



**MANAGEMENT CIRCULAR**

**SPECIAL AND ANNUAL GENERAL MEETING**

**OF SHAREHOLDERS**

**TO BE HELD ON**

**WEDNESDAY, OCTOBER 24, 2012**



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# RED ORE GOLD INC.

## SPECIAL AND ANNUAL GENERAL MEETING OF SHAREHOLDERS

### INFORMATION CIRCULAR

(as at September 19, 2012 unless otherwise indicated)

#### 1. SOLICITATION OF PROXIES

This Information Circular is furnished to the common shareholders ("shareholders") by the Board of Directors of Red Ore Gold Inc. (the "Company") in connection with the solicitation of proxies to be voted at the Special and Annual General Meeting of the shareholders (the "Meeting") to be held at the hour of 11:00 AM EDT, on October 24, 2012 and at any adjournment thereof, for the purposes set forth in the Notice of Meeting.

THE ENCLOSED PROXY IS SOLICITED BY AND ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY. THE PERSONS NAMED IN THE ENCLOSED PROXY FORM ARE DIRECTORS AND SENIOR OFFICERS OF THE COMPANY. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING MAY DO SO EITHER BY INSERTING SUCH OTHER PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY FORM OR BY COMPLETING ANOTHER FORM OF PROXY.** To be used at this Meeting, the completed Proxy Form should be deposited at the office of **Capital Transfer Agency Inc., 105 Adelaide St. W., Suite 1101 Toronto, ON M5H 1P9, Attention: Proxy Department**, at least 48 hours (excluding Saturdays, Sundays and holidays) before the holding of the Meeting. Solicitation will be primarily by mail, but some proxies may be solicited personally or by electronic mail or telephone by regular employees or directors of the Company at a nominal cost. The cost of solicitation by the Board of Directors will be borne by the Company.

#### 2. REVOCABILITY OF PROXIES

A shareholder who has given a proxy may revoke it either by (a) signing a proxy bearing a later date and depositing the same at the office of Capital Transfer Agency Inc., 105 Adelaide St. W., Suite 1101 Toronto, ON M5H 1P9, Attention: Proxy Department, 48 hours (excluding Saturdays, Sundays and holidays) before the holding of the Meeting); or (b) attending the Meeting in person and registering with the scrutineers as a shareholder personally present.

#### 3. EXERCISE OF DISCRETION BY PROXIES

A shareholder's instructions on his Proxy Form as to the exercise of voting rights will be followed in casting such shareholder's votes on any ballot that may be called for. **IN THE ABSENCE OF ANY INSTRUCTIONS, THE SHARES WILL BE VOTED AS IF THE SHAREHOLDER HAD SPECIFIED AN AFFIRMATIVE VOTE.**

The enclosed Proxy Form confers discretionary authority upon the persons named therein with respect to (a) amendments or variations to matters identified in the Notice of Meeting and (b) other matters which may properly come before the Meeting or any adjournment thereof. At the time of printing of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

#### 4. NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders are "non-registered" shareholders 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 person is not a registered shareholder in respect of shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101, the Company has distributed copies of the Notice of Meeting, this Information Circular and the 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 who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with the Company's 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 the one page pre-printed form, the proxy authorization form 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 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 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.

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

No director or senior officer of the Company, who has held the position at any time since the beginning of the last completed financial year of the Company, nor any proposed nominee of the Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at the said Meeting (other than the election of directors or the appointment of auditors and any interest from the ownership of shares of the Company where the shareholder received no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Company) save and except for the transactions referred to under the headings "Executive Compensation" and "Particulars of Other Matters to be Acted Upon" and as otherwise disclosed herein.

## 6. VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has an authorized share structure consisting of an unlimited number of common shares (the "Common Shares") without par value, each share carrying the right to one vote, and an unlimited number of Class A preferred shares. As of **September 19, 2012, only 18,443,939 Common Shares were issued as fully paid and non-assessable. 1,150,000 of these 18,443,939 Common Shares were issued to certain contractors and a land manager of the Company as part of their respective overall compensation and the shareholders will be asked to pass ordinary resolutions of disinterested shareholders ratifying, authorizing and confirming the issuance of such shares.** The Common Shares issued to the contractors and the land manager of the Company will be cancelled pursuant to the policies of the TSX Venture Exchange (the "Exchange") if the requested disinterested shareholder approval is not obtained. The central securities register of the Company will not be closed, but the Board of Directors has fixed September 19, 2012 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment thereof, and only shareholders of record at the close of business on that date are entitled to such notice and to vote at the Meeting. A complete list of the shareholders entitled to vote at the Meeting will be open to examination by any shareholder for any purpose germane to the Meeting, during ordinary business hours for a period of 10 days prior to the Meeting, at the office of Capital Transfer Agency Inc., 105 Adelaide St. W., Suite 1101 Toronto, ON M5H 1P9.

To the knowledge of the directors or senior 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 the Company's issued and outstanding Common Shares, as at September 19, 2012 except for the following:

Name	Number of Common Shares Held	Percentage of Common Shares Held <sup>(1)</sup>
Galahad Metals Inc.	6,613,430	35.85%

(1) Based on 18,443,939 Common Shares issued and outstanding as of the date of this Information Circular.

## 7. VOTES NECESSARY TO PASS RESOLUTIONS AT THE MEETING

Under the Company's Articles, and subject to the special rights and restrictions attached to the shares of any class or series of shares, and Article 11.3, the quorum for the transaction of the business of the shareholders is a majority of the shareholders.

Under the Company's Articles and the Business Corporations Act (British Columbia), a majority of the votes cast at the Meeting (in person or by proxy) is required in order to elect directors and to pass the resolutions referred to in the accompanying Notice of Meeting other than the resolution related to the alteration to the authorized share structure and the resolution related to the alteration of the Articles which must be passed by way of special resolution.

## 8. APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the appointment of **James Stafford, Chartered Accountants**, Suite 350 - 1111 Melville Street, Vancouver, British Columbia, Canada V6E 3V6 as auditors of the Company to hold office until the next annual general meeting of shareholders. James Stafford, Chartered Accountants have been auditors of the Company since July 6, 2012.

