

ME RESOURCE CORP.

*ANNUAL GENERAL MEETING
OF SHAREHOLDERS
TO BE HELD*

*WEDNESDAY
NOVEMBER 28, 2012*

NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR

November 2, 2012

SUMMARY

The following is a summary of information relating to the Company and certain other matters and should be read together with the more detailed information and financial data and statements contained elsewhere in this Information Circular. This Summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere in this Circular and the schedules attached hereto.

THE MEETING

The Meeting will be held at 8338 120th Street, Surrey, British Columbia, on November 28, 2012 at 10:00 a.m. (Vancouver time). The Record Date for determining the Shareholders eligible to vote at the Meeting is October 11, 2011. At the Meeting, the Shareholders will be asked among other things, to vote on the election of directors, the appointment of an auditor, to consider and, if thought fit, to pass the resolutions approving a Letter of Intent and subsequent Definitive Agreement described hereinafter. No significant change in management is present, nor will any fundamental change occur.

THE BUSINESS OF THE COMPANY

MEC is a natural resource issuer with primary focus on oil and gas exploration, development and production. MEC is engaged in the identification and acquisition of oil and gas assets in prolific oil and gas producing regions of Canada and internationally which are under-performing or are marginally producing shallow wells on-site. It is the vision of MEC that with the application of certain technology the production of these underperforming wells can be significantly enhanced.

A comprehensive description of MEC's primary business of resource exploration, development and production can be found in MEC disclosure statements found on www.sedar.com.

THE BUSINESS OF THE MEETING

- To fix the number of directors for the ensuing year at five.
- To elect directors for the ensuing year.
- To appoint the auditor for the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
- To consider and, if thought advisable, to pass, with or without variation, an ordinary resolution to affirm, ratify and approve the Company's stock option plan.
- To approve the Directors of the Company to enter into, ratify, and complete a Definitive Agreement based on the material terms disclosed in the Letter of Intent between MEC and 0949445 B.C. Ltd.
- To transact such other business as may properly come before the Meeting or any adjournments thereof.

ME RESOURCE CORP.

1250 West Hastings St.
Vancouver, B.C.
V6E 2M6

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON NOVEMBER 28, 2012**

NOTICE IS HEREBY GIVEN that the annual general meeting (the "Meeting") of the shareholders of me Resource Corp. ("MEC" or the "Company") will be held at 8338 120th St, Surrey, B.C., on Wednesday, November 28, 2012, at 10:00 a.m. (Vancouver time) for the following purposes:

1. To receive the audited financial statements of the Company for the year ended December 31, 2011 and the report of the auditor on those statements.
2. To fix the number of directors for the ensuing year at five.
3. To elect directors for the ensuing year.
4. To appoint the auditor for the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
5. To consider and, if thought advisable, to pass, with or without variation, an ordinary resolution to affirm, ratify and approve the Company's stock option plan.
6. To approve the Directors of the Company to enter into, ratify, and complete a Definitive Agreement based on the material terms disclosed in the Letter of Intent between MEC and 0949445 B.C. Ltd.
7. To transact such other business as may properly come before the Meeting or any adjournments thereof.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. If you are unable to attend the Meeting in person, please read the Information Circular and enclosed proxy (the "Proxy") and then complete, sign, date and return the Proxy, together with the power of attorney or other authority, if any, under which it was signed, or a notarially certified copy, to the Company's registrar and transfer agent, Computershare Investor Services Inc., at 510 Burrard Street, 3rd Floor, Vancouver, B.C. V6C 3B9 at least 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment.

As set out in the notes to the Proxy, the Proxy is solicited by management, but you may amend it, if you so desire, by striking out the names listed on it and inserting in the space provided the name of the person you wish to represent you at the Meeting.

Unregistered shareholders who received the Proxy through an intermediary must deliver the proxy in accordance with the instructions given by the intermediary.

DATED at Vancouver, British Columbia, this 2nd day of November, 2012.

ME Resource Corp.

(signed) "*Navchand Jagpal.*"

By: Navchand Jagpal.
President and Chief Executive Office

ME RESOURCE CORP.

INFORMATION CIRCULAR

The information contained in this Information Circular, unless otherwise indicated, is as of October 29, 2012.

This Information Circular is being mailed by the management of the Company to everyone who was a shareholder of record of the Company on October 11, 2012, which is the date that has been fixed by the directors of the Company as the record date to determine the shareholders who are entitled to receive notice of the Meeting.

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of management for use at the first annual general meeting of the shareholders of the Company that is to be held on Monday, November 28, 2012 at 10:00 a.m. (Vancouver time) at 8338 120th St, Surrey, B.C.

The solicitation of proxies will be primarily by mail. Certain employees or directors of the Company may also solicit proxies by telephone or in person. The cost of solicitation will be borne by the Company.

Under MEC's Articles, the quorum for the transaction of business at a meeting of shareholders is two or more shareholders who are present in person, or who are represented by proxy, shareholders who, in the aggregate, hold at least one-twentieth of the issued shares entitled to be voted at the meeting. If such a quorum is not present in person or by proxy, the Meeting will be rescheduled.

PART 1 – VOTING

HOW A VOTE IS PASSED

Voting at the Meeting will be by a show of hands, each shareholder in attendance having one vote, unless a poll is requested or otherwise required, in which case each shareholder is entitled to one vote for each share held. All matters that will come to a vote at the Meeting, as described in the attached Notice of Meeting, are ordinary resolutions and can be passed by a simple majority – that is, if more than half of the votes that are cast are in favour, then the resolution is approved (an “ordinary resolution”) unless the motion requires a special resolution in which case a majority of 66 2/3% of the votes cast will be required (a “special resolution”).

WHO CAN VOTE?

If you are a registered shareholder of MEC as at October 11, 2012, you are entitled to notice of and to attend at the Meeting and cast a vote for each share registered in your name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating the officer's authority should be presented at the Meeting. If you are a registered shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see “*VOTING BY PROXY*” below). If your shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled “*NON-REGISTERED SHAREHOLDERS*”, below.

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. If you will not be attending the Meeting in person, the Company invites you to complete, date, sign, and return your form of proxy as soon as possible so that your shares will be represented.

VOTING BY PROXY

If you do not come to the Meeting, you can still make your votes count by voting over the internet or via telephone (*see proxy for instructions*) or by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.

WHAT IS A PROXY?

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. A form of proxy is enclosed with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

In order to be valid, you must return the completed form of proxy to MEC's transfer agent, Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9 (Facsimile: 1-866-249-7775) not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment thereof.

