

RARA TERRA MINERALS CORP.

Suite 830 - 1100 Melville Street
Vancouver, British Columbia
V6E 4A6

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON SEPTEMBER 17, 2012

AND

INFORMATION CIRCULAR

August 17, 2012

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

RARA TERRA MINERALS CORP.
Suite 830 - 1100 Melville Street
Vancouver, British Columbia V6E 4A6
Telephone: (604) 681-7822
Facsimile: (604) 628-9875

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of shareholders of Rara Terra Minerals Corp. (the “**Company**”) will be held at the Terminal City Club, located at 837 West Hastings Street, Vancouver, British Columbia, on Monday, September 17, 2012, at the hour of 2:00 p.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended March 31, 2012, and accompanying report of the auditors;
2. to set the number of directors of the Company at four (4);
3. to elect Alexander Helmel, Roger Flowerdew, Fraser Atkinson and John Veltheer as the directors of the Company to serve until the next annual general meeting of the shareholders;
4. to appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, as the auditors of the Company for the fiscal year ending March 31, 2013 and to authorize the directors of the Company to fix the remuneration;
5. to consider and, if thought fit, to approve an ordinary resolution to ratify, confirm and approve the Company’s 10% rolling stock option, as described in the Information Circular accompanying this Notice of Meeting; and
6. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

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

The board of directors of the Company has fixed August 2, 2012 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

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

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of

any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, this 17th day of August, 2012.

By Order of the Board of Directors of

RARA TERRA MINERALS CORP.

[Signed]

Alexander Helmelt
President, Chief Executive Officer and Director

PLEASE VOTE. YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY FORM AND PROMPTLY RETURN IT IN THE ENVELOPE PROVIDED.

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INFORMATION CIRCULAR
August 17, 2012

INTRODUCTION

This Information Circular accompanies the Notice of Annual General and Special Meeting of Shareholders (the “**Notice**”) and is furnished to the shareholders (the “**Shareholders**”) holding common shares (each, a “**Share**”) in the capital of Rara Terra Minerals Corp. (the “**Company**”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the Shareholders to be held at 2:00 p.m. on Monday, September 17, 2012 at the Terminal City Club, 837 West Hastings Street, Vancouver, British Columbia, or at any adjournment or postponement thereof.

Date and Currency

The date of this Information Circular is August 17, 2012. Unless otherwise indicated, all dollar amounts referred to herein are in Canadian dollars.

PROXIES AND VOTING RIGHTS

Management Solicitation

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

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

Appointment of Proxy

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each Share that such Shareholder holds on August 2, 2012 (the “**Record Date**”) on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

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

A Shareholder has the right to appoint a person or corporation (who need not be a Shareholder) to attend and act for or on behalf of that Shareholder at the Meeting, other than the Designated Persons named in the enclosed form of proxy.

To exercise this right, the Shareholder must strike out the printed names of the Designated Persons on the form of proxy and insert the name of such other person and, if desired, an alternate to such person, in the blank space provided in the form of proxy.

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

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

Revocation of Proxies

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

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

Voting of Shares and Proxies and Exercise of Discretion by Designated Persons

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

If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the Designated Persons named in the form of proxy. It is intended that the Designated Persons will vote the Shares represented by the proxy in favour of each matter identified in the proxy, including the vote for the election of the nominees to the Company's Board of Directors (the "Board") and for the appointment of the auditors.

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

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

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those Shareholders who do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as “Non-Registered Holders”) should note that only Shareholders whose names appear on the records of the Company as the registered holders of Shares, or their duly appointed proxies, will be permitted to vote at the Meeting. Most Shareholders are Non-Registered Holders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a Non-Registered Holder’s Shares are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators or self-administered RRSP’s, RRIF’s, RESP’s and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depositary Services Inc. (“**CDS**”)) of which the Intermediary is a participant. In accordance with the requirements set out in National Instrument 54-101 of the Canadian Securities Administrators (“**NI 54-101**”), the Company has distributed copies of the Notice of Meeting, this Information Circular and the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries 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, Intermediaries 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 Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Transfer Agent as provided above; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**proxy authorization form**”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of a one page pre-printed form, the proxy authorization will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit a Non-Registered Holder 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 Designated Persons named in

the form 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 Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered. **Non-Registered Holders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from Intermediaries for distribution of proxy-related materials directly to NOBOs.

These Meeting materials are being sent to both registered Shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Shares without par value and an unlimited number of preferred shares without par value. As of the Record Date, determined by the Board to be the close of business on August 2, 2012, a total of 16,472,401 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the Record Date (August 2, 2012) are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

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

NUMBER OF DIRECTORS

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

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at four (4). The number of directors will be approved if the affirmative vote of at least a majority of Shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at four (4).

Management recommends the approval of an ordinary resolution to set the number of directors of the Company at four (4).

ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal. The Company's current Board consists of Alexander Helmelt, Roger Flowerdew, Fraser Atkinson and John Veltheer.

Management of the Company proposes to nominate all of the current directors, as further described in the table below, for election by the Shareholders as directors of the Company, to hold office until the next annual meeting. Information concerning such persons, as furnished by the individual directors, is as follows:

Name Province/State Country of Residence and Position(s) with the Company ⁽¹⁾	Principal Occupation Business or Employment for Last Five Years ⁽¹⁾	Periods during which Nominee has Served as a Director	Number of Shares Owned ⁽¹⁾
Alexander Helm British Columbia, Canada President, Chief Executive Officer and Director	Director of Giyani Gold Corp. (formerly 99 Capital Corporation) since April 6, 2010 and President and CEO from June 2010 to July 2011; President and Director of Kombat Copper Inc. (formerly Pan Terra Industries Inc.) since October 2011; and President and Director of Network Exploration Ltd. since March 2006 and CEO since August 2007.	December 18, 2009 to present	631,000 ⁽⁴⁾⁽⁸⁾
Roger Flowerdew ⁽²⁾ British Columbia, Canada Chief Financial Officer, Secretary and Director	Management and Finance consultant since 1986; Chief Operating Officer and CFO of Fuseforward International Inc. from November 2009 to July 2011; CEO and Director of Calyx Bio-Ventures Inc. from October 2008 to July 2009; Director of Virexx Medical Corp. from September 2008 to December 2008; CEO of Chromos Molecular Systems Inc. from April 2008 to October 2008; and Director of Chromos Molecular Systems Inc. from October 2004 to October 2008	December 18, 2009 to present	708,500 ⁽⁵⁾⁽⁸⁾
Fraser Atkinson ⁽²⁾⁽³⁾ British Columbia, Canada Chairman of the Board and Director	CEO & Director of Oakmont Capital Corp since February 2011; Director of Grizzly Discoveries Inc. since March 2011; Director of Equus Total Return, Inc. since May 2010; CFO and Director of Versatile Systems Inc. since 2003; Director of Calyx Bio-Ventures Inc. from July 2008 to December 2009; and Director of Moventis Capital Inc. from February 2006 to November 2008.	December 18, 2009 to present	832,500 ⁽⁶⁾⁽⁸⁾
John Veltheer ⁽²⁾⁽³⁾ British Columbia, Canada Director	Strategic advisor to Network Exploration Ltd since December 2008; President and Director of Rapidtron Inc. from July 2008 to September 2011; and Director of Black Sea Metals, Inc. (formerly Texada Ventures Inc.) since September 2006, and its CEO, CFO, President, Secretary and from September 2006 to September 2008.	December 18, 2009 to present	1,189,500 ⁽⁷⁾⁽⁸⁾

(1) Information has been furnished by the respective nominees individually.

(2) Denotes a member of the Audit Committee of the Company.

(3) Denotes an independent director.

(4) Does not include 90,000 options to purchase Shares at \$0.10 per Share until August 31, 2015; 127,800 options to purchase Shares at \$0.26 per Share until May 4, 2016; and 50,000 warrants to purchase Shares at \$0.39 per Share until November 3, 2012.

(5) Does not include 90,000 options to purchase Shares at \$0.10 per Share until August 31, 2015 and 165,400 options to purchase Shares at \$0.26 per Share until May 4, 2016.

(6) Does not include 90,000 options to purchase Shares at \$0.10 per Share until August 31, 2015; 187,900 options to purchase Shares at \$0.26 per Share until May 4, 2016; and 110,000 warrants to purchase Shares at \$0.39 per Share until November 3, 2012.

(7) Does not include 90,000 options to purchase Shares at \$0.10 per Share until August 31, 2015 and 218,000 options to purchase Shares of the Company at \$0.26 per Share until May 4, 2016.

- (8) As of the date of this Information Circular 300,000 of the Shares owned by each of the directors are held in escrow pursuant to the terms of a CPC escrow agreement.

The term of office of those nominees set out above, who are all presently directors, will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the next annual general meeting or at such time when their successors are duly elected or appointed in accordance with the Company's Articles, or with the provisions of applicable corporate legislation or until such director's earlier death, resignation or removal.

