

GTO RESOURCES INC.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular is furnished in connection with the solicitation of proxies by the management of GTO RESOURCES INC. (the "Corporation") for use at the Annual & Special Meeting (the "Meeting") of holders of common shares of the Corporation (collectively, the "Shareholders" or individually, a "Shareholder") to be held at the time and place and for the purposes set forth in the attached Notice of Annual Meeting of Shareholders (the "Notice"). The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The cost of solicitation will be borne by the Corporation.

The Corporation has distributed or made available for distribution, copies of the Notice, this Management Information Circular and form of proxy to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the "Intermediaries") for distribution to Shareholders (the "Non-Registered Shareholders") whose shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. The solicitation of proxies from Non-Registered Shareholders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Non-Registered Shareholders are provided to the Corporation by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of these materials.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Corporation's transfer agent and registrar, COMPUTERSHARE INVESTOR SERVICES INC., 9th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 not later than 10:00 AM Pacific Time, Thursday, February 7, 2013 or delivering it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, under its corporate seal, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
 - (i) at the registered office, COMPUTERSHARE INVESTOR SERVICES INC., 9th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, at any time up to and including 10:00 AM Pacific Time, Thursday, February 7, 2013; or
 - (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this management information circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the

matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

ADVICE TO BENEFICIAL SHAREHOLDERS

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

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Corporation to the registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. - (“Broadridge”). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of their broker or other intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered holder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own shares as proxyholder for the registered holder should enter their own names in the blank space on the management form of proxy or voting instruction form provided to them and return the same to their broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting. **Beneficial Shareholders should carefully follow the instructions of their intermediaries and their service companies.**

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

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

All references to shareholders in this management information circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation has fixed the close of business on January 7, 2013 as the record date (the “Record Date”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 23,801,907 common shares of the Corporation (the “Common Shares”), carrying the right to one vote per share at the Meeting, were issued and outstanding.

In accordance with the provisions of the *Business Corporations Act (British Columbia)*, the Corporation will prepare a list of the holders of Common Shares on the Record Date. Each holder of such shares named on the list will be entitled to vote the shares shown opposite its name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at January 7, 2013, there were no persons who beneficially own, or control or direct, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to the Common Shares.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In this section “Named Executive Officer” means (a) the Chief Executive Officer (or an individual who acted in a similar capacity), (b) the Chief Financial Officer (or an individual who acted in a similar capacity), (c) each of the Corporation’s three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (except those whose total compensation does not exceed \$150,000), and (d) each individual who would be a Named Executive Officer (“NEO”) under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year. The Corporation presently has two NEO’s, namely Thomas R. Tough, the President and Chief Executive Officer (“CEO”) and Randy Clifford, the Chief Financial Officer (“CFO”).

As of January 7, 2013, the Corporation compensates a company owned by the spouse of Mr. Clifford \$3,750 per month for providing management services to the Corporation. The compensation has been agreed upon by the directors of the Corporation based on industry standards and is accrued in the normal course of operations.

Incentive Plan Awards

The Corporation may grant incentive stock options to purchase Common Shares from time to time and as authorized by the directors of the Corporation. As of January 7, 2013, no options have been issued.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards granted for the NEO’s during the indicated year ends:

Name and Principal Position	Year Ended April 30,	Salary (\$)	Share Based Awards (\$)	Option Based Awards (\$)	Long-term Incentive Plans	Other Compensation (\$)	Total Compensation (\$)
Thomas R. Tough Pres. & CEO (since May 2011)	2012	Nil	Nil	Nil	Nil	Nil	Nil
Randy Clifford CFO (since May 2011)	2012	\$26,250	Nil	Nil	Nil	Nil	\$26,250

The following table sets forth all awards outstanding for the NEO's as of the financial year end April 30, 2012:

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)
Thomas R. Tough	Nil	Nil	Nil	Nil	Nil	Nil
Randy Clifford	Nil	Nil	Nil	Nil	Nil	Nil

Termination and Change of Control Benefits

There is no employment contract, compensatory plan or other arrangement in place with the NEO's, nor are there any agreements between the Corporation and the NEO's that provide for payment to the NEO's in connection with any termination, resignation, retirement, change in control of the Corporation or change in responsibilities of the NEO's.

Director Compensation

No cash compensation was paid to the directors of the Corporation in their capacity as directors during the financial year ended April 30, 2012. The directors of the Corporation are eligible to receive options to purchase Common Shares pursuant to the terms of the Corporation's incentive stock option plan.