APPOINTING A PROXYHOLDER

You can choose any individual to be your proxyholder. It is not necessary for the person whom you choose to be a shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy will be deemed to be appointed to act as your proxyholder. These persons are directors and/or officers of MEC (the "**Management Proxyholders**").

INSTRUCTING YOUR PROXY

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares according to your instructions.

If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your shares as he or she thinks fit.

At the time of printing this Information Circular, the management of MEC is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

If you have appointed the Management Proxyholders as your proxyholder, they will, unless you give contrary instructions, vote your shares at the Meeting as follows:

- ✓ **FOR the election of the proposed nominees as directors;**
- ✓ **FOR the appointment of DMCL LLP, Chartered Accountants, as the auditor of MEC and to authorize the directors to fix the remuneration to be paid to the auditor;;**
- ✓ **FOR the consent and authorization to entry into, ratify and complete the Definitive Agreement as detail hereinafter.**
- ✓ **FOR the approval and ratification of the MEC Stock Option Plan.**

REVOKING YOUR PROXY IF YOU CHANGE YOUR MIND

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by

- (a) attending the Meeting and voting in person;
- (b) signing a proxy bearing a later date;
- (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to MEC at 8338 120th Street, Surrey, B.C.V6E 2M4; or
- (d) any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 5:00 in the afternoon (Vancouver time) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Meeting in person. **Only registered shareholders may revoke a proxy. If your shares are not registered in your own name and you wish to change your vote, you must, at least 7 days before the Meeting, arrange for your nominee to revoke your proxy on your behalf (see below under “Non-Registered Shareholders”).**

REGISTERED SHAREHOLDERS

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., by fax at 1-866-249-7775 or by mail to Proxy Department, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9 not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) of the Meeting.

NON-REGISTERED SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Some shareholders of the Company are “non-registered shareholders” because the shares they own are not registered in their names but are instead registered in the name of a “nominee”, usually a brokerage firm, bank, or trust company through which they purchased the shares. Sometimes the shares are held in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the nominee is a participant or in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company which acts as depository for many U.S. brokerage firms and custodian banks.

If your shares are not registered in your own name, we will not have a record of your name and, as a result, unless your nominee has appointed you as a proxyholder, will have no knowledge of your entitlement to vote. If you wish to vote in person at the Meeting, therefore, please insert your own name in the space provided on the form of proxy or voting instruction form that you have received from your nominee. If you do this, you will be instructing your nominee to appoint you as proxyholder. It is not necessary to complete the form in any other respect, since you will be voting at the Meeting in person.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of these meeting materials including the Notice of Meeting, this Information Circular and the Proxy to the clearing agencies and nominees for onward distribution to Non-Registered Holders (collectively, the “Meeting Materials”).

Nominees are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Nominees will use service companies to forward the Meeting

Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Nominee** (typically by a facsimile, stamped signature), that shows the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Nominee has already signed the form of proxy, a Non-Registered Holder who wishes to vote their shares completes the form of proxy and delivers it to **Computershare Investor Services** as noted above; or
- (b) more typically, the Non-Registered Holder receives a voting instruction form **which is not signed by the Nominee**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Nominee or its service company**, will become the voting instructions (often called a “proxy authorization form” or “voting instruction form”, VIF) that the Nominee must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions, and has a removable label containing a bar code and other information. The Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy to validate the form and must also properly complete and sign the form of proxy and return it to the Nominee or its service company in accordance to the Nominee’s instructions.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares, which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the meeting in person, the Non-Registered Holder should strike out the names of the Management Proxyholders and insert the Non-Registered Holder’s name in the blank space provided.

In either case, Non-Registered Holders should carefully follow the instructions of their Nominee, including those regarding when and where the proxy or proxy authorization form is to be delivered.

The Notice of Meeting, this Information Circular and form of proxy are being sent to both registered and nonregistered owners of the Company’s common shares. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of the Company’s common shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions form.

PART 2 - VOTING SHARES AND THE PRINCIPAL HOLDERS THEREOF

OUTSTANDING MEC SHARES

The Company has only one class of shares entitled to be voted at the Meeting, namely, common shares without par value. All issued shares are entitled to be voted at the Meeting and each has one vote. As of October 11, 2012 there were 25,583,372 common shares and 1,000,000 share purchase warrants issued and outstanding. The expiry date of these 1,000,000 share purchase warrants have been extended from July 9, 2012 for two more years.

PRINCIPAL HOLDERS OF MEC SHARES

Only those common shareholders of record as of October 11, 2012 will be entitled to vote at the Meeting or any adjournment thereof. To the knowledge of the directors and executive officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company which have the right to vote in all circumstances.

PART 3 - THE BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2011 will be placed before you at the Meeting. These financial statements and MD&A are available for review on SEDAR. Shareholders can request a copy of our future financial statements and MD&A by completing our supplemental request card which accompanies the Notice of Meeting and this Information Circular. See Part 8 “*OTHER INFORMATION – Additional Information*” below.

ELECTION OF DIRECTORS

Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he resigns or otherwise vacates office before that time. Under MEC’s Articles and pursuant to the *Business Corporations Act* (British Columbia), the number of directors cannot be fewer than 3. MEC currently has 3 directors.

Management proposes to nominate the persons named under the heading “Nominees for Election” below for election as directors of the Company.

It is proposed to fix the number of directors at five. This requires the approval of the shareholders of the Company by an ordinary resolution, which approval will be sought at the Meeting.

Nominees for Election

The following information relating to the nominees for directors is based partly on the Company’s records and partly on information received by the Company from the nominees, it states the name of each person proposed to be nominated by management for election or re-election as a director, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company and the number of common shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

While management does not contemplate that the Nominees will be unable to serve as directors, if prior to the Meeting a vacancy occurs in this slate of Nominees for any reason, the management representatives designated in the Proxy solicited in respect of the Meeting shall have the discretionary authority to vote for the election of any other person as director. Proxies received by the directors on which no designation is made will be voted for the Nominees for election as directors or any substitute nominee thereof as may be determined by management, if necessary.

