Articles of Incorporation, whereby the directors of the Corporation, between the Meeting and the next annual meeting of shareholders, may appoint additional directors not exceeding one-third (1/3) of the number of directors holding office at the expiration of the Meeting to serve until the next annual meeting.

Unless the shareholder has specifically instructed in the enclosed form of proxy that the shares represented by such proxy are to be voted against the ordinary resolution to approve the increase in the number of directors from three (3) to five (5), the persons named in the enclosed form of proxy will vote FOR the ordinary resolution to authorize and approve the increase in the number of directors on the Board from three (3) to five (5).

In order to be effected, an ordinary resolution must be approved by a majority of the votes cast at the Meeting.

Election of Directors

The shareholders of the Corporation are required to elect the directors of the Corporation to hold office until the next annual meeting of the Corporation or until the successors of such directors are elected or appointed. Ordinarily, that would involve re-electing the three members of the current Board (as described more particularly below, the “**Current-Member Slate**”). However, if the Qualifying Transaction is completed, it will be necessary to replace the Current-Member Slate with nominees as set out in the qualifying transaction agreement as between the Corporation and Southern Andes Energy Inc. (the “**Qualifying Transaction Agreement**”) (as described more particularly below, the “**New Ansue Directors**”) one of which will be a member of the existing current Board. At the time of the Meeting, the Qualifying Transaction will not yet have been completed and there can be no assurance at that time that it will be completed.

It is not appropriate to give effect to the replacement of the Board by the nominees as set out in the Qualifying Transaction Agreement until the Qualifying Transaction is completed. In order to avoid a premature election of the New Ansue Directors, and in order to dispense with the need to call an additional meeting of Shareholders to elect the New Ansue Directors following completion of the Qualifying Transaction, the Ansue Shareholders will be asked at the Meeting to consider, and if thought appropriate, to pass an ordinary resolution, the text of which is as follows:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the election of Suzanne Wood, Anne B. Chopra and Dale Peterson as directors of the Corporation to hold office until the earlier of
 - (i) the next annual meeting of the Corporation, or until their successors are elected or appointed, or
 - (ii) immediately upon the Effective Time (as defined herein), is hereby approved; and
2. at the Effective Time, the election of Nick Tintor, Robert Boaz, Stephen Coates, John Cook and Anne B. Chopra, as directors of the Corporation to hold office from the Effective Time until the next annual meeting of the Corporation, or until their successors are elected or appointed, is hereby approved.”

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote in favour of the election of the directors, whose names are set forth above, to take effect immediately upon completion of the Qualifying Transaction.

In the event the Acquisition is not completed, the persons named in the accompanying proxy as New Ansue Directors will not become directors of the Corporation. Assuming completion of the Acquisition, the members of the Current-Member Slate, save for Anne B. Chopra, who shall become and continue as a member of the New Ansue Directors, have agreed to resign from the Ansue Board with effect as of the Effective Time. The directors elected as the New Ansue Directors will be the only directors of the Corporation and each director will hold office until the close of the next annual meeting of shareholders of the Corporation following his election unless his office is earlier vacated in accordance with the Corporation’s constating documents at that time.

Current-Member Slate

The following table sets forth, for each director of the Current-Member Slate, the person’s name, municipality of residence, position with the Corporation, principal occupation and number of Common Shares beneficially owned, directly or indirectly or over which control or direction is exercised by each of them, and the period during which the individual has served as a director of the Corporation:

| Name, Resident Municipality of Residence, Position(s) with Excelsior ⁽¹⁾ | Principal Occupation or Employment During the Past Five Years | Date(s) Served as a Director or Officer | Number of Common Shares Held as at the Date of Circular |
|---|---|---|---|
| Suzanne Wood President, CEO, CFO, Secretary and Director Vancouver, BC | President, Chief Executive Officer, Chief Financial Officer, Secretary & Director of the Corporation (March 2010 to present) Director, President, Secretary of Carolina Capital Corp (July 26, 2010 to present) Director and Secretary of Sandpoint Capital Inc. (Sept. 2006 to Oct. 2008) Founder and President of Wood & Associates (1986 to present) | December 2009 - present | 800,000 (19.6%) |
| Anne B. Chopra Director Vancouver, BC | Director of the Corporation (March 2010 to present) Corporate counsel and Manager of Business and International Affairs with Potash One Inc. (Nov. 2007 to present) President, Director, CEO, CFO and Secretary of Harvest One Capital (August 2008 to present) | December 2009 - present | 800,000 (19.6%) |
| Dale Peterson Director Vancouver, BC | Director of the Corporation (2010 to present). President of Blue Horseshoe Investments Ltd. since 1994. Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Director of Yorkton Ventures Inc since 2010. President of Assure Capital Finance, Inc. (March 2010 to July 2010 Present) CEO of Fireswirl Technologies Inc. (2006-2008) | December 2009 - present | 400,000 (9.8%) |

Notes:

- (1) The information as to country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective directors and executive officers individually.

Suzanne Wood, President, Chief Executive Officer, Chief Financial Officer, Secretary and Director, Age 53. Ms. Wood has over 20 years experience in the financial and corporate management of private and public companies. In 1986, Ms. Wood founded Wood & Associates through which Ms Wood has been providing consulting services including the preparation of financial reports, registration statements, and other statutory reports and filings. She restructures private companies to assist them in their efforts to go public and conducts due diligence on potential merger and acquisition targets.

Ms. Wood obtained a Bachelor of Arts from the University of British Columbia in 1980 and after graduating from University, she spent three years with Revenue Canada Taxation.

Ms. Wood was a Director and Secretary of Sandpoint Capital Inc., a TSX Capital Pool Company, from its inception in September 2006 to October 2008, when it completed its Qualifying Transaction.

Anne Chopra, Director, Age 48. Ms. Chopra was engaged as VP, Corporate and Legal Affairs with Potash One Inc., a Toronto Stock Exchange listed resource issuer, since November 2007. For the past 16 years, Ms. Chopra has practiced Corporate, Commercial and Securities Law with regional law firms. Since August 2008, Ms. Chopra is the President,

Director, CEO, CFO and Secretary to Harvest One Capital Inc., a TSXV Capital Pool Company. Further, she has been the director and Corporate Secretary to various companies, listed on the TSXV.