A "reporting package", as defined in National Instrument 51-102 Continuous Disclosure Obligations, comprised of a Notice of Change of Auditor, a letter from the former auditor and a letter from the successor auditor is attached as Schedule "B" hereto. The Notice of Change of Auditor advises that BDO Canada LLP, the Company's former auditors, resigned as auditors of the Company effective July 6, 2012 at the request of the Company. There were no modified opinions expressed in the former auditor's report for the period from

January 13, 2011 to April 30, 2011 and there are no reportable events (as defined in National Instrument 51-102) between the Company and BDO Canada LLP. The Notice of Change of Auditor includes written confirmation that the foregoing Notice and the letters referred to above have been reviewed by the Company's audit committee and board of directors.

## 9. DIRECTORS

### **Number of Directors & Election of Directors**

The shareholders will be asked to pass an ordinary resolution to determine the number of directors of the Company at **five (5)**. The Management of the Company recommends to the Shareholders that the resolution be passed.

The Board of Directors presently consists of four (4) directors and it is intended to elect five (5) directors for the ensuing year.

The persons named below are the nominees of management for election as directors. Each director elected will hold office until his successor is elected or appointed, unless his office is earlier vacated under any of the relevant provisions of the Articles of the Company or the Business Corporations Act (British Columbia). It is the intention of the persons named as proxyholders in the enclosed form of proxy to vote for the election to the Board of Directors of those persons hereinafter designated as nominees for election as directors. The Board of Directors does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **PROXIES IN FAVOUR OF MANAGEMENT DESIGNEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.**

The following table sets out the name of each of the persons proposed to be nominated for election as a director and the name of each of the persons whose term of office, if elected, shall continue after the Meeting; all positions and offices in the Company presently held by him; his principal occupation at present and during the preceding five years; the period(s) during which he has served as a director; and the number of shares of the Company that he has advised are beneficially owned by him, directly or indirectly, or over which control or direction is exercised, as of the date hereof.

<b>Name, Municipality State/Province &amp; Country of Residence and Position with Company</b>	<b>Present and if not a Current Director elected by Shareholders, Principal Occupation during the last five years</b>	<b>Date of Appointment as Director</b>	<b>Common Shares Beneficially Owned or controlled Directly or Indirectly</b>
<b>ROBIN DOW</b> (4), West Vancouver, BC, Canada – Chairman of the Board of Directors	CEO and Director of Galahad Metals Inc., Pueblo Potash Inc., Desiree Resources Inc.	January 13, 2011	744,567 <sup>(1)</sup>
<b>MICHAEL NEWMAN</b> , (*) (**) Richmond Hill, ON, Canada  Director	Merchant Banker Director – Gensource Capital Corp. (TSXV “GSP”) Director – China Greenstar Agricultural Corp. (TSXV – “GRE”) Director – Augustine Ventures Inc. (TSXV – “WAW”) Director – LEO Acquisition Corp. (TSXV – “LEQ.P”)	January 13, 2011	12,500 <sup>(2)</sup>

Name, Municipality State/Province & Country of Residence and Position with Company	Present and if not a Current Director elected by Shareholders, Principal Occupation during the last five years	Date of Appointment as Director	Common Shares Beneficially Owned or controlled Directly or Indirectly
<b>LARRY HOOVER</b> (*)(**)(4) Millbrook, ON, Canada CEO, President and Director	Independent Analytical Chemist Director – Galahad Metals Inc. (TSXV “GAX”)	January 13, 2011	284,200 <sup>(3)</sup>
<b>ROBERT SCHELLENBERG</b> (*)(**) Grand Rapids, Michigan, USA Director	Independent Certified Accountant	February 22, 2011	0
<b>PATRICIA PURDY</b> Maple Ridge, BC, Canada	Independent Corporate & Securities Paralegal Corporate Secretary to Private and Public companies		0

NOTES:

- (\*) Denotes member of the Audit committee
- (\*\*) Denotes member of the Governance, Compensation and Nominating Committee
- (1) 244,567 of these shares are held directly, and the balance are subject to escrow pending approval of disinterested shareholders at the Meeting for issuance of contractor shares during the most recently completed financial year.
- (2) These shares are held directly
- (3) These shares are held indirectly
- (4) Mr. Dow voluntarily resigned as CEO and Mr. Hoover was appointed President and CEO of the Company by a unanimous resolution of the Board of Directors on September 19, 2012.

To the knowledge of the Company, no person proposed for election as a director of the Company:

- (1) has been subject to 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 after December 31, 2000 or any other penalty or sanction imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director; or
- (2) is, or has been in the last 10 years:
  - (a) a director, chief executive officer or chief financial officer of any issuer that while that person was acting in that capacity, (i) was the subject of a cease trade order or similar order (including a management cease trade order) or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, (ii) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days; or
  - (b) a director or executive officer of any issuer that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
  - (c) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director except as follows:

On May 15, 2009, the Ontario Securities Commission issued a management cease trade order against Robin Dow in his capacity as Chief Executive Officer of Wedge Energy International Inc. (“Wedge”). The cease trade order was imposed due to the failure of Wedge to file its annual audited financial statements, management’s discussion and analysis and related certifications for the year ended December 31, 2008 within the prescribed time for filing. The required filings were completed and filed on SEDAR (www.SEDAR.com) and the Management CTO was subsequently lifted. Mr. Dow has subsequently resigned his position with Wedge.

On May 14, 2010, the Ontario Securities Commission issued a temporary management cease trade order against Robin Dow and against Sabino Di Paolo in their respective capacities of Chief Executive Officer and Chief Financial Officer of Diamond International Exploration Inc. (“DIX”). The cease trade order was imposed due to the failure of DIX to file its annual audited financial statements, management’s discussion and analysis and related certifications for the year ended December 31, 2009 within the prescribed time for filing. The required filings were completed and filed on SEDAR (www.SEDAR.com) on June 30, 2010 and the Management CTO was subsequently lifted. Both Mr. Dow and Mr. Di Paola have subsequently resigned their positions with DIX.

Unless otherwise stated above, each of the proposed nominees has held the principal occupation or employment indicated for at least five (5) years. Unless otherwise stated each of the proposed nominees has served continually as director since the year he first became a director.

The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective individuals or has been extracted from the central securities register maintained by the Company's transfer agent.

## 10. EXECUTIVE COMPENSATION

### Discussion and Analysis

The Governance, Compensation and Nominating Committee of the Company is responsible for ensuring that the Company has in place an appropriate plan for executive compensation with respect to the compensation of the Company's executive officers. Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Company's compensation philosophy is to foster entrepreneurship at all levels of the organization by making long term equity-based incentives, through the granting of stock options ("Options") to purchase Common Shares under the Company's stock option plan (the "Plan"), a significant component of executive compensation. This approach is based on the assumption that the performance of the Common Share price over the long term is an important indicator of long term performance. Option-based compensation represents compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on the market performance of the Common Shares (assuming that they become listed on the Exchange).