The following table sets forth all awards outstanding for the directors other than those directors who are also NEO's as of April 30, 2012:

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value ⁽¹⁾ of Unexercised In-The-Money Options ⁽¹⁾ (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value ⁽¹⁾ of Share-Based Awards That Have Not Vested (\$)
Ken Ralfs	Nil	Nil	Nil	Nil	Nil	Nil
Glen Macdonald	Nil	Nil	Nil	Nil	Nil	Nil

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at January 7, 2013, no individual who is an executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation or any of its subsidiaries pursuant to the purchase of securities or otherwise.

No individual who is, or at any time during the financial year ended April 30, 2012 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate of any such director, executive officer or proposed nominee, was indebted to the Corporation or any of its subsidiaries during the financial year ended April 30, 2012 or as at January 7, 2013 in connection with security purchase programs or other programs.

REPORT ON CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the board of directors of the Corporation (the "Board") and the Corporation's management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Corporation's corporate governance practices, which addresses the matters set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"), is set out below:

Independence of Directors

The Board currently consists of a total of three directors of which Glen Macdonald and Ken Ralfs are considered “independent”, as such term is defined in NI 58-101. Thomas R. Tough is not considered independent as he is the Chief Executive Officer of the Corporation.

Directorships

The following directors of the Corporation presently serve as directors or officers of other reporting issuers as follows:

<u>Name of Director</u>	<u>Other Reporting Issuers</u>
Thomas R. Tough	Desert Gold Ventures Inc. Firebird Resources Inc. Grenville Gold Corp. Maxtech Ventures Inc. Yorkton Ventures Inc.
Ken Ralfs	Bella Resources Inc. Firebird Resources Inc.
Glen Macdonald	Bella Resources Inc. Firebird Capital Partners Inc. Firebird Resources Inc. Golden Cariboo Resources Ltd. Maxim Resources Inc. Pistol Bay Mining Inc. Thelon Capital Ltd. Westminster Resources Ltd. Westridge Resources Inc. WPC Resources Inc. Vinergy Resources Ltd. Yorkton Ventures Inc.

Orientation and Continuing Education

While the Corporation does not yet have a formal continuing education program, the directors individually and as a group are encouraged to keep themselves informed on changing corporate governance and legal issues. Directors are individually responsible for updating their skills required to meet their obligations as directors. In addition, the Board undertakes thorough strategic planning sessions with Management.

Ethical Business Conduct

The Board is responsible for promoting an ethical business culture and fostering an environment that places an emphasis on compliance. The Board monitors compliance, including through receipt by the Audit Committee of reports of unethical behaviour. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Corporation proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Board meeting concerning such matters and will be further precluded from voting on such matters.

Nomination of Directors

The Board is responsible for the identification and assessment of potential directors. While no formal nomination procedures are in place to identify new candidates, the Board does review the experience and performance of nominees for election to the Board. Members of the Board are canvassed with respect to the qualifications of a prospective candidate and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could complement and enhance current management. The Board also assesses any potential conflicts, independence or time commitment concerns that the candidate may present.

Compensation

At present, no compensation (other than the grant of incentive stock options) is paid to the directors of the Corporation in their capacity as directors. The Board does not currently have a compensation committee.

Assessments

The Board is currently responsible for assessing the effectiveness of the Board, the individual directors and the Audit Committee.

Audit Committee

The Audit Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting and accounting compliance, the audit process and processes for identifying, evaluating and monitoring the management of the Corporation's principal risks impacting financial reporting. The committee also assists the Board with the oversight of financial strategies and overall risk management.

The Audit Committee is composed of Thomas Tough, Glen Macdonald and Ken Ralfs, each of whom is a director of the Corporation. In accordance with Exchange Policy 3.1, the majority of the Audit Committee are not employees, Control Persons (as defined by the rules and policies of the Exchange) or officers of the Corporation. A majority of the Audit Committee is "independent" as such term is defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110") (Mr. Tough is not considered to be independent as he is an executive officer of the Corporation). The Corporation is of the opinion that all three members of the Audit Committee are "financially literate" as such term is defined in NI 52-110.

A copy of the charter of the Audit Committee is attached hereto as Schedule "A".

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

Thomas R. Tough has extensive experience with public companies as a director and through a wide variety of officer positions held with various reporting issuers. Mr. Tough has acted in each respective capacity with a focus of participation on each Company's audit committee. Mr. Tough has a BSc. (1965) from the University of British Columbia and has been a member of the British Columbia Association of Professional Engineers and Geoscientists since 1970 as a Professional Engineer.