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

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

Corporate Cease Trade Orders and Bankruptcies

Except as disclosed below, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

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

Mr. Flowerdew was a director of Chromos Molecular Systems Inc. ("**Chromos**") from October 2004 until October 2008 and President of Chromos from April 2008 until October 2008. During the first quarter of fiscal 2007, Chromos was unable to complete an equity financing. On April 11, 2007, after having received a demand for repayment from the lenders of a bridge loan, Chromos filed a Notice of Intention to Make a Proposal (the "**Proposal**") under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). In July 2007, Chromos sold certain assets and used existing cash to fully repay its secured creditors, including the lenders of the bridge loan. In late July 2007, Chromos submitted the Proposal to its unsecured creditors to settle all of its financial obligations that had arisen prior to April 11, 2007. At a meeting of unsecured creditors held on August 14, 2007, the unsecured creditors overwhelmingly endorsed the Proposal and on August 23, 2007 the Supreme Court of British Columbia in Bankruptcy approved the Proposal. On October 2, 2007, Chromos sold certain assets, a portion of the proceeds of which were used to fund the payment to the trustee under the Proposal as required under the terms of the Proposal. With this payment, Chromos satisfied all of the conditions of the Proposal. In April, 2007, the Toronto Stock Exchange (the "**TSX**") suspended trading in Chromos' common shares pending the outcome of the proceedings under the BIA. Having successfully completed the BIA proceedings, its common shares were delisted from the TSX on May 8, 2008. Subsequent to the BIA filing, the securities commissions in British Columbia, Alberta, Manitoba, Ontario and Quebec issued cease trade orders against Chromos for its failure to file financial statements and other required continuous disclosure documents. Chromos brought all of its continuous disclosure obligations into good standing and filed an application in June 2008 to have the cease trade orders rescinded. The application was approved and the cease trade orders were rescinded.

Mr. Flowerdew became a director of Virexx Medical Corp. ("**Virexx**") in September 2008. In December 2007, Virexx learned that the Phase III clinical trial then being conducted by Virexx's pharmaceutical company partner

(United Therapeutics) for a Virexx drug had completely failed. The partnership was terminated and Virexx was left without adequate financing to continue. During 2008, Virexx attempted to complete a rights offering with the assistance of a standby purchaser. The rights offering was undersubscribed and the backstop guarantor was subsequently unable to honour its commitment. This occurred at a very depressed time in the financial markets and led inevitably to Virexx's failure. Virexx made a proposal to its creditors under the BIA in September 2008. The proposal was approved on December 22, 2008. During this period, the trading of Virexx's shares on the TSX and the American Stock Exchange (now, the NYSE Amex) was initially suspended and the shares were ultimately delisted. Virexx was sold to Paladin Labs Inc. of Montreal.

No proposed director of the Company, within the ten (10) years before the date of this Information Circular, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

No proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Information Circular:

“**CEO**” means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

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

“**Named Executive Officer**” or “**NEO**” means:

- (a) a CEO;
- (b) a CFO;
- (c) each of the Company's 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 and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

Compensation Discussion and Analysis

The overall objective of the Company's compensation strategy is to offer short, medium and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest calibre and has in place a process to provide for the orderly succession of management,

including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard. The Company currently has a short term compensation component in place, which includes the payment of management fees to certain NEOs, and a long-term compensation component in place, which includes the grant of stock options under the 2011 Plan (as defined below). The Company intends to further develop these compensation components. Although it has not to date, the Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Company and the position of the executive. The Board considers that the payment of such discretionary annual cash bonuses may satisfy the medium term compensation component.

The objectives of the Company's compensation policies and procedures are to align the interests of the Company's employees with the interests of the Shareholders. Therefore, a significant portion of total compensation granted by the Company, being the grant of stock options, is based upon overall corporate performance. The Company relies on Board discussion without a formal agenda for objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

The Board has not yet formed a compensation committee or a nominating committee. As such, all tasks related to developing and monitoring the Company's approach with respect to the compensation of officers of the Company and to developing and monitoring the Company's approach to the nomination of directors to the Board were performed by the members of the Board in 2012. The compensation of the NEOs and the Company's employees was reviewed, recommended and approved by disinterested directors. The Company intends to form a compensation committee which will oversee compensation matters and may also form a nomination committee to oversee the nomination of directors.

Executive Compensation Program

The Company's executive compensation program is currently comprised of two primary elements: a base fee or salary for certain persons, which constitutes short-term compensation, and long-term incentive compensation comprised of the grant of options. The Board reviews both components in assessing the compensation of individual executive officers.

Base fees or salaries are intended to provide current compensation and a short-term incentive for executive officers to meet the Company's goals, as well as to remain competitive within 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.

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 Shares over a stated period of time, and are intended to reinforce commitment to long-term growth and Shareholder value. Stock option grants reward overall corporate performance, as measured through the price of the Shares and enable executives to acquire and maintain a significant ownership position in the Company. See "Share-Based and Option-Based Awards" below.

The Company has not retained a compensation consultant or advisor to assist the Board in determining compensation for any of the Company's directors or officers. Given the Company's current stage of development, the Company has not considered the implications of the risks associated with the Company's compensation practices. The Company has also not adopted any policies with respect to whether NEOs and directors are permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Share-Based and Option-Based Awards

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company's 2011 Stock Option Plan (the "**2011 Plan**"). Individual stock options are granted by the Board as a whole

and the amounts of the option grants are dependent on, among other things, each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long term contribution to the Company will be crucial to its long-term success.