In addition to the above professional experience, Ms. Chopra has acted as the Equity Ombudsperson for the Law Society of British Columbia since May, 1999 and has been a Lecturer in business at the University of Alberta, the British Columbia Institute of Technology and at Ryerson Polytechnic Institute.

Ms. Chopra obtained her Bachelor of Commerce and Bachelor of Laws degrees from the University of Alberta and a Masters of Industrial Relations from Queen’s University in 1984.

Dale Peterson, Director, Age 56. Dale has over 30 years of diversified experience in the capital markets covering a wide range of industries throughout North America and Asia. In 1994, Dale founded Blue Horseshoe Investments Ltd. which has provided management consulting, strategic planning and corporate finance activities to numerous public and private SME’s covering a wide range of industries including high-tech, industrials, real estate, manufacturing, gaming, and alternative energy. Since 2010, Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Director of Yorkton Ventures Inc. (YVI.P – TSXV) a Capital Pool Company. From March 2010 to July 2010 Dale was President of Assure Capital Finance Inc. a firm providing tactical assurance and advisory financial services to SME’s in a select set of industries. From 2006-2008, Dale was CEO of Fireswirl Technologies Inc. (“FSW TSX- V”) a technology based company whose principal business now provides an online store in China for Nokia, Motorola and Sony Erickson. From 1997to 2006 Dale was a senior executive in the gaming industry (Lake City Gaming “TSX-LCG” 1997-2002, Great Canadian Gaming “TSX-GC” 2003-2006) with integral roles in corporate governance, mergers, acquisitions, asset integration, facility expansions, and financings involving over 25 gaming facilities throughout Canada and USA of which the cumulative transactions exceeded \$1 billion. Mr. Peterson’s background includes 3 decades of senior roles and management positions within the financial services industry including mortgage underwriting, commercial banking, corporate finance, life insurance, mutual funds and securities. Dale obtained a Diploma in Business Administration from Northern Alberta Institute of Technology in 1975, and completed the Canadian Securities Course in 1985, and the Life Underwriters Association in 1992.

New Ansue Directors

The following table sets forth the name, province or state and country of residence, present principal occupation, business or employment, the period or periods during which each has served as a director of the Corporation and the number of Common Shares that will be beneficially owned by each of the proposed New Ansue Directors. The number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the nominees for election as directors hereinafter named is in each instance based upon information furnished by the person concerned and is as at the date of this Information Circular.

| Name, Age and Province/State and Country of Residence | Principal Occupation, Business or Employment | Date(s) Served as a Director of the Corporation | Common Shares Beneficially Owned, either Directly or Indirectly (or over which Control is Exercised) After Giving Effect to the Consolidation and the Acquisition |
|---|--|---|---|
| Nick Tintor Ontario, Canada | President and CEO, Director of the Southern Andes since May 2010 to the date hereof; President and CEO, Homeland Uranium Inc. (December 2006 to March 2011). Since December 2006 to the date hereof; Director of Homeland Uranium Inc., Director, Kings Minerals, Director of Dumont Nickel Inc. Most recently the | Nil | Nil |

| Name, Age and Province/State and Country of Residence | Principal Occupation, Business or Employment | Date(s) Served as a Director of the Corporation | Common Shares Beneficially Owned, either Directly or Indirectly (or over which Control is Exercised) After Giving Effect to the Consolidation and the Acquisition |
|---|---|---|---|
| | Chairman of Frontline, an officer of Anaconda Mining Inc. (TSX – ANX) and a member of the Canadian Institute of Mining and Metallurgy and the Society of Economic Geologists. | | |
| Robert Boaz Ontario, Canada | Director of Dundee Securities Inc. from August 2000 to November 2004; Managing Director of Raymond James Inc. from November 2004 to March 2006; Director of Southern Andes Energy Inc (formerly Solex Resources Inc (March 2006 to present) Director of Ur- Energy Inc. from March 2006 to March 2010; Director of AuEx Ventures from 2007 to the date hereof; Director of Aura Silver Resources from November 2006 to the date hereof as well as President and CEO from April 2008 to the date hereof. | Nil | Nil |
| Stephen Coates Ontario, Canada | Principal of Grove Capital Group (2009 to present). President, CEO and Director of Homeland Uranium Inc. (March 2011 to present). President and CEO of Homeland Energy Group Ltd. (Dec. 2004 to Oct. 2009) | Nil | Nil |
| John Cook Ontario, Canada | John Cook has more than 45 years of professional experience in all facets of mining development, operations and management. He is currently a director of Cerro Resources NL a TSX-V and ASX listed company. He is also a director of Southern Andes Energy Inc, MBMI Resources Inc., and Strategic Resources Inc., all TSX-V listed companies. He is a director of Homeland Uranium Inc., an unlisted reporting issuer, and Nord Resources Inc. a US OTC company. John Cook was Chairman of Wolfden Resources Inc. until its purchase by Zinifex Limited in June, 2007 and then Chairman of Premier Gold until May of 2010. He has been the President of Tormin Resources Limited, a private | Nil | Nil |

| Name, Age and Province/State and Country of Residence | Principal Occupation, Business or Employment | Date(s) Served as a Director of the Corporation | Common Shares Beneficially Owned, either Directly or Indirectly (or over which Control is Exercised) After Giving Effect to the Consolidation and the Acquisition |
|---|---|---|---|
| | mining company since May 1995, and is a graduate of Sheffield University in mining engineering. | | |
| Anne B. Chopra Vancouver, BC | Director of the Corporation (2010 to present) Corporate counsel and Manager of Business and International Affairs with Potash One Inc. (Nov. 2007 to present) President, Director, CEO, CFO and Secretary of Harvest One Capital (August 2008 to present) | December 2009 - present | 266,666 |

Nicholas Tintor, Director- Mr. Tintor is President & Chief Executive Officer and a Director of Southern Andes Energy Inc. From January 2007 to March 2011, Nick Tintor acted as the President & CEO and a Director of Homeland Uranium Inc.

A graduate of the University of Toronto (B.Sc., Geology), he has more than 25 years of experience in the mining industry and has been involved with all aspects of junior mining company management, finance and project acquisition. Mr. Tintor is also a Director of the following TSX-listed companies: Cerro Resources NL, DNI Metals Inc., and of Homeland Uranium Inc., an unlisted reporting issuer. Mr. Tintor is also the Managing Director of RG Mining Investments Inc., a private mineral project generation and services company.