Name, Municipality of Residence and Position with Company	Present Principal Occupation	Director Since	Shares Owned ⁽²⁾
Navchand Jagpal⁽¹⁾ Surrey, BC Canada <i>President and CEO</i>	Navchand Jagpal has been President, CEO and a director of Lucky Minerals Inc., a mineral property exploration and development company, since June 2009. He is also a director of Arris Holdings Inc. (since October 2009), an investment company, and Grand Peak Capital Corp. (since July 2006), a merchant banking company. All of these companies are publicly traded companies in Canada.	October 16, 2009 (since inception)	Nil
Thomas Kennedy⁽¹⁾ Vancouver, BC Canada <i>Director</i>	Mr. Kennedy brings over 20 years of experience as a director and officer of various public companies. He currently is a director and/or officer of several publicly listed companies providing legal, management and financial service	February 23, 2011	Nil
Gurdeep Johal⁽¹⁾ Surrey, BC Canada <i>Director</i>	Mr. Johal brings considerable experience within the regulatory and compliance aspects of public companies. He currently acts as a consultant and advisor for publicly listed companies providing management services and sits on the board of various public companies.	April 5, 2011	Nil
Parminder Singh Surrey, B.C. Canada Director	Parminder (Par) Singh has more than 25 years of professional experience in building, operating, and managing international businesses for private companies, government clients, and multinational corporations around the world. Parminder is currently the President of Intellectual Ventures Canada. Prior to joining Intellectual Ventures, Parminder was the Managing Director for the Microsoft Canada Development Center (MCDC), located in Richmond, British Columbia. Parminder has held executive positions at companies in Canada and US including: Ensequence, Telesat Canada, Motorola, Teledisc, Microsoft, FreeInternet Networks, and 5th Link Software. Additionally, he has consulted for numerous companies including: Boeing, Acer, ATT, Flextronics, Wistron, Hughes Aircraft Company. He holds a Bachelor's degree in Electrical Engineering from the Technical University of Nova Scotia	N/A	Nil
Dr. Michael Raymont Calgary, Alberta Canada Director	Michael Raymont is principal and partner with an Asian-based private equity company where he heads the energy and resources practice. Previously, Michael was Chief Executive Officer of EnergyINet Inc., and before that Acting President and Vice-President, Technology and Industry Support, with the National Research Council of Canada (NRC). He has extensive international experience, having spent almost seven years outside Canada, in the US, East Asia and Europe. He holds board positions in a number of public and private technology companies, and is a member of several professional associations. Dr. Raymont has B.Sc (Hons) and Ph.D. degrees in chemistry, and was a Killam Scholar. He holds two patents, and has authored over 100 publications and presentations, principally on technology commercialization and economic development.	N/A	Nil

(1) Member of audit committee.

(2) The approximate number of shares of the Company carrying the right to vote in all circumstances beneficially owned, directly or indirectly, or over which control or direction is exercised by each proposed nominee as of October 12, 2012. This information is not within the knowledge of

the management of the Company and has been furnished by the respective individuals, or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the individuals and available through the Internet at www.sedi.ca.

Under the provisions of the *Business Corporations Act* (British Columbia) the Company is required to have an audit committee whose members are indicated above. See also Part 6 "AUDIT COMMITTEE" below.

The Company's management recommends that shareholders vote in favour of the nominees for election as directors.

Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the three nominees as directors of the Company for the ensuing year.

Corporate Cease Trade Orders or Bankruptcy

Save and except as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

Save and except as set forth below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or 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 to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcy

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

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a Conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as disclosed in this Information Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management may from time to time serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of those other companies.

APPOINTMENT OF THE AUDITOR

During the financial year ended December 31, 2012, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants of 1500-1140 West Pender Street, Vancouver, BC V6E 4G1 served as the Company's auditor and has served as auditor of the Company since April 6, 2011. See also Part 6 "AUDIT COMMITTEE – External Auditor Service Fees".

The Company's management recommends that shareholders vote in favour of the re-appointment of DMCL LLP, Chartered Accountants as the Company's auditor for the ensuing year and in favour of granting the Board of Directors the authority to determine the remuneration to be paid to the auditor.

Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of DMCL, Chartered Accountants as the auditor of the Company until the close of the next annual meeting and also intend to vote FOR the proposed resolution to authorize the Board of Directors to fix the remuneration to be paid to the auditor.

APPROVAL OF STOCK OPTION PLAN

Management is seeking shareholder approval for the adoption of the stock option plan (the "Stock Option Plan") and the approval of the number of shares reserved for issuance under the Stock Option Plan in accordance with and subject to the rules and policies of the Canadian National Stock Exchange (the "CNSX"). The Board of Directors of the Company has established an incentive stock option plan (the "Stock Option Plan") reserving a rolling 10% of the issued and outstanding shares of the Company from time to time. The purpose of the Stock Option Plan is to provide incentive to employees, directors, officers, management companies, and consultants who provide services to the Company and to reduce the cash compensation the Company would otherwise have to pay.

Terms of the Stock Option Plan

A full copy of the Stock Option Plan will be available at the Annual General Meeting for review by shareholders. Shareholders may also obtain copies of the Stock Option Plan from the Company prior to the meeting on written request. The following is a summary of the material terms of the Stock Option Plan:

Number of Shares Reserved. The number of common shares which may be issued pursuant to options granted under the Stock Option Plan (including all options granted by the Company prior to the adoption of the Stock Option Plan) shall equal 10% of the issued and outstanding shares of the Company from time to time at the date of grant.

Maximum Term of Options. The term of any options granted under the Stock Option Plan is fixed by the Board of Directors and may not exceed five years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the Stock Option Plan is determined by the Board of Directors, provided that it is not less than the price permitted by the CNSX, or, if the shares are no longer listed on the CNSX, then such other exchange or quotation system on which the shares are listed or quoted for trading.

Amendment. The terms of an option may not be amended once issued under CNSX requirements. If an option is cancelled prior to the expiry date, the Company shall not grant new options to the same person until 30 days have elapsed from the date of cancellation.

Vesting. Vesting, if any, and other terms and conditions relating to such options shall be determined by the Board of

Directors of the Company or senior officer or employee to which such authority is delegated by the Board from time to time and in accordance with CNSX requirements.

Termination. Any options granted pursuant to the Stock Option Plan will terminate generally within 90 days of the option holder ceasing to act as a director, officer, or employee of the Company or any of its affiliates, and within generally 30 days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately. Options that have been cancelled or that have expired without having been exercised shall continue to be issuable under the Stock Option Plan. The Stock Option Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion, or exchange of Company's shares.

Administration. The Stock Option Plan is administered by the Board of Directors of the Company or senior officer or employee to which such authority is delegated by the Board from time to time.