Stock options are normally granted by the Board when an executive officer first joins the Company based on his level of responsibility within the Company. Additional 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 also evaluates 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 Shares on the TSX Venture Exchange (the "TSXV") on the business day immediately preceding the date of grant, and the current policy of the Board is that options expire five years from the date of grant. See "Particulars of Matters to Be Acted Upon – Ratification of 2011 Stock Option Plan".

Compensation Governance

The Board has not adopted any specific policies or practices to determine the compensation for the Company's directors and officers, other than as disclosed above. Given the Company's current stage of development, the Company has not established a compensation committee.

Summary Compensation Table

Particulars of compensation earned by each NEO (including deferred compensation) in the three most recently completed financial years are set out in the summary compensation table below:

Name and Principal Position	Year	Fees & Salary (\$)	Share-based Awards ⁽²⁾ (\$)	Option-based Awards ⁽³⁾ (\$)	Non-equity Incentive Plan Compensation ⁽¹⁾ (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Alexander Helmelm President, CEO and Director ⁽⁴⁾	2012	55,000	Nil	23,898 ⁽⁹⁾	Nil	Nil	Nil	Nil	78,898
	2011	Nil	Nil	6,753 ⁽⁸⁾	Nil	Nil	Nil	Nil	6,753
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Christopher Ecclestone Former President & CEO ⁽⁶⁾	2012	34,530	Nil	Nil	Nil	Nil	Nil	Nil	34,530
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Roger Flowerdew CFO, Secretary and Director ⁽⁷⁾	2012	55,000	Nil	30,929 ⁽⁹⁾	Nil	Nil	Nil	Nil	85,929
	2011	Nil	Nil	6,753 ⁽⁸⁾	Nil	Nil	Nil	Nil	6,753
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

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

(3) "Option-based Awards" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.

(4) Mr. Helmelm was appointed as director of the Company on December 18, 2009 and CEO and President on December 21, 2009. Mr. Helmelm resigned as CEO and President on May 3, 2011 and was reappointed Chief Executive Officer and President on June 24, 2011.

(5) Mr. Helmelm's provides his services to the Company through his wholly owned consulting company, 9082 Investments Inc.

(6) Mr. Ecclestone was appointed President and CEO on May 3, 2011 and was terminated by the Company on June 24, 2011. All of his options expired, unexercised, on September 24, 2011.

(7) Mr. Flowerdew was appointed CFO, Secretary and a director of the Company on December 18, 2009.

- (8) The options granted in fiscal 2011 were granted pursuant to the 2011 Plan. The Company used the Black-Scholes option pricing model for determining fair value of stock options issued at grant date. The Black-Scholes option valuation was determined using the expected life of the stock option, expected volatility of the Company's Share price, expected dividend yield, and risk-free interest rate. The key assumptions are as follows: risk free interest rate of 2.16%, expected life of 5 years, expected stock price volatility of 100%; expected dividend yield of 0%
- (9) The options granted in fiscal 2012 were granted pursuant to the 2011 Plan. The Company used the Black-Scholes option pricing model for determining fair value of stock options issued at grant date. The Black-Scholes option valuation was determined using the expected life of the stock option, expected volatility of the Company's Share price, expected dividend yield, and risk-free interest rate. The key assumptions are as follows: risk free interest rate of 2.55%, expected life of 5 years, expected stock price volatility of 100%; expected dividend yield of 0%

Narrative Discussion

Other than as set forth below, no NEO of the Company has received, during the most recently completed financial year, compensation pursuant to:

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

On May 3, 2011, the Company entered into an agreement with Alexander Helmel, pursuant to which Mr. Helmel provides services as the President and CEO of the Company in consideration for the payment of \$5,000 per month.

On May 3, 2011, the Company entered into an agreement with Roger Flowerdew, pursuant to which Mr. Flowerdew provides services as the CFO of the Company in consideration for the payment of \$5,000 per month.

Incentive Plan Awards

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An "incentive plan award" means compensation awarded, earned, paid, or payable under an incentive plan.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all option-based awards granted to NEOs that were outstanding as of March 31, 2012, including awards granted before the year ended March 31, 2012. The Company has not granted any Share-based awards:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Alexander Helmel ⁽¹⁾	127,800	0.26	May 3, 2016	Nil ⁽⁴⁾
	90,000	0.10	August 27, 2015	1,350 ⁽⁵⁾
Roger Flowerdew ⁽²⁾	165,400	0.26	May 3, 2016	Nil ⁽⁴⁾
	90,000	0.10	August 27, 2015	1,350 ⁽⁵⁾

⁽¹⁾ Mr. Helmel was appointed as director of the Company on December 18, 2009 and CEO and President on December 21, 2009. Mr. Helmel resigned as CEO and President on May 3, 2011 and was reappointed CEO and President on June 24, 2011.