Robert Boaz, Director - Mr. Boaz is the President and CEO of Aura Silver Resources. He was previously a director of Dundee Securities Inc. from August 2000 to November 2004 and a Managing Director of Raymond James Inc. from November 2004 to March 2006. Mr Boaz is currently a director of Ur-Energy Inc., AuEx Ventures and Southern Andes Energy Inc.

Stephen Coates, Director - Mr. Coates is a Principal of Grove Capital Group since October 2009. He was President and Chief Executive Officer of Homeland Energy Group Ltd (“HEG”) a position he held from December 2004 to October 2009. Mr. Coates is the Chairman of Homeland Uranium Inc., an unlisted reporting issuer and also served in Communications with the Government of Ontario, including as Special Assistant to Premier Mike Harris from June 1999 to May 2001. Mr. Coates graduated with a Bachelor of Arts degree in Political Science from the University of Western Ontario.

John Cook, Director – Mr. Cook has more than 45 years of professional experience in all facets of mining development, operations and management. He is currently a director of Cerro Resources NL a TSX-V and ASX listed company. He is also a director of Southern Andes Energy Inc, MBMI Resources Inc., and Strategic Resources Inc., all TSX-V listed companies. He is a director of Homeland Uranium Inc., an unlisted reporting issuer, and Nord Resources Inc. a US OTC company. John Cook was Chairman of Wolfden Resources Inc. until its purchase by Zinifex Limited in June, 2007 and then Chairman of Premier Gold until May of 2010. He has been the President of Tormin Resources Limited, a private mining company since May 1995, and is a graduate of Sheffield University in mining engineering.

The Board unanimously recommends that the Anstue Shareholders vote in favour of the election of the Current-Member Slate and the New Anstue Directors.

Cease Trade Orders or Bankruptcies

Other than as set out below, no director, officer or promoter of the Corporation, and no securityholder expected to hold a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has, within the last ten years prior to the date hereof, (i) been a director, officer or promoter of any company that, while such person was acting in that capacity was the subject of a cease trade or similar order or an order that denied it access to any statutory exemption for a period of more than 30 consecutive days, (ii) been a director, officer or promoter of any company that, while such person was acting in that capacity within one year of acting in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (iii) 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. Nick Tintor and John Cook have both been directors of issuers that had cease trade orders issued against them.

While Ms. Chopra was an officer of EPIcentrix Technologies Inc. (“**EPI**”), a TSX Venture Exchange company, a cease trade order was issued on September 11, 2003 and October 23, 2003 by the BC Securities Commission and the Alberta Securities Commission, respectively, for EPI’s failure to file its annual and interim financial statements. The filings were subsequently made, deficiencies rectified and EPI resumed trading on June 22, 2004.

Nick Tintor was an officer and director of New Inca Gold Limited which was subject to a cease trade order from February 2002 to January 2004 for failure to file financial statements.

Mr. Cook was, at the relevant time, and continues to be, a director of Mistango River Resources Inc. (formerly GLR Resources Inc.) (“**MRO**”) which was and continues to be subject to cease trade orders issued by the Ontario Securities Commission and the British Columbia Securities Commission, on April 14, 2009, the Autorité des marchés financiers du Québec on April 15, 2009, and the Alberta Securities Commission on November 13, 2009. Such orders against MRO were issued as a result of MRO’s failure to file certain continuous disclosure materials including the audited annual financial statements, management’s discussion and analysis, CEO and CFO certificates and its annual information form for the year ended December 31, 2008, which was caused by financial difficulties experienced by MRO as a result of its inability to raise funds given 2008 market conditions. Effective March 22, 2010, MRO has filed all outstanding continuous disclosure materials required to be filed under applicable securities laws.

On June 5, 2009, MRO filed a proposal (the “**Proposal**”) under the Bankruptcy and Insolvency Act (Canada). Some minor amendments were made to the Proposal which were filed on July 20, 2009. The sale of certain of GLR’s assets under the Proposal was completed on August 20, 2009. Effective on the close of trading on January 7, 2009, MRO’s common shares were delisted from the Toronto Stock Exchange (the “**TSX**”) for failure to meet certain continued listing requirements of the TSX.

Mr. Cook has served as a director of MBMI Resources Inc. (“**MBMI**”) since March 31, 2003. On September 21, 2007, the Executive Director of the British Columbia Securities Commission made an order (the “**MBMI Cease Trade Order**”) that all trading in the securities of MBMI cease until: (i) MBMI filed a current, independent technical report under National Instrument 43-101 on its properties in the Philippines; and (ii) the Executive Director revoked the MBMI Cease Trade Order. On October 5, 2007, MBMI issued and filed a press release retracting and restating scientific and technical disclosure that it made about its Alpha and other mineral properties. On November 8, 2007, MBMI filed an amended technical report on its Alpha mineral property. The Executive Director of the British Columbia Securities Commission revoked the MBMI Cease Trade Order on November 8, 2007.

Penalties and Sanctions

No director, officer or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

In the 10 years prior to the date hereof, none of the proposed directors, officers or promoters of the Corporation or any security holder anticipated to hold a sufficient number of securities of the Corporation to affect materially the control of the Corporation, 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.

Appointment of Auditors

The shareholders of the Corporation will be asked to vote for the re-appointment of Chang Lee LLP, Chartered Accountants, as auditors of the Corporation. **Unless otherwise directed, the Management Designees intend to vote in favour of the ordinary resolution re-appointing Chang Lee LLP, Chartered Accountants, as auditors for the Corporation for the next ensuing year,** to hold office until the close of the next annual meeting of shareholders or until they are removed from office or resign and authorizing the Board to fix the compensation of the auditors. Chang Lee LLP, Chartered Accountants were first appointed as the auditors of the Corporation in December of 2009.

Approval of Stock Option Plan

The policies of the TSXV require that stock option plans must be approved by the shareholders of the listed corporation. This approval is being sought at the Meeting. The Option Plan presented in Schedule "A" is a 20% fixed stock option plan. The Option Plan, if approved by the shareholders, will not become effective until the Effective Time, at which time the issued and outstanding shares of the Corporation will be 48,929,168, which means when it becomes effective there will be 9,785,834 Common Shares reserved for issuance pursuant to the Option Plan.