### Summary Compensation Table

The following table sets forth all annual and long term compensation for services in all capacities to the Company for the financial years ended April 30, 2012 and April 30, 2011 in respect of each of the individuals who were, as at the end of such financial years, the Chief Executive Officer, the Chief Financial Officer and the other three most highly compensated executive officers of the Company whose individual total compensation for the most recently completed financial year exceeds \$150,000 (collectively the "Named Executive Officers"), if any, including any individual who would have qualified as a Named Executive Officer but for the fact that individual was not serving as such an officer at the end of the most recently completed financial year. During the Company's most recently completed financial year ended April 30, 2012, the Company had two Named Executive Officers, Robin Dow, the former CEO, and Sabino Di Paola, the CFO.

**Summary Compensation Table**

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation <sup>(1)</sup> (\$)	Awards		Payouts	
					Securities Under Options/SARs Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
ROBIN DOW <sup>(3)</sup> CEO	2012	60,000	n/a	n/a	n/a	13,000 <sup>(4)</sup>	n/a	n/a
	2011	20,000	n/a	n/a	n/a	36,956	n/a	n/a
SABINO DI PAOLA CFO	2012	59,570	n/a	n/a	n/a	3,260 <sup>(5)</sup>	n/a	n/a
	2011	8,480	n/a	n/a	n/a	9,239	n/a	n/a



NOTES:

- (1) *Perquisites and other personal benefits does not exceed the lesser of \$50,000 and 10% of the total of the annual salary and bonus of any of the named executive officers.*
- (2) *Accrued.*
- (3) *Mr. Dow resigned as the CEO of the Company on September 19, 2012.*
- (4) *This amount represents the accounting expense incurred by the Company for the 500,000 Common Shares that were issued to Mr. Dow in fiscal 2012. These shares are currently subject to escrow pending the receipt of disinterested shareholder approval for their issuance at the Meeting. These shares will be cancelled pursuant to the policies of the TSX Venture Exchange if disinterested shareholder approval is not obtained. This amount will therefore be deemed to not have been received by Mr. Dow in the financial year ended April 30, 2012 in the event that these shares are cancelled following the Meeting.*
- (5) *This amount represents the accounting expense incurred by the Company for the 125,000 Common Shares that were issued to Mr. Di Paola in fiscal 2012. These shares are currently subject to escrow pending the receipt of disinterested shareholder approval for their issuance at the Meeting. These shares will be cancelled pursuant to the policies of the TSX Venture Exchange if disinterested shareholder approval is not obtained. This amount will therefore be deemed to not have been received by Mr. Di Paola in the financial year ended April 30, 2012 in the event that these shares are cancelled following the Meeting.*

**Long-Term Incentive Plan (LTIP) Awards**

The Company does not have a LTIP, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Company's securities), and therefore did not make any awards pursuant to an LTIP which were paid or distributed to the Named Executive Officers during the most recently completed financial year.

**Options and Stock Appreciation Rights ("SAR'S") Granted During the Most Recently Completed Financial Year**

The Company currently has the Plan in place which provides for a variable number of Common Shares reserved for issuance under the Plan. The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Plan is limited to 10% of the outstanding Common Shares. A copy of the Plan may be obtained by interested shareholders from the Company during normal business hours at its office (located at Suite 205, 2742 St. Joseph Blvd., Orleans, ON K1C 1G5, telephone number (613) 834-7708, attention: Danielle Beetham, Comptroller.

The following table sets out information with respect to all Options to purchase or acquire securities of the Company and any SARs granted to Named Executive Officers and directors of the Company during the fiscal year ended April 30, 2012.

Name (a)	Securities Under Options /SARs Granted in Financial Year (#) (b)	% of Total Options/SARs Granted to Employees in Financial Year (c)	Exercise or Base Price (\$/Security) (d)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security) (e)	Expiration Date (f)
ROBIN DOW	270,000	20%	\$0.10		Jan. 10/15
ROBERT SCHELLENBERG	270,000	20%	\$0.10		Jan. 10/15
MICHAEL NEWMAN	270,000	20%	\$0.10		Jan. 10/15
LARRY HOOVER	270,000	20%	\$0.10		Jan. 10/15
GARRY SMITH	267,500	20%	\$0.10		(1)
SABINO DI PAOLA	22,500	2%	\$0.10		Jan. 10/15

[NB Market Value determined by Stock price on date of grant less strike price of option X no. of options]

(1) 67,500 of these options expire January 10, 2015 and the balance expire January 31, 2015

The Company did not reprice downward any Options or SARs held by Named Executive Officers during the most recently completed financial year.

The Company does not have a pension plan or other defined benefit or actuarial plan.

### ***Aggregated Options/SARs Exercised During the Most Recently Completed Financial Year***

During the year ended April 30, 2012, none of the Named Executive Officers and none of the directors exercised any Options and SARs nor did any of the Named Executive Officers and directors of the Company hold any in-the-money Options or SAR's at September 19, 2012.

### ***Termination of Employment, Changes in Responsibility and Employment Contracts***

Apart from Mr. Dow's entitlement under his consulting agreement to a \$60,000 severance payment should the Company terminate the agreement for any reason, which severance Mr. Dow has voluntarily waived, and Mr. Di Paola's entitlement under his consulting agreement to 90 days of advance notice or compensation in lieu of notice equal to 1 month plus 2 weeks per year of completed service with the Company if the Company terminates the agreement without just cause, the Company has no contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change in control of the company or change in a Named Executive Officer's responsibilities.

### ***Directors' Compensation***

During the fiscal year ended April 30, 2012, directors' fees were paid to the directors of the Company as follows: a \$6,000 annual retainer per director with an extra \$3,000 per annum retainer for committee chairmen. Directors of the Company also receive cash compensation for attendance at meetings of the Board of Directors in the amount of \$500 per meeting for personal attendance and \$250 per meeting for telephonic attendance. Directors may also be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors and certain directors may be compensated for services as consultants or experts.

Directors are also eligible to receive incentive Options to purchase Common Shares granted from time to time.

The Directors have been granted and/or exercised the incentive Options described above under the heading "Options and Stock Appreciation Rights".

## **11. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

### ***Equity Compensation Plan Information***

The following table sets forth certain summary information concerning the number of Common Shares authorized for issuance under the Plan as at the end of the Company's most recently completed financial year-ended April 30, 2012.