Board Discretion. The Stock Option Plan provides that, generally, the number of shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options shall be determined by the Board of Directors of the Company or senior officer or employee to which such authority is delegated by the Board from time to time and in accordance with CNSX requirements.

Shareholders will be asked to approve the following resolution:

“BE IT RESOLVED that the Stock Option Plan be and is hereby approved, that in connection therewith a rolling 10% of the issued and outstanding shares from time to time be approved for granting as options and that the board of directors be and they are hereby authorized, without further shareholder approval, to make such changes to the Stock Option Plan as may be required or approved by regulatory authorities and that the reservation under the Stock Option Plan of up to a maximum of 10% of the issued shares of the Company, on a rolling basis, as at the time of granting of the stock option pursuant to the Stock Option Plan be and the same is hereby authorized and approved.”

The Company's management recommends that shareholders vote in favour of the resolution to ratify and approve the Stock Option Plan.

Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the approval and ratification of the MEC Stock Option Plan.

As at October 11, 2012, the record date, the Company had a total of 25,583,372 common shares and 1,000,000 share purchase warrants issued and outstanding.

LETTER OF INTENT WITH 0949445 B.C. LTD.

Management is seeking shareholder approval for the Company to enter into, ratify, and complete a Definitive Agreement based on the material terms disclosed in the Letter of Intent between MEC and 0949445 B.C. Ltd.

The Business of MEC

MEC is a natural resource issuer with primary focus on oil and gas exploration, development and production. MEC is engaged in the identification and acquisition of oil and gas assets in prolific oil and gas producing regions of Canada and internationally which are under-performing or are marginally producing wells, as well as Stranded Gas projects where the tie-in to the existing natural gas pipeline network is not economically feasible. MEC intends to apply this micro-refinery technology to these oil and gas assets, which are currently underperforming, and increase production and value.

A comprehensive description of MEC's primary business of resource exploration, development and production can be found in MEC disclosure statements found on www.sedar.com.

Summary of Transaction

On October 31, 2012 the Company entered into a Letter of Intent Agreement (the "**LOI**") with 0949445 B.C. Ltd., a British Columbia registered company. The LOI provides for the assignment of an intellectual property licensing agreement (the "**Licensing Agreement**") between 0949445 B.C. Ltd and a U.S. company ("**USCo**"), and the assignment and/or transfer of certain agreements, customers and privileged information. The terms of the original licensing agreement and the subsequent LOI, as well as competitive considerations, require that the identity of the original intellectual property holder, USCo, be withheld, as well as certain confidential information. Upon a definitive agreement being completed this information will be released.

The licensed intellectual property and proprietary technologies (the "**licensed properties**") relate to clean power energy systems with oil and gas applications involving Enhanced Oil Recovery ("**EOR**"), the processing of raw natural gas into liquid fuels ("**GTL**") or clean electrical power, and Geothermic Heating ("**GTH**"). These Licensed Properties will be further innovated to develop an easily deployed, mobile and modular Micro-Refinery unit on existing MEC oil and gas assets. The unit will have the ability to process raw natural gas and output intermediary product, which can be combined with a modular output device depending on the desired output of either clean electric power or methanol. The patented technology is based on the incorporation of fuel cell design principles with a steam reformer creating a durable and robust system that acts as a fuel processor for any type of hydrocarbon feedstock including those found in unprocessed natural gas. The technology was initially developed by a leading U.S. university and has been innovated over the past 25 years for various clean energy applications.

Upon the assignment of the intellectual property licensing agreement to MEC and the completion of a definitive agreement, MEC would exclusively hold the intellectual property for use in the oil and gas industry, specifically in relation to its own oil and gas assets.

Broad Application or Potential

Stranded or Wasted Gas: As the micro-refinery technology is developed it can be applied to the various sources of Stranded Gas in remote oil and gas projects as well as to Wasted or Flared Gas associated with oil wells, oil production facilities, gas production facilities and gas processing plants.

Enhanced Oil Recovery: A potential application of this technology would be to process natural gas for CO₂ – EOR injection and H⁺ power generation for applications related to heavy oils or depleted reservoirs. This process also has the potential application of reduced emission heavy oil production.

Terms of the LOI

Under the terms of the LOI MEC will be assigned a perpetual, exclusive and royalty bearing license to use USCo's intellectual property and know-how (as defined in the LOI) in the oil and gas industry and in the territory of Canada, with the right to grant sublicenses and obtain additional territories. MEC's primary focus will be on its own oil and gas assets.

In addition to being the current license holder, 0949445 B.C. Ltd. has pursued further development and commercialization of the intellectual property for use in the oil and gas industry (the "**Development**"). 0949445 B.C. Ltd has:

- created relationships with key industry partners;
- engaged Engineering, Procurement, Construction and Management consultants;
- entered into manufacturing and research facility agreements;
- acquired significant industry expertise and know-how;
- entered into Letter of Intent agreements with parties interested in purchasing the developed product; and
- identified oil and gas assets and engaged current owners in negotiations to acquire.

Management considers the acquisition of these oil and gas assets of significant importance and is working diligently to evaluate these assets.

Under the terms of the LOI, the Development undertaken by 0949445 B.C. Ltd. will be assigned and/or transferred to MEC.

As consideration for the assignment of the Licensing Agreement and the Development, MEC will issue 0949445 B.C. Ltd up to 25,000,000 common shares from treasury. The exact figure will be defined in the definitive agreement and will be determined by specific benchmarks established by the Company in regard to the assigned/transferred Development.

As per the terms of the Licensing Agreement, the licensee, MEC, is required to make an initial payment in cash of three million USD (\$3,000,000 USD) to USCo. A Payment and Demonstration Schedule has been agreed upon which would see this payment spread over a four month period and include the successful demonstration of the technology with the demonstration truck unit. This fee also grants MEC an exclusive option to license additional international territories as per a schedule with defined licensing fees for each territory. On-going royalty payments of between 7.5-10% of net sales will also be paid to USCo.

Management Assessment

In considering the proposed transaction Management conducted a significant assessment of the Licensed Properties and Development. These included, but not limited to:

- Technical Assessment: Scientific Principals, Functional Flow Calculations.
- Field of Use Assessment: Input/Output Parameters, Site Engineering Preparation, Maintenance Requirements, Field Connections Considerations Pressure/Flows.
- Manufacturing Assessments: Design for Manufacturing, Bill of Material, Critical Parts, Balance of Balance of Plant, Plant Layouts.
- Business Assessment: Costs of Input/Output Options, Field Considerations, Competing Technologies, Internal Innovations and Acquisitions.
- Market Assessment: 140 billions of cubic meters of natural gas are flared in the world each year, representing a 15 to 20 billion dollar waste of resources and a 260 to 400 million metric ton contribution to global greenhouse gas emissions (Elvidge et al., 2009). Annual global flaring is equivalent to about 30 percent of the total yearly gas requirements of the entire European Union, or the annual residential gas consumption in the United States.