The purpose of the Option Plan is to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through share options, to acquire a proprietary interest in the Corporation and benefit from its growth. The options are non-assignable and may be granted for a term not exceeding five years.

Options may be granted under the Option Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The total number of Common Shares which may be reserved for issuance to any one individual under the Option Plan within any one year period shall not exceed 5% of the outstanding issue. The maximum number of Common Shares which may be reserved for issuance to insiders under the Option Plan, any other employer stock option plans or options for services, shall be 10% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of stock options which may be granted to insiders under the Option Plan, together with any other previously established or proposed share compensation arrangements, within any one year period shall be 10% of the outstanding issue.

The maximum number of stock options which may be granted to any one consultant under the Option Plan, any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of stock options which may be granted to any persons performing investor relations services under the Option Plan, any other employer stock options plans or options for services, within any 12 month period must not exceed, in the aggregate, 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).

The exercise price of options issued may not be less than the fair market value of the Common Shares at the time the option is granted, less any allowable discounts.

The shareholders of the Corporation will be asked to consider and if thought fit, approve an ordinary resolution approving the Option Plan. **Unless otherwise directed, the Management Designees intend to vote in favour of this ordinary resolution.**

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Option Plan is as follows:

“BE IT HEREBY RESOLVED as an ordinary resolution of the Corporation that:

1. conditional upon the Qualifying Transaction (as defined in the management information circular of the Corporation dated June 14, 2011) being completed, the stock option plan of Ansue Capital Corp. (the **“Corporation”**), substantially in the form attached as Exhibit A (the **“Option Plan”**) to the management information circular of the Corporation dated June 14, 2011, be and is hereby approved and adopted as the stock option plan of the Corporation effective at the Effective Time;
2. the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

Name Change

On completion of the Qualifying Transaction, it is intended that the business of Caracara as currently contemplated to be constituted, will be the business of the Corporation. In connection therewith, the Corporation intends to change its name to “Caracara Silver Inc.” (the **“Name Change”**). Management feels that the Name Change is in the best interests of the Corporation in order to reflect the change in its business activities.

At the Meeting, the shareholders of the Corporation will be asked to consider and, if thought appropriate, to authorize and approve a special resolution in the form set out below, approving the Name Change (the **“Name Change Resolution”**).

Notwithstanding the approval of the shareholders, the Board may, in its discretion and without further shareholder action or approval, revoke the Name Change Resolution. The following is the text of the Name Change Resolution which will be put forward at the Meeting for approval by the shareholders of the Corporation:

“BE IT RESOLVED as a special resolution that:

1. conditional upon the Qualifying Transaction (as defined in the management information circular of the Corporation dated May 31, 2010) being completed, the articles of incorporation (the **“Articles”**) of the Corporation be amended to provide that the name of the Corporation be changed from “Ansue Capital Corp.” to “Caracara Silver Inc.” or such other name as is authorized by the board of directors;
2. notwithstanding the passage of this special resolution, the directors of the Corporation be and are hereby authorized and empowered to revoke this special resolution at any time prior to the filing of such articles of amendment to effect the name change (the **“Articles of Amendment”**) without further approval of the shareholders of the Corporation;
3. any director or officer of the Corporation be, and such director or officer of the Corporation hereby is, authorized, instructed and empowered, acting for, in the name of and on behalf of the Corporation, to do or to cause to be done all such other acts and things in the opinion of such director or officer of the Corporation as may be necessary or desirable in order to fulfill the intent of this special resolution; and
4. upon the Articles of Amendment becoming effective in accordance with the provisions of the *Business Corporations Act* (British Columbia), the Articles shall be amended accordingly.”

Unless the shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be voted against the Name Change Resolution, the persons named in the enclosed form of proxy will vote FOR the Name Change Resolution.

In order to be effected, the Name Change Resolution must be approved by two-thirds (2/3) of the votes cast at the Meeting in person or by proxy.

The Consolidation

As at the date hereof, the Corporation had 4,060,000 Common Shares issued and outstanding. On completion of the Qualifying Transaction, the Corporation intends to reduce the issued and outstanding capital of the Corporation, and pursuant to the Definitive Agreement, the Corporation proposes that, subject to obtaining all required regulatory and shareholder approvals, the Corporation's issued and outstanding share capital be consolidated on the basis of a factor of one new common share in the capital of the Corporation for three existing Common Shares (the "**Consolidation**"). Post-Consolidation there will be approximately 1,353,333 new common shares issued and outstanding.

The exercise price and the number of Common Shares issuable under any outstanding convertible securities of the Corporation, including outstanding incentive stock options and common share purchase warrants, will be proportionately adjusted if the Consolidation is effected.

As soon as practicable after the Share Consolidation has been effected, the Corporation will send letters of transmittal to holders of Common Shares for use in transmitting their share certificates to the Corporation's registrar and transfer agent in exchange for new certificates representing the number of common shares to which such shareholders are entitled as a result of the Consolidation. No delivery of a new certificate to a shareholder will be made until the shareholder has surrendered his, her or its current issued certificates. Until surrendered, each share certificate representing Common Shares shall be deemed for all purposes to represent the number of new common shares (being 1/3rd the number represented on the old share certificate, rounded down to the nearest whole number as described below) to which the holder is entitled as a result of the Consolidation.

No fractional shares will be issued if, as a result of the Consolidation, a shareholder becomes entitled to a fractional of a new common share. In such case, any fraction will be rounded down to the nearest whole number.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution, in the form set out below (the "**Consolidation Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, authorizing the Corporation to effect the Consolidation.

Notwithstanding the approval of the shareholders, the Board may, in its discretion and without further shareholder action or approval, revoke the Consolidation Resolution.

The text of the Consolidation Resolution to be submitted to shareholders at the Meeting is set forth below:

"NOW THEREFORE BE IT RESOLVED THAT:

1. Conditional upon the Qualifying Transaction (as defined in the management information circular of the Corporation dated May 31, 2010) being completed, the articles of the Corporation be amended to provide that:
 - (a) the authorized capital of the Corporation is altered by consolidating all of the issued and outstanding common shares of the Corporation on the basis of a factor of one new common share for three existing common shares; and
 - (b) any fractional common share arising on the consolidation of the common shares of the Corporation will be deemed to have been tendered by its registered owner to the Corporation for cancellation and will be returned to the authorized but unissued capital of the Corporation;
2. notwithstanding the passage of this special resolution, the directors of the Corporation be and are hereby authorized and empowered to revoke this resolution at any time prior to the filing of such articles of amendment without further approval of the shareholders of the Corporation; and
3. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and

to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Corporation be necessary or desirable to carry out the intent of the foregoing resolution.”