<b>Plan Category</b>	<b>Number of Common Shares to be Issued Upon Exercise of Outstanding Options</b>	<b>Average Exercise Price of Outstanding Options (\$)</b>	<b>Number of Common Shares Remaining for Future Issuance (Excluding Common Shares to be Issued Upon Exercise of Outstanding Options)<sup>(1)</sup></b>
Equity compensation plans approved by securityholders (the Plan)	1,550,000	\$0.10	294,394
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>	<b>1,550,000</b>		<b>294,394</b>

(1) Based on the total number of Common Shares to be reserved and authorized for issuance pursuant to Options granted under the Plan being 10% of the issued and outstanding Common Shares from time to time.

## **12. INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

No debts are owed to the Company nor has the Company guaranteed or supported the indebtedness of any person who is or at any time during the most recently completed fiscal year was a director, senior officer, or proposed nominee for election as a director of the Company, or any associate or affiliate of any of the foregoing, except as set out herein.

## **13. INTEREST OF INSIDERS AND OTHERS IN MATERIAL TRANSACTIONS**

Other than transactions carried out in the normal course of business of the Company or any of its affiliates, no person now is or who has been a director or senior officer of the Company at any time since the beginning of the last financial year, any proposed management nominee for election as a director of the Company, any member beneficially owning shares carrying more than 10% of the voting rights attached to the shares of the Company nor an associate or affiliate of any of the foregoing persons had, since the commencement of the Company's last completed financial year, any material interest, direct or indirect, in any transactions which materially affected the Company or any of its subsidiaries or in any proposed transaction which has or would materially affect the Company or any of its subsidiaries or in any proposed transaction which has or would materially affect the Company or any of its subsidiaries save and except for the transactions referred to under the headings "Executive Compensation" and "Particulars of Other Matters to be Acted Upon" or otherwise disclosed herein or set forth below.

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

Other than as set forth in the Information Circular, no person who is or has been a director or executive officer of the Company at any time since the commencement of the Company's last completed financial year, no person who, to the knowledge of the Company, holds 10% or more of the votes, attached to securities of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing persons, has or has had any material interest, direct or indirect, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## **15. MANAGEMENT CONTRACTS**

During the last completed financial year of the Company, the following amounts were paid to persons with whom the Company had entered into management agreements:

- (1) the amount of \$60,000 was paid to Robin Dow, the former CEO of the Company for management, support and strategic financing services provided pursuant to an agreement dated January 13, 2011.
- (2) The amount of \$59,570 was paid to Sabino Di Paola, the CFO of the Company for management, and financial services provided pursuant to an agreement dated January 13, 2011.
- (3) The amount of \$25,200 was paid to Garry Smith, the VP of Exploration of the Company for project management and geological services.
- (4) The amount of \$20,000 cash and 200,000 Common Shares at a deemed value of \$0.10 per share was paid to 2232097 Ontario Inc., a company controlled by Garry Smith, the VP of Exploration for the Company pursuant to a Land Management Fee Agreement dated October 5, 2011.

## **16. CORPORATE GOVERNANCE**

Pursuant to National Policy 58-101 Disclosure of Corporate Governance Practices, the Company is required to and hereby discloses its corporate governance practices as follows:

### ***Board of Directors***

The Board is responsible for the general supervision of the management of the Company's business and affairs with the objective of enhancing shareholder value. The Board discharges its responsibilities directly and through its committees, which currently consists of an Audit Committee and a Governance, Compensation and Nominating Committee.

The Board currently comprises of four (4) directors of which two (2), Michael Newman and Robert Schellenberg, are independent. In British Columbia, a director is independent if a reasonable person with knowledge of all the relevant circumstances would conclude that the director is independent of management of the issuer and of any significant security holder.

### **Directorships**

Please refer to section 9 of this Information Circular under the heading entitled "Election of Directors" which discloses the directorships in other issuers.

### **Orientation and Continuing Education**

The Company has an orientation program for new directors. New directors will receive an orientation package which includes reports on operations and results, and public disclosure filings by the Company. They will also meet with and be briefed by senior management.

With respect to providing continuing education for the Company's directors, the Board ensures that all directors are kept apprised of changes in the Company's operations and business, any changes in the regulatory environment affecting the Company's business and changes in their roles as directors of a public company.

### **Ethical Business Conduct**

The Board has not adopted a written code of business conduct and ethics but encourages and promotes a culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to employees, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

To ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest, the Board has approved a policy requiring directors to act in the interest of the Company at all times. If a director or member of the director's family has or may have a conflict, the director is required to disclose such conflict and either eliminate the conflict or abstain from participation in any discussion or decision making process in relation to the subject matter of the conflict.

### **Nomination of Directors**

The Board has concluded that its small size allows it to effectively conduct the majority of the Company's business at the full Board level rather than through delegation to several single purpose Board committee. The Board as a whole is responsible for identifying and recommending new nominees to the Board. The process by which the Board identifies new candidates is through recommendations from Board members based on corporate law and regulatory requirements as well as relevant education and experience related to the Company's business.

### **Compensation**

The Board's mandate includes reviewing and approving appropriate practices for determining and establishing compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company. The Board conducts reviews with regard to directors' compensation once a year. To make its recommendations on directors' compensation, the Board takes into account the recommendations of the Governance, Compensation and Nominating Committee, the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

### **Other Board Committees**

The Company has an Audit Committee and a Governance, Compensation and Nominating Committee at this time. See section 17 of this Information Circular under the heading entitled "Audit Committee and Relationship with Auditor".

### **Assessments**

The Board, its Audit Committee, the Governance, Compensation and Nominating Committee and its individual directors are assessed regularly, at least on an annual basis, as to their effectiveness and contribution. In addition, the Chairman encourages discussion among the Board or the committee members, as the case may be, as to their evaluation of their own effectiveness over the course of the year. All directors and/or committee members are free to make suggestions for improvement of the practice of the Board and/or its committees at any time and are encouraged to do so.

## **17. AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

Multilateral Instrument 52-110 of the Canadian Securities Administrators ("MI 52-110") requires that the Company, as a venture issuer, disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Company’s audit committee is governed by an audit committee charter, a copy of which is attached as Schedule “A” hereto.

MI 52-110 requires that the audit committee be comprised of at least three directors, the majority of which must be “independent” and, subject to certain limited exceptions, “financially literate”, as defined in MI 52-110. The Company’s audit committee is currently comprised of three directors, **Robert Schellenberg, (Chairman), Michael Newman and Larry Hoover.**

As defined in MI 52-110, two of the three members of the Audit Committee, namely Mr. Schellenberg and Mr. Newman, are “independent”. Further, as defined in MI 52-110, all of the audit committee members are “financially literate”. Accordingly, the Company’s audit committee meets the composition and financial literacy requirements of MI 52-110.