- (2) Mr. Flowerdew was appointed CFO, Secretary and a director of the Company on December 18, 2009.
- (3) Because the exercise price of these options was higher than the closing price of the Shares on the TSXV on March 31, 2012, these options would have been out-of-the-money if exercised on March 31, 2012.
- (4) Based on the difference between the closing price of the Shares on the TSXV on March 29, 2012, being the last day of trading of the Shares on the TSXV in the year ended March 31, 2012, of \$0.115 and the stock option exercise price, of \$0.10, multiplied by the number of Shares under option.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the year ended March 31, 2012 by NEOs:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Alexander Helmel ⁽¹⁾	Nil ⁽⁴⁾	N/A	N/A
Christopher Ecclestone ⁽²⁾	Nil ⁽⁴⁾	N/A	N/A
Roger Flowerdew ⁽³⁾	Nil ⁽⁴⁾	N/A	N/A

(1) Mr. Helmel was appointed as director of the Company on December 18, 2009 and CEO and President on December 21, 2009. Mr. Helmel resigned as CEO and President on May 3, 2011 and was reappointed CEO and President on June 24, 2011.

(2) Mr. Ecclestone was appointed President and CEO on May 3, 2011 and was terminated by the Company on June 24, 2011. All of his options expired, unexercised, on September 24, 2011.

(3) Mr. Flowerdew was appointed CFO, Secretary and a director of the Company on December 18, 2009.

(4) All options vested immediately on the date of grant, however, as all were granted with exercise prices at market price on the respective grant dates, the optionee would not have realized any value if the options had been exercised on the respective vesting dates.

Narrative Discussion

For a summary of the material provisions of the 2011 Plan, pursuant to which all current option-based awards have been granted to NEOs, please see below under the heading “Ratification of 2011 Stock Option Plan”. There was no re-pricing of stock options under the 2011 Plan or otherwise during the Company’s most recently completed financial year ended March 31, 2012.

PENSION PLAN BENEFITS

The Company does not have any pension plans that provide for payments or benefits to the Named Executive Officers at, following, or in connection with retirement, including any defined benefits plan or any defined contribution plan. The Company does not have a deferred compensation plan with respect to any NEO.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company does not currently have any contract, agreement, plan or arrangement that provides for payments to a NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement of such NEO, or a change of control of the Company or a change in the NEO’s responsibilities.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth the details of compensation provided to the directors of the Company, other than the Named Executive Officers, during the Company's most recently completed financial year:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Fraser Atkinson ⁽¹⁾	55,000	N/A	35,137 ⁽⁴⁾	N/A	N/A	Nil	90,137
John Veltheer ⁽²⁾	66,000	N/A	40,765 ⁽⁴⁾	N/A	N/A	Nil	106,765
Darrell Elliott ⁽³⁾	Nil	N/A	4,675 ⁽⁴⁾	N/A	N/A	Nil	4,675

⁽¹⁾ Mr. Atkinson has been Chairman of the Board and a director of the Company since December 18, 2009.

⁽²⁾ Mr. Veltheer has been a director of the Company since December 18, 2009.

⁽³⁾ Mr. Elliott resigned as a director of the Company on May 3, 2011.

⁽⁴⁾ The options granted were granted pursuant to the 2011 Plan. The Company uses the Black-Scholes option pricing model for determining fair value of stock options issued at grant date. The Black-Scholes option valuation is determined using the expected life of the stock option, expected volatility of the Company's common share price, expected dividend yield, and risk-free interest rate. The key assumptions are as follows: risk free interest rate of 2.55%, expected life of 5 years, expected stock price volatility of 100%; expected dividend yield of 0%

Narrative Discussion

Other than as set forth below, no director of the Company who is not an NEO received, during the most recently completed financial year, compensation pursuant to:

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

On May 3, 2012, the Company entered into an agreement with John Veltheer pursuant to which the Company has agreed to pay Mr. Veltheer compensation of \$6,000 per month for his services as a director of the Company.

On May 3, 2012, the Company entered into an agreement with Fraser Atkinson pursuant to which the Company has agreed to pay Mr. Atkinson compensation of \$5,000 per month for his services as a director of the Company.