Unless the shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be voted against the Consolidation Resolution, the persons named in the enclosed form of proxy will vote FOR the Consolidation Resolution.

In order to be effected, the Consolidation Resolution must be approved by two-thirds (2/3) of the votes cast at the Meeting in person or by proxy.

Other Business

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under the Corporation’s profile on SEDAR at www.sedar.com. Inquiries, including requests for copies of the Corporation’s financial statements and management’s discussion and analysis, may be directed to Suzanne Wood (604) 687-6991. Additional financial information is provided in the Corporation’s comparative financial statements and management’s discussion and analysis for the financial year ended January 31, 2011, which are also available on SEDAR at www.sedar.com.

**EXHIBIT A
ANSUE CAPITAL CORP.**

2011 STOCK OPTION PLAN

1. Purpose

The purpose of this Plan is to authorize the grant to Eligible Persons of options to purchase Shares and thus benefit the Corporation by enabling it to attract, retain and motivate Eligible Persons by providing them with the opportunity, through such options, to acquire an increased proprietary interest in the Corporation.

All defined terms have the meanings ascribed thereto under Section 3 – Interpretation.

2. Administration

The Plan shall be administered by the Board. Subject to approval of the granting of options by the Board, the Corporation shall grant Options under the Plan.

3. Interpretation

“**Board**” means the Board of Directors of the Corporation or a committee thereof appointed to administer the Plan.

“**Change of Control**” means:

- (a) a consolidation, reorganization, amalgamation, merger, acquisition or other business combination (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Corporation and any one or more affiliates of the Corporation, with respect to which all or substantially all of the persons who were the beneficial owners of the Shares and other securities of the Corporation immediately prior to such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement do not, following the completion of such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully-diluted basis) of the Corporation or its successor;
- (b) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
- (c) the sale, exchange or other disposition to a Person other than an affiliate of the Corporation of all or substantially all of the Corporation’s assets; or
- (d) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Corporation or upon the execution of a shareholders’ resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change.

“**Consultant**” means an individual or Consultant Company, other than an Employee or a director of the Corporation, that:

- (a) is engaged to provide on a ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an affiliate of the Corporation;
- (b) provides the services under a written contract between the Corporation or an affiliate of the Corporation and the individual or the Consultant Company;

- (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an affiliate of the Corporation; and
- (d) has a relationship with the Corporation or an affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

“**Consultant Company**” means, for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.

“**Corporation**” means Ansue Capital Corp. and includes any successor corporation thereof.

“**Eligible Person**” means any officer, director, Employee or Consultant of the Corporation or any of its subsidiaries.

“**Employee**” means either:

- (a) an individual who is considered an employee under the *Income Tax Act* (Canada),
- (b) an individual who works full-time for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source, or
- (c) an individual who works for the Corporation or a subsidiary of the Corporation on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.

“**Holding Entity**” has the meaning set out in Section 2.22 of National Instrument 45-106 - *Prospectus and Registration Exemptions*, as may be amended or replaced from time to time.

“**Insider**” means (a) a director or senior officer of the Corporation; (b) a director or senior officer of a company that is an Insider or subsidiary of the Corporation; or (c) a Person that beneficially owns or controls, directly or indirectly, 10% of the Shares.

“**Investor Relations Activities**” means any activities or oral or written communications, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation
 - (i) to promote the sale of products or services of the Corporation, or
 - (ii) to raise public awareness of the Corporation,that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
- (b) activities or communications necessary to comply with the requirements of
 - (i) applicable securities laws, policies or regulations,

- (ii) the rules and regulations of the TSX-V or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
 - (i) the communication is only through the newspaper, magazine or publication, and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) activities or communications that may be otherwise specified by the TSX-V.

“**Market Price**” means the volume weighted average trading price of the Shares, calculated by dividing the total value of Shares by the total volume of Shares traded on the TSX-V, or another stock exchange where the majority of the trading volume and value of the Shares occurs, for the five trading days immediately preceding the day the Option is granted or, if not listed, the last trading price on the prior trading day on any dealing network where the Shares trade, and where there is no such closing price or trade on the prior trading day, the average of the daily high and low board lot trading prices of the Shares on any stock exchange on which the Shares are listed or dealing network on which the Shares trade for the five immediately preceding trading days or as determined by the Board in their absolute discretion if the Shares are not listed or traded on any stock exchange or dealing network.

“**Option**” means a right granted to an Eligible Person to purchase Shares pursuant to the terms of this Plan.

“**Participant**” means each Eligible Person to whom Options are granted hereunder.

“**Permitted Assign**” means:

- (i) a Holding Entity of a Participant; or
- (ii) a RRSP, RRIF or TFSA of a Participant.

“**Person**” means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity or an individual.

“**Plan**” means the Corporation’s 2011 Stock Option Plan, as same may be amended from time to time.

“**RRIF**” means a registered retirement income fund as defined in the *Income Tax Act* (Canada).

“**RRSP**” means a registered retirement savings plan as defined in the *Income Tax Act* (Canada).

“**Shares**” means the common shares in the capital of the Corporation.

“**TFSA**” means a tax-free savings account as described in the *Income Tax Act* (Canada).

“**Termination**” means: (i) in the case of an Employee, the termination of the employment of the Employee with or without cause by the Corporation or an affiliate of the Corporation or cessation of employment of an Employee with the Corporation or an affiliate of the Corporation; (ii) in the case of a Consultant, the expiry or termination of the consulting contract of the Consultant with or without cause by the Corporation or an affiliate of the Corporation or the Consultant; (iii) in the case of an officer, the removal of or failure to re-appoint the individual as an officer of the Corporation or an affiliate of the Corporation; and (iv) in the case of a director, the removal of or failure to re-elect the individual as a director of the Corporation or an affiliate of the Corporation.

“**Termination Date**” means the date on which a Participant ceases to be an Eligible Person due to the Termination of the Eligible Person.