Global Gas Flaring Reduction

On October 23, 2012 the World Bank convened the Global Gas Flaring Reduction partnership working with both governments and major oil firms. The conference recognized that flaring wasted 140 billion cubic meters of gas a year. This practice emits approximately 260 to 400 million tonnes of CO2 equivalent. The conference agreed on an ambitious target of cutting gas flaring by 30% over five years. The Licensed Properties relate specifically to this practice and may provide a solution to meet these worldwide targets on a mobile and modular level.

Additional information on global trends and other considerations in relation to flare gas can be obtained from a white-paper authored by GE Energy titled "Flare Gas Reduction".

http://www.ge-energy.com/content/multimedia/_files/downloads/GE%20Flare%20Gas%20Reduction%2001-24-2011.pdf

Competition and Competitive Advantages

Competition	Competitive Advantage
<p>Compact GTL www.compactgtl.com</p> <p>Compact GTL starts from 25 tonne module.</p>	<p>Smaller modular and mobile units.</p>
<p>Velocys www.velocys.com/ocge06.php</p> <p>Utilizing catalytic coating on the surface of reactor plates, rather than conventional catalytic pellets for easy sourcing;</p> <p>The reactor is of plate heat exchanger design incurring high construction cost with welding or brazing;</p> <p>For pressurized operation, the cubical structure of the reactor needs to be placed in outer pressure vessels incurring extra cost.</p>	<p>Lower manufacturing costs.</p>
<p>Gastechno www.gastechno.com</p> <p>Short development and field operation track record since 2006;</p> <p>Production of a specific mixture of Methanol, Ethanol with Formaldehyde;</p> <p>Requiring on-site extraction of O₂ from air to yield high quality product;</p> <p>Process incurring relatively high pressure and temperature.</p>	<p>Lower manufacturing costs. Higher quality chemical production.</p>

Barriers to Broad Use

The constraints of the system to broad use will be based on the following items:

- i) *Economic feasibility of the capital expenditure per unit.* Each unit currently has to be custom built as a solution to the processing natural raw gas. As we perfect the manufacturing process and increase the volumes the cost to fabricate each unit and therefore capital expenditure will be reduced. But there will still be circumstances where it will not be economically feasible to deploy the technology.
- ii) *Capacities of feedstock.* The current “sweet spot” for a mobile unit is between 100 and 500 Mcf/d per unit. The mobility of the units becomes restricted and costly as you increase the feedstock capacity of each unit from 1000 mcf/d to 3000 mcf/d.
- iii) *Value of the Energy Outputs.* The economic viability of the technology is correlated to the costs of electrical power and methanol price per gallon.

- iv) *Continuous Source of Gas Stream.* The feedstock flow must be a steady stream since the steam reformer cannot be turned off and on immediately. Although the ideal solution maybe temporary storage tanks, this solution may not be feasible in circumstances such as the flaring of test gas wells or emergency release of gas at gas plants.

Risk Factors

Limited Operating History

The Corporation has no history of earnings. The Corporation's continued operation will be dependent upon its ability to generate operating revenues and to procure additional financing. Exploration, Development and Production Risks Oil and gas operations involve many risks that even a combination of experience and knowledge and careful evaluation may not be able to overcome. The long-term commercial success of MEC will depend on its ability to find, acquire, develop and commercially produce oil and natural gas reserves.

Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. .

Competition

The petroleum industry is competitive in all its phases. MEC will compete with numerous other participants in the search for the acquisition of oil and natural gas properties and in the marketing of oil and natural gas. Their competitors include oil and gas companies that have substantially greater financial resources, staff and facilities than those of MEC, as the case may be. MEC's ability to increase reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. MEC's operations may require licenses from various governmental authorities. There can be no assurance that MEC will be able to obtain all necessary approvals, licenses and permits that may be required to carry out exploration and development at its projects. A failure to obtain such approval on a timely basis or material conditions imposed by such authority in connection with the approval would materially affect the prospects of MEC.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require MEC to incur costs to remedy such discharge. Although

MEC believes that it will be in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect MEC's financial condition, results of operations or prospects.

Prices, Markets and Marketing

The marketability and price of oil and natural gas that may be acquired or discovered by MEC will be affected by numerous factors beyond its control. MEC's ability to market its natural gas may depend upon its ability to acquire space on pipelines that deliver natural gas to commercial markets. MEC may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Both oil and natural gas prices are unstable and are subject to fluctuation. Any material decline in prices could result in a reduction of MEC's net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes of MEC's reserves. MEC might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in MEC's net production revenue causing a reduction in its oil and gas acquisition, development and exploration activities.

Substantial Capital Requirements

It is anticipated that MEC will make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves and other assets in the future. If MEC's revenues or reserves decline, it may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to MEC. Moreover, future activities may require MEC to alter its capitalization significantly. The inability of MEC to access sufficient capital for its operations could have a material adverse effect on MEC's financial condition, results of operations or prospects.

Additional Funding Requirements

MEC's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, MEC may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause MEC to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If MEC's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect MEC's ability to expend the necessary capital to replace its reserves or to maintain its production. If MEC's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to MEC. Events in the equity market may impact MEC's ability to raise additional capital in the future.

The Company's management recommends that shareholders vote in favour of the resolution to approve the Directors of the Company to enter into, ratify, and complete a Definitive Agreement based on the material terms disclosed in the Letter of Intent between MEC and 0949445 B.C. Ltd.

Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the approval of the resolution to approve the Directors of the Company to enter into, ratify, and complete a Definitive Agreement based on the material terms disclosed in the Letter of Intent between MEC and 0949445 B.C. Ltd.