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

Since the effective date of MI 52-110, the Company has not relied on exemptions in sections 2.4 or 8 of MI 52-110.

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

The fees paid by the Company to its auditors in each of the last two fiscal years, by category, are as follow:

<i>Financial Year ending</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees</i>	<i>All other Fees</i>
<i>April 30, 2012</i>	<i>\$16,000<sup>(*)</sup></i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>April 30, 2011</i>	<i>\$44,520</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

*(\*) A final accounting has not been received by the Company as at September 19, 2012.*

**18. PARTICULARS OF OTHER MATTERS TO BE ACTED ON**

**(a) Alteration to the Authorized Share Structure**

The authorized share structure of the Company presently consists of unlimited Common Shares and Class “A” Preferred Shares without par value.

The Company proposes an amendment to its Notice of Articles by adding Class “B” series preferred shares (the “Series Preferred Shares”) to its authorized share structure such that an unlimited number of Series Preferred Shares without par value may be issued. The Management of the Company is of the view that having unlimited authorized capital with respect to the Common Shares and a new class of Series Preferred Shares would provide greater flexibility for the Company to carry out its future capital raising activities.

Accordingly, the shareholders will be asked to approve, adopt and ratify the following special resolution:

“Be it resolved, as a special resolution, that:

1. A new class of unlimited number of class “B” series preferred shares be created;
2. The Directors may, in their absolute discretion, elect not to implement the foregoing resolution;
3. This resolution shall not take effect until the Company’s Notice of Alteration is filed with the Registrar of Companies;

4. The solicitors of the Company are authorized and directed to file the Notice of Alteration with the Registrar of Companies to effect such change”; and
5. The preferred shares of the Company (the “Preferred Shares”) shall have attached thereto the following special rights or restrictions:
  - (a) The directors of the Company shall, subject as hereinafter provided, by resolution duly passed before the first issue of the Preferred Shares of any Series, alter the Notice of Articles of the Company to fix the number of Preferred Shares in, and to determine the designation of the Preferred Shares of such Series and alter the Articles to create, define and attach the preferences, privileges, rights, restrictions, conditions, and limitations to be attached to the Preferred Shares of such Series.
  - (b) The Preferred Shares of any Series may have attached thereto preferences, privileges, rights, restrictions, conditions or limitations with regard to dividends (which, in the case of fixed dividends, shall in all cases be cumulative), whether in cash or otherwise, voting, the right to convert such shares into common shares or otherwise including, without limiting the generality of the foregoing, preferences, privileges, rights, restrictions, conditions, or limitations with respect to:
    - (i) the redemption or purchase of Preferred Shares by the Company;
    - (ii) retraction privileges;
    - (iii) sinking funds or funds for the purchase or redemption of Preferred Shares;
    - (iv) payment of dividends on any other shares of the Company;
    - (v) redemption, purchase or other retirement of any shares of the Company or of any subsidiary of the Company;
    - (vi) the exercise by the Company of any right to elect that any one or more dividends are to be paid out of one or more special surplus accounts recognized for tax purposes;
    - (vii) subdivision, consolidation or reclassification of any shares of the Company;
    - (viii) borrowing by the Company or any subsidiary of the Company;
    - (ix) the creation or issue of any debt or equity securities by the Company or any subsidiary of the Company including the issue of any Preferred Shares in addition to the Preferred Shares at any time outstanding;
    - (x) reduction of capital by the Company or any subsidiary of the Company;
    - (xi) retirement of notes, bonds or debentures or other indebtedness of the Company or any subsidiary of the Company;
    - (xii) conduct of the business of the Company or investment of its funds;
    - (xiii) meetings of holders of Preferred Shares; and
    - (xiv) the right of holders of Preferred Shares to convert or exchange such shares into shares of any class of the Company or into or for any other securities of the Company or into or for shares or securities of any other corporation.
  - (b) The holders of Preferred Shares shall be entitled to:
    - (i) preference with respect to payment of dividends over the common shares and over any other shares ranking junior to the Preferred Shares with respect to payment of dividends;
    - (ii) preference with respect to distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs over the common shares and over any other shares ranking junior to the Preferred Shares with respect to the repayment of capital; and
    - (iii) with respect to each Series such other preferences over the common shares and over any other shares ranking junior to the Preferred Shares in any respect, as are

not inconsistent with the provisions of this Part 23 and as may be determined for that Series.

- (c) The Preferred Shares of each Series shall rank ratably with the Preferred Shares of every other Series on the return of capital and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the company among its shareholders for the purpose of winding-up its affairs. When fixed cumulative dividends that are due on any Series of Preferred Shares are not paid in full, the shares of all Series of Preferred Shares participate ratably in respect of accumulated dividends in accordance with the amounts that would be payable on those shares if all the accumulated dividends were paid in full.
- (d) Subject to such rights relating to the election of directors on a default in payment of dividends as may be attached to any Series of the Preferred Shares by the directors, holders of the Preferred Shares shall not be entitled as such to receive notice of, or to attend or vote at, any general meeting of members of the Company.
- (e) The Company shall not without, but may from time to time with, the authorization of the holders of the Preferred Shares required by the Business Corporations Act, increase the authorized number of Preferred Shares or create any class of shares ranking in priority to or on a parity with the Preferred Shares.”

In order to be effective, the special resolution in substantially the form set out above must be approved by a three-quarters majority of the votes cast by those shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the resolution. The Management of the Company recommends to the shareholders that the resolution be passed.

The amendments to the Company’s Notice of Articles with respect to the foregoing special resolutions shall take effect immediately on the date and time the Notice of Alteration is filed with the Registrar of Companies (British Columbia).

### ***(b) Alteration of the Articles of the Company***

The Company has determined that it is in its best interest to amend its existing Articles by deleting them in their entirety and replacing them with proposed Articles, a copy of which proposed form of Articles may be obtained by interested shareholders from the Company during normal business hours at its office (located at Suite 205, 2742 St. Joseph Blvd., Orleans, ON K1C 1G5, telephone number (613) 834-7708, Attention: Danielle Beetham, Comptroller. A copy will also be filed, together with a copy of this Information Circular, on the SEDAR filing system, and may be viewed by interested shareholders by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com).