Incentive Plan Awards For Directors

Outstanding Share-Based Awards and Option-Based Awards for Directors

The following table sets forth all option-based awards granted to the Company's directors, other than the NEOs, that were outstanding as of March 31, 2012, including awards granted before the period ended March 31, 2012. The Company has not granted any Share-based awards:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Fraser Atkinson ⁽¹⁾	187,900 90,000	0.26 0.10	May 3, 2016 August 27, 2015	Nil ⁽⁴⁾ 1,350 ⁽⁵⁾
John Veltheer ⁽²⁾	218,000 90,000	0.26 0.10	May 3, 2016 August 27, 2015	Nil ⁽⁴⁾ 1,350 ⁽⁵⁾
Darrell Elliott ⁽³⁾	25,000 90,000	0.26 0.10	May 3, 2016 August 27, 2015	Nil ⁽⁴⁾ 1,350 ⁽⁵⁾

⁽¹⁾ Mr. Atkinson has been Chairman of the Board and a director of the Company since December 18, 2009.

⁽²⁾ Mr. Veltheer has been a director of the Company since December 18, 2009.

⁽³⁾ Mr. Elliott resigned as a director of the Company on May 3, 2011.

⁽⁴⁾ Because the exercise price of these options was higher than the closing price of the Shares on the TSXV on March 31, 2012, these options would have been out-of-the-money if exercised on March 31, 2012.

⁽⁵⁾ Based on the difference between the closing price of the Shares on the TSXV on March 29, 2012, being the last day of trading of the Shares on the TSXV in the year ended March 31, 2012, of \$0.115 and the stock option exercise price, of \$0.10, multiplied by the number of Shares under option.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the year ended March 31, 2012 by directors:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Fraser Atkinson ⁽¹⁾	Nil ⁽⁴⁾	N/A	N/A
John Veltheer ⁽²⁾	Nil ⁽⁴⁾	N/A	N/A
Darrell Elliott ⁽³⁾	Nil ⁽⁴⁾	N/A	N/A

⁽¹⁾ Mr. Atkinson has been Chairman of the Board and a director of the Company since December 18, 2009.

⁽²⁾ Mr. Veltheer has been a director of the Company since December 18, 2009.

⁽³⁾ Mr. Elliott resigned as a director of the Company on May 3, 2011.

⁽⁴⁾ All options vested immediately on the date of grant, however, as all were granted with exercise prices at market price on the respective grant dates, the optionee would not have realized any value if the options had been exercised on the respective vesting dates.

Narrative Discussion

For a summary of the material provisions of the 2011 Plan, pursuant to which all current option-based awards have been granted to directors, please see below under the heading “Ratification of 2011 Stock Option Plan”.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company’s only equity compensation plan as of March 31, 2012, being the 2011 Plan, which was approved by Shareholders at the annual and special meeting of Shareholders held on September 8, 2011:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾	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 security holders	1,224,100	\$0.20	398,390
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	1,224,100	\$0.20	398,390

⁽¹⁾ The Company does not have any warrants or rights outstanding under any equity compensation plans.

At the Meeting, Shareholders will be asked to ratify, confirm and approve the 2011 Plan. See “Particulars Of Matters To Be Acted Upon – Ratification of 2011 Stock Option Plan”, below, for more information on the terms of the 2011 Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both carrying more than ten percent of the voting rights attached to the Shares outstanding (an “**Insider**”); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares where such person will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Shares.

APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to vote for the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, to serve as auditor of the Company for the fiscal year ending March 31, 2013, at a remuneration to be fixed by the Board. Dale Matheson Carr-Hilton Labonte LLP was first appointed as auditor of the Company January 26, 2010.

Management recommends the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, to serve as auditor of the Company for the fiscal year ending March 31, 2013.

AUDIT COMMITTEE DISCLOSURE

Audit Committee

The Audit Committee’s role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have the ability to consider and discuss governance and audit issues with parties not directly responsible for operations. Applicable securities laws require the Company, as a venture issuer, to disclose certain information relating to the Company’s audit committee and its relationship with the Company’s independent auditors.

Audit Committee Charter

The following Audit Committee Charter was adopted by the Board and Audit Committee:

1. MANDATE

The audit committee will assist the board of directors of the Corporation (the “**Board**”) in fulfilling its financial oversight responsibilities. The committee will review and consider, in consultation with the Corporation’s external auditors, the financial reporting process, the system of internal control over financial reporting, and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well as the Corporation’s business, operations and risks.

2. COMPOSITION

The Board will appoint, from among their membership, an audit committee after each annual meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must be “independent” (as defined in Sec. 1.4 of National Instrument 52-110 (Audit Committees)) (“**NI 52-110**”).

2.2 Expertise of Committee Members

A majority of the members of the audit committee must be “financially literate” (as defined in Sec. 1.6 of NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise.

3. MEETINGS

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation’s Chief Financial Officer and external auditors in separate executive sessions.

4. ROLES AND RESPONSIBILITIES

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, or performing other audit, review or attestation services, including the resolution of disagreements between management and the external auditors regarding financial reporting. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attestation services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors’ proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors;

- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards; and
- (f) review and approve the Corporation's hiring policies regarding partners and employees, and former partners and employees, of the present and former external auditor of the Corporation.