PART 4 – EXECUTIVE COMPENSATION

As defined under applicable securities legislation, the Company had two "Named Executive Officers" during the financial year ended December 31, 2012 as set out below:

Navchand Jagpal. - President and Chief Executive Officer

Jamie Lewin, CMA, MBA - Chief Financial Officer

Definitions:

For the purpose of this Information Circular:

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

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

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

(a) in the security's principal marketplace in Canada, or

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

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

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

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

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

"**Handbook**" means the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time;

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

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

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

(a) a CEO;

(b) a CFO;

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

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

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

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

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

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

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

"**share-based award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

COMPENSATION DISCUSSION AND ANALYSIS

Goals and Objectives

Given the Company's current stage of development, the Board of Directors has not established a formal compensation committee. It is the Board as a whole who is responsible for determining the final compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position. See Part 7 "CORPORATE GOVERNANCE – Committees of the Board of Directors". Management directors are required to abstain from voting in respect of their own compensation thereby providing the independent members of the Board with considerable input as to executive compensation.

The Company's executive compensation program focuses primarily on rewarding the efforts of its executives in increasing shareholder value and meeting the Company's goals. The Board reviews on an annual basis the corporate goals and objectives relevant to executive compensation; evaluates each executive officer's performance in light of those goals and objectives and sets the executive officer's compensation level based, in part, on this evaluation. The Board also takes into consideration the Company's overall performance, shareholder returns, and the value of similar incentive awards to executive officers at comparable companies, and the awards given to executive officers in past years.

Executive Compensation Program

The Board's compensation philosophy is aimed at attracting and retaining quality and experienced people which is critical to the success of the Company and may include a "pay-for-performance" element which supports the Company's commitment to delivering strong performance for the Shareholders.

Executive compensation is comprised of three elements: base fees (may be consulting fees) or salary, short-term incentive compensation (discretionary cash bonuses) and long-term incentive compensation (share options). The Board reviews all three components in assessing the compensation of individual executive officers and of the Company as a whole.

Base fees or salaries and bonuses (discretionary) are intended to provide current compensation and a short-term incentive for executive officer's to meet the Company's goals, as well as to remain competitive with the industry.

Base fees or salaries are compensation for job responsibilities and reflect the level of skills, expertise, and capabilities demonstrated by the executive officers. Executive officers are also eligible to receive discretionary bonuses as determined by the Board based on each officer's responsibilities, his achievement of individual and corporate objectives and the Company's financial performance.

Cash bonuses are intended to reward the executive officers for meeting or exceeding the individual and corporate performance objectives set by the Board.

Stock options are an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance as measured through the price of the Company's shares and enables executives to acquire and maintain an ownership position in the Company. See "Option Based Awards" below.

Mr. Jagpal has been President and Chief Executive Officer of the Company since its inception. Mr. Jagpal provides his services to the Company as a consultant and devotes such time to the Company's activities as is required,

accounting for approximately 5 to 10 percent of his time. Given MEC’s current stage of development and operational objectives, the CEO does not currently receive a base salary and does not charge a consulting fee to the Company. At such time as the Company may proceed with a work program, a determination will be made as to an appropriate base compensation for the CEO.

Option Based Awards

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company's stock option plan (the “Stock Option Plan”) to receive grants of stock options. Individual stock options are granted by the Board as a whole and the size of the options is dependent on, among other things, each officer’s level of responsibility, authority and importance to the Company and the degree to which an officer’s long term contribution to the Company will be crucial to its overall long-term success.

Stock options grants may be made periodically to ensure that the number of options granted to any particular officer is commensurate with the officer’s level of ongoing responsibility within the Company. The Board will evaluate the number of options an officer has been granted, the exercise price of the options and the term remaining on those options when considering further grants. Options are usually priced at the closing trading price of the Company’s shares on the business day immediately preceding the date of grant and the current policy of the Board is that options expire two to five years from the date of grant. See Part 3 “*THE BUSINESS OF THE MEETING – Approval of the Stock Option Plan*”.

The Company has no arrangements, standard or otherwise, under which Directors are compensated by MEC for their services in their capacity as Directors, or for committee participation, or involvement in special assignments during the most recently completed financial year or subsequently, up to and including the date of this Information Circular.

The Company has a formalized stock option plan for the granting of incentive stock options to its officers, employees, consultants, and Directors. During the most recently completed financial year no stock options were granted and no stock options were exercised.

SUMMARY COMPENSATION TABLE

The table on the next page sets out certain information respecting the compensation paid to the CEO and CFO. No executive officers other than the past and current CEOs and CFOs are named in this table as no executive officer, as of December 31, 2012, had a total compensation of more than \$150,000. These individuals are referred to collectively as the “Named Executive Officers” or “NEOs”.

Name and Principal Position	Year (period) Ended	Annual Compensation			Long Term Compensation			All Other Compensation (\$)	Total (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts		
					Securities Under Options/SARs Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)		
Navchand Jagpal. <i>President & Chief Executive Officer</i>	period from inception to Dec 31/2011	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
Jamie Lewin <i>Chief Financial Officer</i>	period from inception to Dec 31/2011	800	Nil	Nil	Nil	Nil	Nil	Nil	800

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

No incentive options or shares were awarded to NEOs between the time of inception (October 16, 2009) and the year ended December 31, 2012.

NEO Name and Principal Position	Option-based Awards				Share-based Awards	
	Number of securities underlying exercised options	Option exercise price \$	Option expiration date	Value of unexercised in-the-money options \$	Number of shares or units of shares that have not vested	Market payout value of share-based awards that have not vested \$
Navchand Jagpal <i>President & Chief Executive Officer</i>	Nil	Nil	N/A	Nil	Nil	Nil
Jamie Lewin <i>Chief Financial Officer</i>	Nil	Nil	N/A	Nil	Nil	Nil

Incentive Plan Awards – Value Vested or Earned During the Year

The Company did not issue any shares or grant any options during the year.

Name	Option-based awards – value vested or earned during the year \$	Share-based awards – value vested during the year \$	Non-equity incentive plan compensation – value earned during the year (\$)
Navchand Jagpal <i>President & Chief Executive Officer</i>	Nil	Nil	Nil
Jamie Lewin <i>Chief Financial Officer</i>	Nil	Nil	Nil

PENSION PLAN BENEFITS

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has not entered into any compensatory plans, contracts or arrangements with any of its Named Executive Officers whereby those officers are entitled to receive compensation as a result of the resignation, retirement or any other termination of employment of the Named Executive Officer with the Company or from a change in control of the Company or a change in the Named Executive Officer's responsibilities following a change in control.

COMPENSATION OF DIRECTORS

Non-management directors of the Company may receive fees in the form of an annual retainer fee of \$3,000 for their services as directors of the Company. In addition, directors may be paid an honorarium of \$400 per meeting attended in person and \$200 per meeting attended by teleconference. The directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors and may receive cash bonuses from time to time which the Company awards to directors for serving in their capacity as a member of the board. Executive officers who also act as directors of the Company do not receive any additional compensation for services rendered in their capacity as directors.