The shareholders will be asked to pass a special resolution at the Meeting, approving the deletion in their entirety of the existing Articles of the Company and the adoption of the new Articles. The text of the proposed resolution is set out as follows:

“Be it resolved, as a special resolution, that:

1. Pursuant to sections 259 and 438 of the Business Corporations Act (British Columbia), the existing Articles of the Company be altered by deleting them in their entirety and by replacing them with new Articles in the form approved by the Directors and presented to the meeting.
2. The Directors be and are hereby authorized to in their absolute discretion and to make such other changes to the form of Articles as they deem appropriate and as may be required by the Registrar of Companies or regulatory authorities.
3. The Directors may, in their absolute discretion, elect not to implement the foregoing resolution.
4. This resolution shall not take effect until the Company’s Notice of Articles has been altered to reflect the foregoing alterations to the Articles.



5. The solicitors of the Company are authorized and directed to file the Notice of Alteration with the Registrar of Companies to effect such change.”

In order to be effective, the special resolution in substantially the form set out above must be approved by a three-quarters majority of the votes cast by those shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the resolution. The Management of the Company recommends to the shareholders that the resolution be passed.

The amendments to the Company’s Notice of Articles with respect to the foregoing special resolutions shall take effect immediately on the date and time the Notice of Alteration is filed with the Registrar of Companies (British Columbia).

**(c) Ratification of Stock Compensation Issued to Contractors**

The shareholders will be asked to pass an ordinary resolution by disinterested shareholders ratifying, approving and confirming the issuance of stock compensation to contractors of the Company.

The Board determined that it was in the best interests of the Company to issue Common Shares to certain officers and office administrators of the Company (collectively, the “Contractors”) as part of their overall remuneration. The Company’s ability to attract and maintain qualified directors, senior management and consultants in the mining industry and to recognize their contributions to the Company’s overall performance is primarily based on its ability to compensate those parties at a competitive market rate. In order to preserve the Company’s cash resources, however, the Board is of the opinion that it is beneficial to the Company to have flexibility in its compensation arrangements and methods of payment in line with other companies who compete for the same personnel.

Summary of Contractor Stock Compensation

The following table provides the names and positions of the Contractors and the number of Common Shares that were issued to them and the percentage of the issued and outstanding Common Shares that these shares represent as at the date of this Information Circular:

Name and Position(s) with the Company	Number of Common Shares Issued and Percentage as at the date of this Information Circular
Robin Dow Chief Executive Officer and Director	500,000 <sup>(1)</sup> 2.7%
Sabino Di Paola Chief Financial Officer	125,000 <sup>(2)</sup> 0.67%
Michael Zamora Former President	250,000 <sup>(3)</sup> 1.35%
Paul Pitman Consultant and Former President	125,000 <sup>(4)</sup> 0.67%
Danielle Beetham Office Administrator	100,000 <sup>(5)</sup> 0.54%
Glennis Newcombe Former Office Administrator	50,000 <sup>(6)</sup> 0.27%
<b>Total</b>	<b>1,150,000</b> <b>6.23%</b>

Notes

(1) Of these 500,000 Common Shares issued to Mr. Dow, 100,000 Common Shares were issued pursuant to his consulting contract with the Company and the remaining 400,000 Common Shares were issued at the discretion of the Board.

- (2) Of these 125,000 Common Shares issued to Mr. Di Paola, 25,000 Common Shares were issued pursuant to his consulting contract with the Company and the remaining 100,000 Common Shares were issued at the discretion of the Board.
- (3) All of these 250,000 Common Shares were issued to Mr. Zamora pursuant to his consulting contract with the Company.
- (4) Of these 125,000 Common Shares issued to Mr. Pitman, 25,000 Common Shares were issued pursuant to his consulting contract with the Company and the remaining 100,000 Common Shares were issued at the discretion of the Board.
- (5) Of these 100,000 Common Shares issued to Ms. Beetham, 20,000 Common Shares were issued pursuant to her consulting contract with the Company and the remaining 80,000 Common Shares were issued at the discretion of the Board.
- (6) All of these 50,000 Common Shares were issued to Ms. Newcombe at the discretion of the Board.

The consulting contracts with the Company entered into by Robin Dow, Sabino Di Paola, Paul Pitman and Danielle Beetham provided for the issuance of 100,000 Common Shares, 25,000 Common Shares, 25,000 Common Shares and 20,000 Common Shares, respectively, valued at a deemed price of \$0.50 per share. The Board subsequently adjusted the price at which certain Common Shares were issued to Galahad Metals Inc. in exchange for a 60% interest in the Bottle Creek exploration properties. As a result of this price adjustment, the Board approved a rights offering pursuant to which the then shareholders were permitted to acquire additional Common Shares for nominal value so that the deemed value (stated capital) of all issued and outstanding Common Shares was \$0.25 per share. Thereafter, between October 24, 2011 and December 29, 2011, several private placements occurred pursuant to which the Company issued a total of 6,285,000 Common Shares for gross proceeds of \$628,500 or \$0.10 per share.

The Common Shares to be issued under the terms of the consulting contracts had not been issued at the time of the rights offering or subsequent private placements and, in turn, in order to counter the dilution that the Contractors would have otherwise experienced, the Board exercised its discretion to issue an aggregate of 680,000 additional Common Shares to the Contractors for services rendered at a deemed price of \$0.10 per share (400,000 to Mr. Dow, 100,000 to Mr. Di Paola, 100,000 to Mr. Pitman and 80,000 to Ms. Beetham).

In addition, the Board exercised its discretion and approved the issuance of 50,000 Common Shares to Glennis Newcombe for services rendered at a deemed value of \$0.10 per share. Ms. Newcombe's consulting contract with the Company did not provide for the issuance of Common Shares other than through the exercise of stock options.

All of the Common Shares issued to the Contractors were issued on January 4, 2012.

### **Shareholder Approval**

As a condition to the listing of its Common Shares on the TSX Venture Exchange (the "Exchange"), the issuance of the Common Shares to the Contractors must be approved by a majority of disinterested shareholders. At the Meeting, the disinterested shareholders (all of the shareholders other than the Contractors) will be asked to consider and, if appropriate, approve an ordinary resolution authorizing the issuance of Common Shares to the Contractors as part of their overall remuneration. An ordinary resolution of the disinterested shareholders means a resolution passed by a majority of the votes cast by the disinterested shareholders or their proxies at the Meeting who voted in respect of that resolution. Accordingly, all votes cast by or on behalf of the Contractors, or their associates or affiliates, will not be taken into account for the purposes of that vote.