“**TSX-V**” means the TSX Venture Exchange.

“**U.S. Participant**” means a Participant that is subject to federal income tax in the United States of America pursuant to the Internal Revenue Code of 1986, as amended, and any relevant tax convention.

The terms “**affiliate**”, “**associate**”, “**controlled**”, “**insider**” and “**subsidiary**” shall have the meanings ascribed thereto in the *Securities Act* (British Columbia) from time to time.

4. Shares Subject to Plan

- (a) Upon the approval of this Plan, and the plan becoming effective, 9,785,834 Shares are reserved for issuance pursuant to the Options under this Plan, subject to adjustment under the provisions of Section 12 hereof.
- (b) The total number of Shares which may be reserved for issuance to any one individual under the Plan within any 12 month period shall not exceed 5% of the aggregate number of Shares issued and outstanding at the time of grant.
- (c) The total number of Shares which may be reserved for issuance to Insiders, within any 12 month period shall not exceed 10% of the aggregate number of Shares issued and outstanding at the time of grant.

If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any Option exercise price paid to the Corporation shall be returned to the Participant.

5. Eligibility

Options shall be granted only to Eligible Persons. Subject to the foregoing, the Board shall have full and final authority to determine the persons who are to be granted Options under the Plan and the number of Shares subject to each Option.

6. Limits with Respect to Consultants and Investor Relations Persons

- (a) The maximum number of Options which may be granted to any one Consultant under the Plan and any other security based compensation plans of the Corporation, within any 12 month period, must not exceed 2% of the number of Shares issued and outstanding at the time of the grant (on a non-diluted basis).
- (b) The maximum number of Options which may be granted to a Person conducting Investor Relations Activities under the Plan and any other security based compensation plans of the Corporation, within any 12 month period, must not exceed, in the aggregate, 2% of the number of Shares issued and outstanding at the time of the grant (on a non-diluted basis).

7. Price

- (a) Subject to subsections (b) and (c) the purchase price (the “**Price**”) for the Shares under each Option shall be determined by the Board but shall not be lower than the Market Price.
- (b) In the event the Shares are listed on the TSX-V, the Price may be the Market Price less any discounts from the Market Price allowed by the TSX-V (the “**Discounted Market Price**”), subject to a minimum price of \$0.10. The approval of disinterested shareholders will be required for any

reduction in the Price of a previously granted Option to an insider of the Corporation. Notwithstanding the foregoing, no Option shall be granted to a U.S. Participant with a Price lower than the Market Price on the date of grant.

- (c) In the event the Corporation grants Options within 90 days of a distribution by prospectus (the “**Distribution**”), the minimum Price will be the greater of the Discounted Market Price and the per share price paid by public investors for Shares acquired under the Distribution. The 90 day period shall begin on the date a final receipt is issued for such prospectus.

8. Period of Option and Rights to Exercise

Subject to the provisions of this Section 8 and Sections 9 and 16 below, Options will be exercisable in whole or in part, and from time to time, during the currency thereof. Options shall not be granted for a term exceeding 10 years. In the event that any Option expires during, or within 48 hours after, a self-imposed blackout period on trading securities of the Corporation, such expiry date will become the tenth day following the end of the blackout period. The Shares to be purchased upon each exercise of any Option (the “**Optioned Shares**”) shall be paid for in full at the time of such exercise.

9. Expiry of Option

On the expiry date of any Option granted under the Plan, and subject to any extension of such expiry date permitted in accordance with the Plan, such Option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Optioned Shares in respect of which the Option has not been exercised.

10. Termination or Death

- (a) Except as otherwise determined by the Board and subject to the limitation that Options may not be exercised later than 10 years from their date of grant:
 - (i) if a Participant ceases to be an Eligible Person for any reason whatsoever other than death, each Option held by the Participant or by a Permitted Assign of such Participant, will cease to be exercisable 90 days after the Termination Date, or such longer period as determined by the Board. If any portion of an Option is not vested by the Termination Date, that portion of the Option may not be exercised by the Participant or by a Permitted Assign of such Participant unless the Board determines otherwise. For greater certainty, any such determination regarding the period for exercise or vesting of Options made by the Board may be made at any time subsequent to the date of grant of Options, provided, however, that the Board may not extend the period for exercise beyond the expiry date of the Option. If a Participant ceases to be an Eligible Person because his relationship with the Corporation or an affiliate of the Corporation is terminated by the Corporation or an affiliate of the Corporation, as applicable, for cause, such Participant’s Options, including Options held by a Permitted Assign of such Participant, shall cease to be exercisable immediately upon the Termination Date; or
 - (ii) if a Participant dies, the legal representative of the Participant may exercise the Participant’s Options, including Options held by a Permitted Assign of such Participant, within a period of the earlier of (i) the expiry date of such Option; and (ii) 12 months after the date of the Participant’s death, but only to the extent the Options were by their term exercisable on the date of death unless otherwise determined by the Board.
- (b) Any Participant to whom an Option is granted under the Plan who subsequently ceases to hold the position in which he received such Option shall continue to be eligible to hold such Option as a Participant as long as he otherwise falls within the definition of “Eligible Person” in any capacity.

11. Non-Assignability and Non-Transferability of Options

- (a) An Option granted under the Plan shall be non-assignable and non-transferrable by the Participant otherwise than by will or by the laws of descent and distribution, and such Option shall be exercisable, during a Participant's lifetime, only by the Participant.
- (b) Notwithstanding Section 11(a), Options may be assigned by an Eligible Person to whom an Option has been granted to a Permitted Assign of such Eligible Person, following which such Options shall be non-assignable and non-transferable by such Permitted Assign, except to another Permitted Assign.

12. Capital Adjustments

If there is any change in the outstanding Shares by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of shares, or other fundamental corporate change, the Board will make, subject to any prior approval required of relevant stock exchanges or other applicable regulatory authorities, if any, an appropriate substitution or adjustment in (i) the exercise price of any unexercised Options under this Plan; (ii) the number or kind of shares or other securities reserved for issuance pursuant to this Plan; and (iii) the number and kind of shares subject to unexercised Options theretofore granted under this Plan; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional Shares. In the event of the reorganization of the Corporation or the amalgamation or consolidation of the Corporation with another corporation, the Board may make such provision for the protection of the rights of Participants as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

13. Amendment and Termination

Except as otherwise set out below, the Board shall seek shareholder and regulatory approval for any amendments to the Plan. The Board may discontinue the Plan at any time without first obtaining shareholder approval, provided that, without the consent of a Participant, such discontinuance may not in any manner adversely affect the Participant's rights under any Option granted under the Plan.