Directors are entitled to participate in the Company's stock option plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value over the longer term. Individual grants are determined by an assessment of each individual director's current and expected future performance, level of responsibilities and the importance of their position and contribution to the Company.

Director Compensation Table

The following table sets forth information regarding the compensation paid to the Company's directors, other than directors who are also Named Executive Officers listed in the "Summary Compensation Table" above, during the fiscal year ended December 31, 2012.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based Awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Gurdeep Johal <i>Director</i>	5,720	Nil	Nil	Nil	Nil	Nil	5,720

Share-Based Awards, Option-Based Awards, and Non-Equity Incentive Plan Compensation

The following table sets forth particulars of all option-based and share-based awards outstanding for each director, who was not a Named Executive Officer, at December 31, 2011:

Name	Option-based awards – value vested or earned during the year \$	Share-based awards – value vested during the year \$	Non-equity incentive plan compensation – value earned during the year (\$)
Gurdeep Johal <i>Director</i>	Nil	Nil	Nil
Thomas Kennedy	Nil	Nil	Nil

PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following information is as of December 31, 2011, the Company’s most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	0 ⁽¹⁾	N/A	2,558,337
Equity Compensation plans not approved by securityholders	N/A	N/A	N/A
Total:	0		2,558,337

NOTES:

- (1) The Company has a 10% rolling stock option plan under which there are currently no options granted. See *APPROVAL OF STOCK OPTION PLAN* for further information.

PART 6 – AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its external auditor as set forth below.

The Audit Committee Charter

The Company’s audit committee is governed by an audit committee charter, the text of which is attached as Exhibit “A” to this Information Circular.

Composition of Audit Committee

The Company’s audit committee is comprised of three directors, Navchand Jagpal, Thomas Kennedy and Gurdeep Johal of whom Thomas Kennedy and Gurdeep Johal are considered “independent” as that term is defined in applicable securities legislation. As Chief Executive Officer, Mr. Jagpal is not independent.

All three audit committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements and are therefore considered “financially literate”.

Relevant Education and Experience

All of the audit Committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour.

Name	Independent	Determination of Independence
Navchand Jagpal. <i>President & Chief Executive Officer</i>	N	Navchand Jagpal, as President and CEO of the Company, is an “inside” or management director and accordingly is considered “non-independent”.
Tom Kennedy <i>Director</i>	Yes	Tom Kennedy is an outside director who does not participate in the management of the Company. He is not an officer, nor does he provide services to the Company other than in his role as director. Mr. Kennedy did not receive any compensation for the period ended December 31, 2010 and is therefore considered an independent director.
Gurdeep Johal <i>Director</i>	Yes	Gurdeep Johal is an outside director. He is not an officer, nor does he provide services to the Company other than in his role as director. His compensation for the period ended December 31, 2011 was less than \$75,000 and is therefore independent.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year ended December 31, 2011, the board of directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading “*Article 2 – Pre-Approval of Non-Audit Services*” of the Audit Committee Charter set out in Exhibit “A” to this Information Circular.

External Audit Service Fees (By Category)

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

The fees paid by the Company to its external auditor for services rendered to the Company in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit / Audit Related Fees	Tax Fees	All Other Fees
December 31, 2011	\$8,160	Nil	Nil

Exemption

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

PART 7 – CORPORATE GOVERNANCE

Corporate governance relates to the activities of the board of directors of the Company (the “Board”), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) also requires the Company to disclose annually in its Information Circular certain information concerning its corporate governance practices. As a “venture issuer” the Company is required to make these disclosures with reference to the requirements of Form 58-101F2, this disclosure is provided below.

BOARD OF DIRECTORS

Structure and Composition

The Board is currently composed of three directors. Two additional directors are nominated. NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the Company’s board of directors be reasonably expected to interfere with the exercise of a director’s independent judgment. The Company has determined independence as follows:

Name	Independent	Determination of Independence
Navchand Jagpal <i>President & Chief Executive Officer</i>	N	Navchand Jagpal, as President and CEO of the Company, is an “inside” or management director and accordingly is considered “non-independent”.
Tom Kennedy <i>Director</i>	Yes	Tom Kennedy is an outside director who does not participate in the management of the Company. He is not an officer, nor does he provide services to the Company other than in his role as director. Mr. Kennedy did not receive any compensation for the period ended December 31, 2010 and is therefore considered an independent director.
Gurdeep Johal <i>Director</i>	Yes	Gurdeep Johal is an outside director. He is not an officer, nor does he provide services to the Company other than in his role as director. His compensation for the period ended December 31, 2010 was less than \$75,000 and is therefore independent.
Parminder Singh	Yes	Parminder Singh is an outside director. He is not an officer, nor does he provide services to the Company other than in his role as director. His compensation for the period ended December 31, 2010 was less than \$75,000 and is therefore independent.
Dr. Michael Raymont	Yes	Dr. Raymont is an outside director. He is not an officer, nor does he provide services to the Company other than in his role as director. His compensation for the period ended December 31, 2010 was less than \$75,000 and is therefore independent.

Following the Meeting, the Board will have 2 independent directors, and 1 “non-independent” director. The Company has a majority of independent Board members which meets the requirement for independence and is in the best interests of the Company.

Mandate of the Board

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees (see “*Committees of the Board of Directors*” below). In

fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate and securities legislation and regulatory policies. However, as the Company grows, the Board will move to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Company, the Board is also responsible for the integrity of the Company's internal control and management information systems and for the Company's policies respecting corporate disclosure and communications.

The Board delegates to management, through the Chief Executive Officer and the Chief Financial Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans, and annual operating plans.

Currently, the positions of President and Chief Executive Officer are combined. However, given the size of the Company's current operations, the Board believes that the Company is well serviced and the independence of the Board from management is not compromised by the combined role. In addition, the Board has found that the fiduciary duties placed on management by the Company's governing corporate legislation and common law and the restrictions on an individual director's participation in decisions of the Board in which the director has an interest under applicable corporate and securities legislation provide the "independent" directors with significant input and leadership in exercising their responsibilities for independent oversight of management. In addition, each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances and the "independent" directors have the ability to meet independently of management whenever deemed necessary. As of the year ended December 31, 2011 the independent directors have not exercised their right to meet independently of management given the Company's limited operations at the current time; as such the decisions required of the board have been considered routine and in the ordinary course of business, the independent directors have not deemed it necessary to review such materials separate and apart from management.