4.2 *Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 *Financial Reporting*

The audit committee shall review the financial statements and financial information of the Corporation prior to their release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions;
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate;

Annual Financial Statements

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered;
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public;

Interim Financial Statements

- (a) review and approve the interim financial statements prior to their release to the public;
- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public; and

Release of Financial Information

- (a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public. An audit committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure

of financial information extracted or derived from the Corporation's financial statements, and must periodically assess the adequacy of those procedures.

4.4 *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
 - (i) the pre-approval policies and procedures are detailed as to the particular service;
 - (ii) the audit committee is informed of each non-audit service; and
 - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 *Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;

- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

6. GUIDANCE – ROLES & RESPONSIBILITIES

The audit committee should consider undertaking the actions described in the following guidance, which is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

6.1 Internal Control

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;

6.2 Financial Reporting

General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Corporation's adoption of them.

Annual Financial Statements

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements

reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;

- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (d) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (e) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Corporation's financial and operating controls are functioning effectively;
 - (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 Other Responsibilities

- (a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.

Composition of Audit Committee

The members of the Company's Audit Committee are:

Roger Flowerdew	Not Independent ⁽¹⁾	Financially literate ⁽²⁾
Fraser Atkinson	Independent ⁽¹⁾	Financially literate ⁽²⁾
John Veltheer	Independent ⁽¹⁾	Financially literate ⁽²⁾

⁽¹⁾ A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Roger Flowerdew is not independent, as he is the Chief Financial Officer of the Company.

⁽²⁾ An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Roger Flowerdew obtained his Bachelor of Arts from Simon Fraser University in 1980 and has been a Chartered Accountant since 1982. He has served on the board of directors and the audit and/or finance committees of a number of public and private companies.

Fraser Atkinson obtained his Bachelor of Commerce from the University of British Columbia in 1980 and has been a Chartered Accountant since 1982. He served as a partner at KPMG, LLP for 14 years until 2002 and has served on the boards of directors and the audit committees of a number of public and private companies.

John Veltheer obtained his Bachelor of Science in Chemistry (Honours) from Queens University in 1988 and his Ph.D. (Chemistry) from the University of British Columbia in 1993. Dr. Veltheer has served on the board of directors and audit committees of a number of public and private companies.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in Section 2.4 or Part 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. Part 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 set out in the Audit Committee Charter of the Company.

External Auditor Service Fees

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

The aggregate fees billed by the Company’s external auditor in the last two fiscal years ended March 31, 2012 and March 31, 2011, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
March 31, 2012	\$17,000	\$Nil	\$1,200	\$11,600
March 31, 2011	\$13,500	\$5,500	\$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.

MANAGEMENT CONTRACTS

As of the date of this Information Circular, the Company is not a party to any management contracts other than as disclosed in this Information Circular.

CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”), as adopted by the Canadian Securities Administrators, prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board facilitates its exercise of independent supervision over the Company’s management through frequent meetings or unanimous consent resolutions of the Board. The Board is comprised of four (4) directors, consisting of Alexander Helm, Roger Flowerdew, Fraser Atkinson and John Veltheer. The Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Alexander Helm is not independent as he is the President and Chief Executive Officer of the Company. Roger Flowerdew is not independent as he is the Chief Financial Officer and Secretary of the Company.

Other Directorships

Name of Director	Names of Other Reporting Issuers
Alexander Helm	Giyani Gold Corp. ⁽¹⁾ Network Exploration Ltd. ⁽¹⁾ Kombat Copper Inc. ⁽¹⁾
Roger Flowerdew	Nil

Name of Director	Names of Other Reporting Issuers
Fraser Atkinson	Oakmont Capital Corp. ⁽¹⁾ Grizzly Discoveries Inc. ⁽¹⁾ Equus Total Return, Inc. ⁽²⁾ Versatile Systems Inc. ⁽¹⁾
John Veltheer	Nil

⁽¹⁾ TSXV

⁽²⁾ New York Stock Exchange

Orientation and Continuing Education

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

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

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of Shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Board is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

Other Board Committees

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

Assessments

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

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

Except as otherwise disclosed herein, no director or executive officer of the Company, who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a

director of the Company, or any associate or affiliates of any such directors, executive officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities of the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors, the appointment of auditors or the approval of the 2011 Plan.

PARTICULARS OF MATTERS TO BE ACTED UPON

Ratification of 2011 Stock Option Plan

The 2011 Plan is a “rolling” stock option plan, whereby the maximum number of Shares that may be reserved for issuance pursuant to the exercise of options is 10% of the issued Shares of the Company. The TSXV requires listed companies that have “rolling” stock option plans in place to receive Shareholder approval for such plans on a yearly basis at the company’s annual shareholders meeting. Accordingly, at the Meeting, Shareholders will be asked to ratify, confirm and approve the 2011 Plan. The 2011 Plan complies with the current policies of TSXV for Tier 2 issuers.