The Board may, subject to receipt of requisite regulatory approval, where required, and without further shareholder approval, in its sole discretion make the following amendments to the Plan:

- (a) amending typographical, clerical and grammatical errors;
- (b) reflecting changes to applicable securities laws;
- (c) changing the termination provisions of an Option or the Plan which do not entail an extension beyond the original expiry date;
- (d) including the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve; and
- (e) ensuring that the Options granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a Participant may from time to time be resident or a citizen.

Notwithstanding the foregoing, the Corporation shall obtain requisite shareholder approval in respect of amendments to the Plan to the extent such approval is required by any applicable laws or regulations.

14. Evidence of Options

Each Option granted under the Plan shall be embodied in a written option agreement between the Corporation and the Participant (substantially in the form attached as Schedule “A” hereto) which shall give effect to the provisions of the Plan.

15. Exercise of Option

Subject to the provisions of the Plan and the particular Option, an Option may be exercised from time to time by delivering to the Corporation at its head office a written notice of exercise (substantially in the form attached as Schedule “B” hereto) specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in cash or certified cheque for the full amount of the purchase price of the Shares then being purchased and any necessary withholding taxes.

Upon receipt of a certificate of an authorized officer directing the issue of Shares purchased under the Plan, the transfer agent of the Corporation is authorized and directed to issue and countersign Share certificate(s) for the Optioned Shares in the name of such Participant or the Participant’s legal personal representative or as may be directed in writing by the Participant’s legal personal representative.

16. Vesting Restrictions

Options issued under the Plan may vest at the discretion of the Board provided that if required by any stock exchange on which the Shares trade, Options issued to a Person conducting Investor Relations Activities must vest in stages over not less than 12 months with no more than one-quarter of the Options vesting in any three month period.

17. Hold Periods

- (a) If the Corporation grants Options at the Discounted Market Price, such Options and Shares issued upon exercise of such Options must include the following legend:

“Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until **[insert date that is four months and one day after grant.]**”

- (b) If Options are exercised within 4 months and one day from the date of grant and were granted to directors, officers, Promoters of the Corporation (as such term is defined in the TSXV rules and policies) or to a Person holding 10% or more of the voting rights of the Corporation’s issued and outstanding Shares at the date of grant, such Shares, when issued, shall contain the following legend:

“Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until **[insert date that is four months and one day after grant.]**”

18. Notice of Change of Control

If at any time when an Option granted under this Plan remains unexercised with respect to any Optioned Shares:

- (a) the Corporation seeks approval from its shareholders for a transaction which, if completed, would constitute a Change of Control; or
- (b) a third party makes a bona fide formal offer or proposal to the Corporation or its shareholders which, if accepted, would constitute a Change of Control;

the Corporation shall notify the Participant in writing of such transaction, offer or proposal as soon as practicable and, provided that the Board has determined that no adjustment shall be made pursuant to Section 12 hereof, (i) the Board may permit the Participant to exercise the Option granted under this Plan, as to all or any of the Optioned Shares in respect of which such Option has not previously been exercised (regardless of any vesting restrictions), during the period specified in the notice (but in no event later than the expiry date of the Option), so that the Participant may participate in such transaction, offer or proposal; and (ii) the Board may require the acceleration of the time for the exercise of the said Option and of the time for the fulfilment of any conditions or restrictions on such exercise. In any event, upon a Change of Control, holders of Options shall not be treated any more favourably than shareholders of the Corporation with respect to the consideration that Participants would be entitled to receive for their Shares.

If the Participant elects to exercise its Options following a Change of Control, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Shares which he was entitled upon such exercise, the kind and amount of shares and other securities, property or cash which such holder could have been entitled to receive as a result of such Change of Control, on the effective date thereof, had he been the registered holder of the number of Shares to which he was entitled to purchase upon exercise of such Options.

19. Rights Prior to Exercise

A Participant shall have no rights whatsoever as a shareholder in respect of any of the Optioned Shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Optioned Shares in respect of which the Participant shall have exercised the Option to purchase hereunder and which the Participant shall have actually exercised and paid for.

20. No Rights to Continued Employment

Nothing in the Plan or any Option shall confer upon a Participant any right to continue in the employment or engagement of the Corporation or any affiliate of the Corporation or affect in any way the right of the Corporation or any affiliate of the Corporation to terminate his employment or engagement at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any affiliate of the Corporation to extend the employment or engagement of any Participant beyond the date on which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any affiliate of the Corporation, or beyond the date on which his relationship with the Corporation or any affiliate of the Corporation would otherwise be terminated pursuant to the provisions of any employment, consulting or other contract for services with the Corporation or any affiliate of the Corporation.

21. Withholding Taxes

The exercise of each Option granted under the Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that a Participant pay to the Corporation, in addition to and in the same manner as the exercise price for the Shares, such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the Option or, alternatively, the Corporation shall have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Shares acquired upon exercise of any Option, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant by the Corporation, whether or not such amounts are payable under the Plan.

22. Governing Law

This Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be deemed to have been made in said province, and shall be in accordance with all applicable securities laws.

23. Effective Date

This Plan shall be effective on ●, 2011.