Directorships

As of the date of this Information Circular, the directors listed in the table that follows are currently directors and/or officers of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction.

Name of Director	Other Reporting Issuer
Navchand Jagpal	Grand Peak Capital Corp. Lucky Minerals Inc. Arris Holdings Inc.

Thomas Kennedy	Acadia Resources Corp. Blind Creek Resources Ltd. Cache Exploration Inc. First Pursuit Ventures Inc. Golden Cross Resources Inc. Grand Peak Capital Corp. Maxtech Ventures Inc. Meadow Bay Gold Corporation Ona Power Corp. Simba Gold Corp. Urastar Energy Inc.
Gurdeep Johal	Innovative Properties Inc. Chimata Gold Corp.

Ethical Business Conduct

The Board of Directors expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance goals and objectives.

However, to date, the Board has not adopted a formal written Code of Business Conduct and Ethics. The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate and securities legislation on the individual director’s participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company and its shareholders.

In addition, the limited size of the Company’s operations and the small number of officers and employees allows the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

Nomination, Education and Assessment

Given its current size and stage of development, the Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the President, and proposed directors’ credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director’s nomination.

New directors are briefed on strategic plans, short, medium, and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company’s size and current operations.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors, and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management’s assistance. Board members have

full access to the Company's records. Reference is made to the table under the heading "Election of Directors" in Part 3 "*THE BUSINESS OF THE MEETING*" for a description of the current principal occupations of the Company's Board.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's current size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individual directors on an ad hoc basis.

Committees of the Board of Directors

At the present time, the Board of Directors of the Company has appointed only an audit committee. The audit committee is comprised of Navchand Jagpal, Thomas Kennedy and Gurdeep Johal; it is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting of the Company, as well as internal controls to achieve the objectives of safeguarding the Company's assets; reliability of information; and compliance with policies and laws. For further information regarding the mandate of the Company's audit committee, its specific authority, duties and responsibilities, as well as the Audit Committee Charter, see Part 6 "*AUDIT COMMITTEE*" in this Information Circular.

As the Company evolves, and its operations and management structure become more complex, the Board will likely find it appropriate to constitute additional standing committees, such as a formal Governance Committee, a Compensation Committee, and a Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

Compensation

Given the Company's current size and stage of development, the Board of Directors has not appointed a formal compensation committee, but instead the independent directors make recommendations to the Board regarding executive compensation (including long-term incentive in the form of stock options) to be paid to the Company's executive officers having regard to the responsibilities and risks associated with each position.

In addition, compensation to be paid to executive officers who are also directors must be approved by the disinterested directors thereby providing the non-executive officer directors with significant input into compensation decisions. See Part 4 "*EXECUTIVE COMPENSATION – Compensation of Named Executive Officers*" above for details of the compensation paid to the Company's Named Executive Officers.

The board of directors also adopted certain standard fees to be paid to the Company's non-management directors for their services, in addition to the granting of incentive stock options from time to time. See Part 4 "*EXECUTIVE COMPENSATION – Compensation of Directors*" above.

PART 8 – OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the most recently completed financial year ended December 31, 2011 and as at the date of this Information Circular, no director, executive officer or employee or former director, executive officer or employee of the Company, nor any nominee for election as a director of the Company, nor any associate of any such person, was indebted to the Company during the most recently completed financial year ended December 31, 2011,

for other than “routine indebtedness”, as that term is defined by applicable securities law; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no proposed nominee for election as a director, and no director or officer of the Company who has served in such capacity since the beginning of the last financial year of the Company, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of the Company’s outstanding common shares, and none of the respective associates or affiliates of any of the foregoing, had any interest in any transaction with the Company or in any proposed transaction since the beginning of the last completed financial year that has materially affected the Company or is likely to do so.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON AT THE MEETING

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year, none of the other insiders of the Company and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of the directors, the approval of the Stock Option Plan and the authorization for the granting of stock options thereunder.

MANAGEMENT CONTRACTS

The management functions of the Company are performed by its directors and executive officers and the Company has no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of the Company. See Part 4 “*EXECUTIVE COMPENSATION*” for details of the fees paid to the Company’s Named Executive Officers.

OTHER MATTERS

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

OTHER MATERIAL FACTS

There are no other material facts other than as disclosed in this Information Circular.

ADDITIONAL INFORMATION

Financial information about the Company is provided in its comparative financial statements and Management’s Discussion and Analysis for the year ended December 31, 2011. You may obtain copies of these documents without charge upon request to us at 8338 120th Street, Surrey, B.C.Canada V6E 2M4, telephone (604) 592-6881, or facsimile (604) 408-9301. You may also access these documents, together with the Company’s additional disclosure documents, through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

BOARD APPROVAL

The Board of Directors of the Company has approved the contents and the delivery of the Information Circular to its shareholders.

DATED at Vancouver, British Columbia, this 2nd day of November, 2012

BY ORDER OF THE BOARD OF DIRECTORS

**CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
OF MEC CORP. (the "Company")**

1. Purpose

- 1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:
- (a) support the Board of Directors in meeting its responsibilities to shareholders;
 - (b) enhance the independence of the external auditor;
 - (c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
 - (d) increase the credibility and objectivity of the Company's financial reports and public disclosure.
- 1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.
- 1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

- 2.1. Each member of the Audit Committee must be a director of the Company.
- 2.2. The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.
- 2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

3. Authority

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
- (a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities; and
 - (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement.
 - (c) Approve interim financial statements and interim MD&A on behalf of the Board of Directors.

4. Duties and Responsibilities

4.1. The duties and responsibilities of the Audit Committee include:

- (a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;
- (b) recommending to the Board of Directors the compensation of the external auditor;
- (c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
- (d) overseeing the work of the external auditor;
- (e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;
- (f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;
- (g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
- (h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;
- (i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;
- (j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;
- (k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to its dissemination to the public;
- (l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
- (m) ensuring the integrity of disclosure controls and internal controls over financial reporting;
- (n) resolving disputes between management and the external auditor regarding financial reporting;
- (o) establishing procedures for:
 - i. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto; and
 - ii. the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters.
- (p) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

- (q) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
- (r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.

4.2. The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5. Meetings

5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.

5.2. The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.

5.3. The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.

5.4. The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.

5.5. A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.

5.6. The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.

5.7. The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.8. The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. Reports

6.1. The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

7.1. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.