Unless a disinterested shareholder directs that his or her Common Shares are to be voted AGAINST such resolution, the management representatives designated in the accompanying form of proxy will vote FOR the following resolution:

"BE IT RESOLVED as an ordinary resolution of the disinterested shareholders that:

1. The issuance of Common Shares to the Contractors as part of their overall remuneration and as described in the management information circular of the Company dated September 25, 2012 be and is hereby ratified, confirmed and approved; and

2. Any officer or director of the Company is authorized to execute all such instruments and documents and perform such other acts as may be necessary in order to give full effect to the foregoing resolution.”

The Common Shares that were issued to the Contractors will be cancelled pursuant to the policies of the Exchange if the requested disinterested shareholder approval is not obtained.

#### ***(d) Ratification of Stock Compensation Issued to Land Manager***

The shareholders will be asked to pass an ordinary resolution by disinterested shareholders ratifying, approving and confirming the issuance of stock compensation to a land manager of the Company.

The Board determined that it was in the best interests of the Company to issue Common Shares to 2232097 Ontario Ltd. (the “Land Manager”) as part of a land management fee to be provided to the Land Manager pursuant to the terms of a land management agreement between the Company and the Land Manager dated October 5, 2011 (the “Land Management Agreement”) relating to the services being provided by the Land Manager in respect of the Company’s Rye Patch and Pogonip properties. The Land Manager is a company controlled by Garry Smith, Vice President, Exploration of the Company. The Company’s ability to attract and maintain qualified consultants and service providers in the mining industry and to recognize their contributions to the Company’s overall performance is primarily based on its ability to compensate those parties at a competitive market rate. In order to preserve the Company’s cash reserves, however, the Board is of the opinion that it is beneficial to the Company to have flexibility in compensation arrangements and methods of payment in line with other companies who compete for the same personnel.

#### **Summary of Land Manager Stock Compensation**

The Company issued a total of 200,000 Common Shares as partial consideration under the Land Management Agreement in connection with the entering into by the Company of the lease agreements dated October 18, 2011 related to each of its Rye Patch and Pogonip properties (collectively, the “Lease Agreements”), each of which has an effective date of August 17, 2011. These 200,000 Common Shares represent 1.08% of the issued and outstanding Common Shares as at the date of this Information Circular. The Common Shares issued to the Land Manager were issued at a deemed price of \$0.10 per share on January 11, 2012.

An additional 100,000 Common Shares in the aggregate (50,000 for land management associated with the Rye Patch property and 50,000 for land management associated with the Pogonip property) are issuable to the Land Manager pursuant to the Land Management Agreement annually on or before the anniversary date upon which the Company entered into the Lease Agreements for so long as the Land Management Agreement remains in effect.

#### **Shareholder Approval**

As a condition to the listing of its Common Shares on the Exchange, the issuance of the 200,000 Common Shares to the Land Manager on January 11, 2012 pursuant to the terms and conditions of the Land Management Agreement must be approved by a majority of disinterested shareholders. At the Meeting, the disinterested shareholders (all of the shareholders other than the Land Manager) will be asked to consider and, if appropriate, approve an ordinary resolution authorizing the issuance of the 200,000 Common Shares to the Land Manager as part of the overall remuneration as is provided for in the Land Management Agreement. An ordinary resolution of the disinterested shareholders means a resolution passed by a majority of the votes cast by the disinterested shareholders or their proxies at the Meeting who voted in respect of that resolution.

Accordingly, all votes cast by or on behalf of the Land Manager, or their associates or affiliates, will not be taken into account for the purposes of that vote.

Unless a disinterested shareholder directs that his or her Common Shares are to be voted AGAINST such resolution, the management representatives designated in the accompanying form of proxy will vote FOR the following resolution:

“BE IT RESOLVED as an ordinary resolution of the disinterested shareholders that:

1. The issuance of 200,000 Common Shares to the Land Manager as part of its overall remuneration as provided in the Land Management Agreement and as described in the management information circular of the Company dated September 25, 2012 be and is hereby ratified, confirmed and approved; and
2. Any officer or director of the Company is authorized to execute all such instruments and documents and perform such other acts as may be necessary in order to give full effect to the foregoing resolution.”

The 200,000 Common Shares that were issued to the Land Manager will be cancelled pursuant to the policies of the Exchange if the requested disinterested shareholder approval is not obtained.

Further issuances of Common Shares to the Land Manager pursuant to the Land Management Agreement will also be subject to disinterested shareholder approval pursuant to the policies of the Exchange.

**(e) 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. 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.

DATED as of this 25<sup>th</sup> day of September 2012.

**BY ORDER OF THE BOARD**

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**LARRY HOOVER**  
**CHIEF EXECUTIVE OFFICER**

**Schedule "A"**  
**AUDIT COMMITTEE CHARTER**  
**RED ORE GOLD INC.**  
**(the "Company")**  
APPROVED BY AUDIT COMMITTEE  
(Implemented pursuant to Multilateral Instrument 52-110 (the "Instrument"))

*This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.*

**PART I**

**Purpose:**

*The purpose of the Committee is to manage and maintain the effectiveness of the financial aspects of the governance structure of the Company.*

**1.1 Definitions**

*In this Charter,*

*"accounting principles" has the meaning ascribed to it in National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency;*

*"Affiliate" means a company that is a subsidiary of another company or companies that are controlled by the same entity;*

*"audit services" means the professional services rendered by the Company's external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;*

*"Board" means the board of directors of the Company;*

*"Charter" means this audit committee charter;*

*"Company" means **RED ORE GOLD INC.***

*"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;*

*"Control Person" means any person that holds or is one of a combination persons that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company, except where there is evidence showing that the holder of those securities does not materially affect control of the Company;*

*"executive officer" means an individual who is:*

- a) *the chair of the Company;*
- b) *the vice-chair of the Company;*
- c) *the President of the Company;*

- d) *the vice-president in charge of a principal business unit, division or function including sales, finance or production;*
- e) *an officer of the Company or any of its subsidiary entities who performs a policy-making function in respect of the Company; or*
- f) *any other individual who performs a policy-making function in respect of the Company;*

*"financially literate" has the meaning set forth in Section 1.3;*

*"immediate family member" means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;*

*"independent" has the meaning set forth in Section 1.2;*

*"Instrument" means Multilateral Instrument 52-110;*

*"MD&A" has the meaning ascribed to it in National Instrument 51-102;*

*"Member" means a member of the Committee;*

*"National Instrument 51-102" means National Instrument 51-102 Continuous Disclosure Obligations;*