The purpose of the 2011 Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company to acquire Shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of their affairs. The Company has no equity incentive plans other than the 2011 Plan at this time. The size of stock option grants to NEOs is dependent on each officer’s level of responsibility, authority and importance to the Company and the degree to which such officer’s long-term contribution to the Company will be key to its long-term success.

The following information is intended as a brief description of the 2011 Plan and is qualified in its entirety by the full text of the 2011 Plan, a copy of which is attached as Schedule A to the Company’s information circular for its 2011 Annual and Special Meeting of Shareholders, which was filed on SEDAR on August 15, 2011.

1. The exercise price of the Shares covered by each option shall be determined by the Board. The exercise price shall not be less than the price permitted by any stock exchange on which the Shares are then listed or other regulatory body having jurisdiction. Currently, the minimum exercise price as determined by the TSXV is not less than the Discounted Market Price (as defined in the policies of the TSXV).
2. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, without having been exercised in full, the number of Shares in respect of the expired or terminated option shall again be available for an option grant under the 2011 Plan.
3. The option period shall be a period of time fixed by the Board, not to exceed the maximum period permitted by any stock exchange on which the Shares are then listed or other regulatory body having jurisdiction, which maximum period is presently 10 years from the date the option is granted.
4. Options granted to any one individual in any 12 month period cannot exceed more than 5% of the issued Shares of the Company, unless the Company has obtained disinterested Shareholder approval.
5. Options granted to any one consultant or employee conducting investor relations activities in any 12 month period cannot exceed more than 2% of the issued Shares of the Company, without the prior consent of the TSXV.
6. Options granted to all persons, in aggregate, conducting investor relations activities in any 12 month period cannot exceed more than 2% of the issued Shares of the Company, without the prior consent of the TSXV.
7. If an option holder ceases to be a director, officer, employee or consultant, as the case may be, of the Company for any reason (other than death), he may, but only within 90 days next succeeding his ceasing to be a director, officer, employee or consultant, exercise his options to the extent that he was entitled to

exercise them at the date of such cessation provided that, in the case of an option holder who is engaged in investor relations activities on behalf of the Company, this 90 day period will be shortened to 30 days.

8. If an option holder dies, the option holder's lawful personal representatives, heirs or executors may exercise any option granted to the option holder that had vested and was exercisable on the date of death until the earlier of the expiry date and one year after the date of death of the option holder.
9. The 2011 Plan will be administered by the Board or, if appointed, by a special committee of the Board appointed from time to time by the Board.
10. Options granted under the 2011 Plan shall not be assignable or transferable by an option holder.
11. The Board may from time to time, subject to regulatory or Shareholder approval, if required under the policies of the TSXV, amend or revise the terms of the 2011 Plan.
12. The 2011 Plan provides that other terms and conditions may be attached to a particular stock option at the discretion of the Board.

At the Meeting, Shareholders will be asked to approve the following ordinary resolution (the "**2011 Plan Resolution**"), which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the 2011 Plan Resolution:

"BE IT RESOLVED, as an ordinary resolution of the Shareholders of the Company, that:

1. The Company's 2011 Stock Option Plan (the "**2011 Plan**") as set forth in the Information Circular dated August 10, 2012, including the reservation for issuance under the 2011 Plan at any time of a maximum of 10% of the issued common shares of the Company, be and is hereby ratified, confirmed and approved, subject to the acceptance of the 2011 Plan by the TSX Venture Exchange (the "**TSXV**");
2. The Board be authorized in its absolute discretion to administer the 2011 Plan and amend or modify the 2011 Plan in accordance with its terms and conditions and with the policies of the TSXV; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the 2011 Plan required by the TSXV or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the 2011 Plan."

It is the intention of the Designated Persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the 2011 Plan Resolution.

Management of the Company recommends that Shareholders vote in favour of the 2011 Plan Resolution.

ADDITIONAL INFORMATION

Additional information about the Company can be obtained free of charge through the SEDAR website at www.sedar.com. Shareholders may also contact Alex Helm, CEO & President, at Suite 830 - 1100 Melville Street, Vancouver, British Columbia V6E 4A6, Telephone: (604) 681-7822, Facsimile: (604) 628-9875, to request copies of the Company's financial statements and the related Management's Discussion and Analysis (the "**MD&A**"). Financial information is provided in the Company's comparative financial statements and MD&A for its financial year ended March 31, 2012 and comparisons thereto.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder of the Company entitled thereto and to the appropriate regulatory agencies, has been authorized by the Board.

Dated at Vancouver, British Columbia, this 17th day of August, 2012.

ON BEHALF OF THE BOARD

RARA TERRA MINERALS CORP.

[Signed]

Alexander Helmelt
President, Chief Executive Officer and Director