Ken Ralfs has experience with public companies as a director and through several types of officer positions held with various reporting issuers. Mr. Ralfs often participated on each Company's audit committee. Mr. Ralfs has a B.Sc. (Geology) (1975) from the University of British Columbia.

Glen Macdonald is a self employed geology consultant. Mr. Macdonald has a BSc. (1973) from the University of British Columbia and has been a member of the Alberta Professional Engineers, Geologists and Geophysicists Association since 1982 and of the British Columbia Association of Professional Engineers and Geoscientists since 1993. Mr. Macdonald has extensive experience in junior mineral exploration including in mining and the oil & gas sector. Mr. Macdonald has a great deal of experience as a director and officer of junior public companies and substantial audit committee experience.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "*De Minimis Non-audit Services*" or any exemption provided by Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Charter reproduced as Schedule "A", the Audit Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

External Auditor Service Fees (By Category)

- (a) *Audit Fees* - The Corporation's external auditors billed the Corporation \$10,640 for audit fees for the Company's financial year ended April 30, 2012.
- (b) *Audit-Related Fees* - The Corporation's external auditors did not bill the Corporation any amount financial year ended April 30, 2012 for assurance and related services that are reasonably related to the performance of the audits or reviewing the Corporation's financial statements and that are not included under "Audit Fees".
- (c) *Tax Fees* - The Corporation's external auditors billed the Corporation \$784 for each of the financial year ended April 30, 2012 for services related to tax compliance, tax advice and tax planning.
- (d) *All Other Fees* - The Corporation's external auditors did not bill the Corporation any amount during the financial year ended April 30, 2012 for services other than those reported above.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 available to venture issuers.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no "informed person" (as such term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations*) or proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Setting the number of Directors to be Elected

Management of the Corporation proposes that the shareholders set the number of directors to be elected at the Meeting at three, which is the number of persons proposed to be nominated for election by the management of the Corporation.

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF SUCH RESOLUTION.

2. Election of Directors

Management of the Corporation proposes that the persons named in the following table be nominated for election as directors of the Corporation. All of the nominees for director are now directors of the Corporation and have been since the dates set opposite their names. An affirmative vote of a majority of the votes cast at the Meeting is sufficient for the election of directors. Each of the directors elected will hold office from the beginning of their respective terms until the close of the next annual meeting of Shareholders or until such director's successor is duly elected or appointed.

In the event a nominee is unable to serve or will not serve, an event that management of the Corporation has no reason to believe will occur, the persons named in the accompanying form of proxy reserve the right to vote for another person at their discretion, unless a Shareholder has specified in the form of proxy that these shares are to be withheld from voting for the election of directors.

The following table sets forth the name of each person to be nominated by the management of the Corporation for election as a director, such person's principal occupation, the period or periods of his service as a director of the Corporation, and the approximate number of Common Shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly by such person as at January 7, 2013:

Name of Nominee and Present Offices Held	Present Principal Occupation ⁽¹⁾	Director Since	Shares Beneficially Owned or Controlled ⁽²⁾
Thomas R. Tough ⁽³⁾ British Columbia, Canada President, CEO, and Director	President and Chief Executive Officer of Firebird Resources Inc., from January 2010 to March 2011; Currently Non-Executive Chairman 2012, President, Chief Executive Officer and a director since January 2006, June 2008, and October 2003, respectively, of Maxtech Ventures Inc.; President, Chief Executive Officer and a director from October 2009 until March 2011 of CLI Resources Inc.; a director since March 2006 of Desert Gold Ventures Inc.; President and Chief Executive Officer from November 2003 until November 2007 and a director from November 2003 until January 2011 of Potash One Inc.; a director of Aroway Minerals Inc. from 2008 until July 06, 2010; and a director of GTO Resources since May 2011	May 10, 2011	Nil
Ken Ralfs ⁽³⁾ British Columbia, Canada Corporate Secretary and Director	Geologist. President, Chief Executive Officer and a director since May 2009 of Bella Resources Inc.	May 10, 2011	Nil
Glen Macdonald ⁽³⁾ British Columbia, Canada Director	Professional Geologist. A director of Dunes Exploration Ltd. since September 2003; a director of Firebird Resources Inc. since November 2010; a director of Golden Cariboo Resources Ltd. since March 2003; a director of Maxim Resources Inc. since January 2004; a director of Bella Resources since April 2010;	May 10, 2011	1,000,000

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees. Each nominee has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) The approximate number of shares of the Corporation carrying the right to vote in all circumstances beneficially owned directly or indirectly, or over which control or direction is exercised by each proposed nominee as at the date hereof is based on information furnished by the transfer agent of the Corporation and by the nominees themselves.
- (3) Member of the Audit Committee

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR SUCH RESOLUTION. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. 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 OR HER PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

3. Appointment of Auditor

Management proposes to nominate Saturna Group Chartered Accountants LLP, Chartered Accountants as auditor of the Corporation to hold office until the next annual meeting of Shareholders.