SCHEDULE "A"

**ANSUE CAPITAL CORP.
OPTION AGREEMENT**

This Option Agreement is entered into between Ansue Capital Corp. (the "**Corporation**") and the Participant named below pursuant to the Corporation's 2011 Stock Option Plan (the "**Plan**"), a copy of which is attached hereto, and confirms the following:

1. Grant Date: _____
2. Participant: _____
3. Participant's Relationship with the Corporation: _____
4. Number of Optioned Shares: _____
5. Option Price (\$ per Share): \$ _____
6. Expiry Date of Option: _____
7. The Option vests as follows: _____

8. **[Insert only if applicable.]** If the Options are exercised on or before [the date that is four months + 1 day from the date of grant], and at the time the Options are exercised the Corporation is listed on the TSX Venture Exchange, the Participant consents to the placement of a legend on all certificates representing the Optioned Shares in substantially the following form:

"Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until **[the date that is four months + 1 day from the date of grant].**"

9. The Option is non-assignable and non-transferable otherwise than by will or by the law governing the devolution of property, to the Participant's executor, administrator or other personal representative in the event of death of the Participant.
10. This Option Agreement is subject to the terms and conditions set out in the Plan, as amended or replaced from time to time. In the case of any inconsistency between this Option Agreement and the Plan, the Plan shall govern.
11. Unless otherwise indicated, all defined terms shall have the respective meanings attributed thereto in the Plan.
12. This Option Agreement may be executed by the parties hereto in as many counterparts as may be necessary, and each such agreement so executed shall be deemed to be an original and, provided that all of the parties have executed a counterpart, such counterparts together shall constitute a valid and binding agreement, and notwithstanding the date of execution shall be deemed to bear the date as set forth above. Such executed copy may be transmitted by telecopied facsimile or other electronic method of transmission, and the reproduction of signatures by facsimile or other electronic method of transmission will be treated as binding as if originals.
13. By signing this agreement, the Participant:

- (a) acknowledges that he, she, or its authorized representative has read and understands the Plan and agrees that the Options are granted under and governed by the terms and conditions of the Plan, as may be amended or replaced from time to time; and
- (b) expressly consents to:
 - (i) the disclosure of “Personal Information” about the Participant by the Corporation and its representatives to the TSX Venture Exchange, and
 - (ii) the collection, use and disclosure of Personal Information by the TSX Venture Exchange for the purposes described in Appendix 6A, a copy of which is attached hereto, or as otherwise identified by the TSX Venture Exchange, from time to time.

“Personal Information” means any information about the Participant, including information contained in this Option Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ____ day of _____, 20_____.

PARTICIPANT:

ANSUE CAPITAL CORP.

Signature of Participant

per:

Authorized Signatory

Print Name



APPENDIX 6A

ACKNOWLEDGEMENT – PERSONAL INFORMATION

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including the TSX Venture Exchange (collectively referred to as “the Exchange”) collect Personal Information in certain Forms that are submitted by the individual and/or by an Issuer or Applicant and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Issuer or Applicant,
- to consider the eligibility of the Issuer or Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Issuer, or its associates or affiliates,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.

As part of this process, the Exchange also collects additional Personal Information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The Personal Information the Exchange collects may also be disclosed:

- (a) to the agencies and organizations in the preceding paragraph, or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above; and
- (b) on the Exchange’s website or through printed materials published by or pursuant to the directions of the Exchange.

The Exchange may from time to time use third parties to process information and/or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers.

SCHEDULE "B"

ANSUE CAPITAL CORP.
(the "Corporation")

NOTICE OF EXERCISE OF STOCK OPTIONS

_____, 201____
(Exercise Date)

Ansue Capital Corp.



Attention: Corporate Secretary

Please be advised that I would like to exercise _____ options, exercisable at \$_____ per share, pursuant to a Stock Option Agreement between myself and the Corporation dated _____.

Check one of the boxes below to indicate how you will pay the exercise price of your Options.

- I am enclosing herewith a certified cheque to be made payable to Ansue Capital Corp. in the amount of \$_____, representing payment in full for the aforementioned shares; or
- My broker _____ will be contacting you and will send wire payment/certified cheque in the amount of \$_____, representing payment in full for the aforementioned shares.

Check one of the boxes below to indicate how you will satisfy your withholding taxes:

- I am enclosing a cheque herewith in the amount of \$_____ to satisfy the withholding taxes to be paid in connection with the exercise of my options; or
- My broker _____ will be contacting you and will send wire payment/certified cheque in the amount of \$_____, to satisfy the withholding taxes to be paid in connection with the exercise of my options; or

The Corporation will have a broker sell the shares on your behalf. If the broker is unable to sell the number of shares required to satisfy the withholding taxes, you will remain liable for the unpaid withholding taxes and you will be invoiced by the Corporation for the outstanding amount.

Any amount realized from the sale of the shares, even if greater than the withholding taxes, will be remitted to the Canada Revenue Agency on your behalf. The Corporation will attempt to sell that number of shares that is as close in value to the value of the withholding taxes as possible.

- By signing below, I authorize the Chief Financial Officer, on behalf of the Corporation, to sell that number of shares, to be issued on the exercise of my options, that will have a value equivalent to the withholding taxes due and payable on the exercise of my options. I further authorize that the amount of money from the sale of such common shares be issued out of my account to the Corporation.
- Not applicable for Consultants or non-resident Participants.

Please deliver **one** certificate for the total number of shares exercised, OR split as follows:

_____ x _____
_____ x _____
Total:

The certificate(s) should be registered and delivered to the following address:

CERTIFICATE(S) REGISTERED IN THE NAME OF:

(Name – *please print*)

(Street Address)

(City, Province, Postal Code)

(Telephone Number)

Yours very truly,

(Signature of Participant)

(Name – *please print*)

Mailing Address of Participant (*if different from above*)

S.I.N.#

(Social Insurance Number)

EXHIBIT B

ANSUE CAPITAL CORP.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

A. ROLE

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

B. COMPOSITION, PROCEDURES AND ORGANIZATION

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

C. RESPONSIBILITIES AND PROCESSES

1. The Committee's primary responsibilities are as follows:

- (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;
- (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
- (c) pre-approve all audit services and permissible non-audit services as may be amended from time to time;
- (d) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial control; and
- (e) to report regularly to the Board on the fulfillment of its duties and responsibilities.

2. The duties of the Committee relating to its oversight responsibilities are:

- (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
- (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
- (c) review the audit plan of the external auditors prior to the commencement of the audit;
- (d) to discuss with the independent auditor and CFO's financial and accounting personnel, both together and separately, the adequacy and effectiveness of the internal controls over financial reporting ; whereby eliciting recommendations for the improvement of such internal control procedures or specific areas where new or more detailed controls may be desirable;
- (e) to provide sufficient opportunity for the independent auditor to meet with members of the Committee without members of management present, to perform an evaluation of the CFO's financial and accounting personnel and the cooperation that the independent auditor received during the course of the audit;
- (f) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and
- (g) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
- (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and

- (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the external auditors have been implemented.

4. The Committee is also charged with the responsibility to:

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