*"non-audit services" means services other than audit services;*

## **1.2 Meaning of Independence**

1. *A Member is independent if the Member has no direct or indirect material relationship with the Company.*
2. *For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgement.*
3. *Despite subsection 2 and without limitation, the following individuals are considered to have a material relationship with the Company:*
  - a) *a Control Person of the Company;*
  - b) *an Affiliate of the Company; and*
  - c) *an employee of the Company.*

**1.3 Meaning of Financial Literacy** -- *For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of 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.*

## **PART 2**

- 2.1 Audit Committee** – *The Board has hereby established the Committee for, among other purposes, compliance with the requirements of the Instrument.*
- 2.2 Relationship with External Auditors** – *The Company will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.*

## **2.3 Committee Responsibilities**

1. *The Committee shall be responsible for making the following recommendations to the Board:*
  - a) *the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and*
  - b) *the compensation of the external auditor.*
2. *The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:*
  - a) *reviewing the audit plan with management and the external auditor;*
  - b) *reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;*
  - c) *reviewing audit progress, findings, recommendations, responses and follow up actions;*
  - d) *reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;*
  - e) *reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtain an explanation from management of all significant variances between comparative reporting periods;*
  - f) *reviewing the evaluation of internal controls by the external auditor, together with management's response;*
  - g) *reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable; and*
  - h) *annual approval of audit mandate.*
3. *The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer's external auditor.*
4. *The Committee shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.*
5. *The Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.*
6. *When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.*
7. *The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Policy 31, on a routine basis, whether or not there is to be a change of auditor.*

8. *The Committee shall, as applicable, establish procedures for:*
  - a) *the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and*
  - b) *the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.*
9. *As applicable, the Committee shall establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.*
10. *The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.*

#### **2.4 De Minimis Non-Audit Services**

1. *The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:*
  - a) *the aggregate amount of all the 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 issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;*
  - b) *the Company or the subsidiary of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and*
  - c) *the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.*

#### **2.5 Delegation of Pre-Approval Function**

1. *The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).*
2. *The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.*

### **PART 3**

#### **3.1 Composition**

1. *The Committee shall be composed of a minimum of three Members.*
2. *Every Member shall be a director of the issuer.*
3. *The majority of Members shall be independent.*
4. *Every audit committee member shall be financially literate.*

### **PART 4**

#### **4.1 Authority**

1. *Until the replacement of this Charter, the Committee shall have the authority to:*



- a) *to engage independent counsel and other advisors as it determines necessary to carry out its duties,*
- b) *to set and pay the compensation for any advisors employed by the Committee,*
- c) *to communicate directly with the internal and external auditors; and*
- d) *recommend the amendment or approval of audited and interim financial statements to the Board.*

**PART 5**

- 5.1** ***Disclosure in Information Circular** -- If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to the Board, the Company shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).*

**PART 6**

**6.1** ***Meetings***

- 1. *The Committee shall meet at such times during each year as it deems appropriate.*
- 2. *Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.*
- 3. *Minutes shall be kept of all meetings of the Committee.*

**SCHEDULE "B"**

**CHANGE OF AUDITOR REPORTING PACKAGE**

**RED ORE GOLD INC.**  
(the “Company”)

**NOTICE OF CHANGE OF AUDITOR**  
**PURSUANT TO PART 4.11 OF NATIONAL INSTRUMENT 51-102 (“NI 51-102”)**

The Company has changed its auditor from BDO Canada LLP, Chartered Accountants, of Toronto, Ontario (the “**Former Auditor**”), to James Stafford, Chartered Accountant, of [Toronto, Ontario] (the “**Successor Auditor**”), effective as of the 6<sup>th</sup> day of July, 2012.

The Former Auditor resigned at the Company’s request.

The resignation of the Former Auditor and the appointment of the Successor Auditor was considered and approved by the Company’s audit committee and board of directors.

There were no reservations in the Former Auditor’s reports on any of the Company’s financial statements relating to the period commencing at the incorporation of the Company and ending on the date of resignation.

In the opinion of the Company’s audit committee and board of directors, there are no reportable events as defined in Part 4.11 of NI 51-102 between the Company and the Former Auditor.

**DATED** as of the   6   day of   July  , 2012

**RED ORE GOLD INC.**

Per: signed “Sabino Di Paola” CFO  
Authorized Signatory



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Royal Bank Plaza, South Tower  
200 Bay Street, 33<sup>rd</sup> Floor, PO Box 32  
Toronto ON M5J 2J8 Canada

July 6, 2012

Alberta Securities Commission  
4<sup>th</sup> Floor, 300-5<sup>th</sup> Avenue SW  
Calgary, AB  
T2P 3C4

British Columbia Securities Commission  
P.O. Box 10142, Pacific Centre  
9<sup>th</sup> Floor, 701 West Georgia Street  
Vancouver, B.C.  
V7Y 1L2

Ontario Securities Commission  
20 Queen Street West, Suite 1903  
Toronto, ON  
M5H 3S8

Dear Sirs:

**Re: Red Ore Gold Inc.**

We have read the Notice of Change of Auditors of Red Ore Gold Inc. dated July 6, 2012 ("Notice") delivered to us pursuant to Section 4.11 of National Instrument 51-102. We confirm that we are in agreement with the information contained in the Notice.

Yours very truly,

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

# JAMES STAFFORD

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**James Stafford, Inc.**  
**Chartered Accountants**  
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Vancouver, British Columbia  
Canada V6E 3V6  
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10 July 2012

British Columbia Securities Commission  
701 West Georgia Street  
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Vancouver, BC V7Y 1L2

Alberta Securities Commission  
Suite 600, 250-5th St. SW  
Calgary, AB T2P 0R4

Ontario Securities Commission  
20 Queen Street West, Suite 1903  
Toronto, ON M5H 3S8

Dear Sirs and Mesdames:

**Re: Red Ore Gold Inc. (the “Company”)**

Please be advised that, in connection with National Instrument 51-102, we hereby notify you that we have reviewed the Company’s Notice of Change of Auditor dated 10 July 2012 and, based on our knowledge at this time, are in agreement with the statements contained in the Notice.

We understand that the Notice of Change of Auditor, this letter, and a letter from the former auditor will be disclosed in the Information Circular to be mailed to all shareholders of the Company for the Company’s next Annual General Meeting at which action is to be taken concerning the appointment of auditors.

Yours truly,

*“James Stafford”*

**CHARTERED ACCOUNTANTS**