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF SATURNA GROUP CHARTERED ACCOUNTANTS LLP, CHARTERED ACCOUNTANTS, AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST AT THE MEETING IS SUFFICIENT FOR THE APPOINTMENT OF THE AUDITOR.

4. Approval of Stock Option Plan

The Corporation has adopted a Stock Option Plan in compliance with the Policies of the TSX Venture Exchange. The purpose of the Plan established by the Corporation, pursuant to which it may grant incentive stock options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares. The maximum number of options available under the Plan is equal to 10% of the outstanding shares of the Corporation from time to time. Pursuant to the Plan, the maximum number of Common Shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant. Incentive stock options may be exercised until the greater of 12 months after the completion of the Qualifying Transaction and 90 days following the date the optionee ceases to be a director, officer or employee of the Corporation or its Affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. In the event that the Corporation becomes a Tier 1 Issuer (as such term is defined in the Exchange policies), the Plan provides that the board of directors of the Corporation may grant options which allow an optionee to elect to exercise its option on a “cashless basis”, whereby the optionee, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Common Shares equal to the number which results when: (i) the difference between the aggregate Fair Market Value of the Common Shares underlying the option and the aggregate exercise price of such option is divided by (ii) the Fair Market Value of each Common Share. “Fair Market Value” as defined in the Plan means the closing price as reported by the Exchange on the last trading day immediately preceding the exercise date.

The rules of the TSX Venture Exchange require that a corporation that has adopted a “Rolling” Stock Option Plan (which is the form of plan adopted by the Corporation) must have that Stock Option Plan approved by shareholders each year at the Annual Meeting. As a result, the shareholders of the Corporation will be asked to consider and, if deemed advisable, pass a resolution to approve the Corporation’s Stock Option Plan and the granting of options thereunder.

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF SUCH RESOLUTION.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who is, or at any time during the financial year ended April 30, 2012 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate or affiliate of any such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the approval of the Corporation’s stock option plan.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation’s Financial Statements and Management’s Discussion and Analysis (“MD&A”) for the year ended April 30, 2012. In addition, copies of the Corporation’s Annual Financial Statements and MD&A and this management information circular may be obtained upon request to the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the “Instrument”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every TSX Venture Exchange listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors. The Corporation, as a TSX Venture Exchange-listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors 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 Corporation. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART 1

Purpose:

The purpose of the Committee is to:

- (a) improve the quality of the Corporation’s financial reporting;
- (b) assist the board of directors to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor’s independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

1.1 Definitions

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

“Affiliate” means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

“Audit services” means the professional services rendered by the Corporation’s external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“Charter” means this audit committee charter;

“Committee” means the committee established by and among certain members of the board of directors for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“Control Person” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation;

“Financially literate” has the meaning set forth in Section 1.2;

“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;

“Instrument” means National Instrument 52-110 – *Audit Committees*;

“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*; and

“Non-audit services” means services other than audit services.

1.2 Meaning of Financially Literate

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 Corporation’s financial statements.

PART 2

2.1 Audit Committee

The board of directors has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors

The Corporation will 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 of directors:
 - (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 Corporation; 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 Corporation, 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) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (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 obtaining an explanation from management of all significant variances between comparative reporting periods;
 - (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management’s response and subsequent follow up to any identified weakness;
 - (g) reviewing interim unaudited financial statements before release to the public;
 - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management’s discussion and analysis;
 - (i) reviewing the evaluation of internal controls by the external auditor, together with management’s response;

- (j) reviewing the terms of reference of the internal auditor, if any;
 - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
 - (l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
 4. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.
 5. The Committee shall ensure 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 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 Instrument 51-102, 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 Instrument 51-102, 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 Corporation'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

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 financial year in which the services are provided;
- (b) the Corporation or the subsidiary of the Corporation, 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 2.5(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 not be employees, Control Persons or officers of the Corporation.
4. If practicable, given the composition of the directors of the Corporation, each audit committee member shall be financially literate.

PART 4

4.1 Authority

Until the replacement of this Charter, the Committee shall have 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 Committee;
- (c) communicate directly with the internal and external auditors; and
- (d) recommend the amendment or approval of audited and interim financial statements to the board of directors.

PART 5

5.1 Disclosure in Information Circular

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

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
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.