

GEONOVUS MINERALS CORP.

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INFORMATION CIRCULAR

Dated January 7, 2013

SOLICITATION OF PROXIES

This information circular ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management of GeoNovus Minerals Corp. (the "**Company**") for use at the annual general meeting of the shareholders (the "**Shareholders**") of the Company (the "**Meeting**") to be held on February 12, 2013 at the Law Offices of Richards Buell Sutton LLP, 700 - 401 West Georgia Street, Vancouver, BC, V6B 5A1, at 10:30 AM (PST) and any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. All costs of this solicitation will be borne by the Company. The Company has made arrangements for intermediaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by those intermediaries and the Company may reimburse the intermediaries for reasonable fees and disbursements incurred by them in so doing.

Notice of the Meeting was provided to the securities commissions in each jurisdiction where the Company is a reporting issuer under applicable securities laws.

In this Information Circular, references to the "Company", "we" and "our" refer to GeoNovus Minerals Corp.; "Common Shares" means common shares in the authorized share structure of the Company; "Beneficial Shareholders" means Shareholders who do not hold Common Shares in their own name and "Intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of the Beneficial Shareholders.

Voting of Shares - Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders of the Company that do not hold their Common Shares in their own names ("Beneficial Shareholders"). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common 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, the broker/nominees are prohibited from voting shares for their clients. The Company does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting the Common Shares in person or by way of proxy except as set forth below. Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate persons.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker often is identical to the Proxy Form provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the

broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions, Canada ("**Broadridge**"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Alternatively, Beneficial Shareholders sometimes are provided with a toll-free telephone number to vote their shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting of shareholders. **A Beneficial Shareholder receiving a voting instruction or proxy from Broadridge or another agent cannot use that proxy to vote Common Shares directly at the Meeting as the completed instruction or proxy must be returned as directed by Broadridge or another agent well in advance of the Meeting in order to have the Common Shares voted.**

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

If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please contact your Broker or Agent well in advance of the Meeting to determine how you can do so.

REVOCABILITY OF PROXY

You may revoke your proxy at any time prior to a vote. If you attend personally at the Meeting, you may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a company, under your corporate seal or by a duly authorized officer or attorney of the company. To be effective the instrument in writing must be deposited either at the Company's head office, or with Computershare Investor Services Inc., at any time up to and including the last business day before the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment of the Meeting.

PERSONS MAKING THE SOLICITATION

This solicitation is made on behalf of management. The Company will bear the costs incurred in the preparation and mailing of the proxy materials. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by the directors, officers and employees who will not be remunerated for their services.

APPOINTMENT OF PROXYHOLDERS

A shareholder entitled to vote at the Meeting may, by means of a proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be Shareholders, to attend and act at the Meeting for the shareholder on the shareholder's behalf.

The individuals named in the accompanying form of proxy (the "**Proxy Form**") are directors and/or officers of the Company (the "**Management Designees**"). If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting other than either of the Management Designees. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.

A proxy will not be valid unless the completed, signed and dated form of proxy is delivered to the office of Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario M5J 1Y1, **or**

by fax within North America to 1-866-249-7775 and outside North America to (416) 263-9524, or by telephone to 1-866-732-VOTE (8683) or internet at www.investorvote.com not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the holding of the Meeting or any adjournment. Only holders of Common Shares of record as at the close of business on January 7, 2013 will be entitled to vote at the Meeting, unless that shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the shares and requests that the transferee's name be included on the list of shareholders.

The Proxy Form must be in writing and must be executed by you or your attorney authorized in writing or, if you are a company, under your corporate seal or by an authorized officer or attorney of the company. The persons named in the enclosed form of proxy are officers or directors of the Company. **As a shareholder you have the right to appoint a person, who need not be a shareholder, to represent you at the Meeting. To exercise this right you should insert the name of your representative in the blank space provided on the form of proxy and strike out the other names or submit another appropriate proxy.**

EXERCISE OF DISCRETION BY PROXY

Where you specify a choice with respect to any matter to be acted upon, the shares will be voted on any poll in accordance with the specification so made. If you do not provide instructions, then your shares will be voted in favour of the matters to be acted upon as set out in the form of proxy. The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments of the matters specified in the proxy and with respect to any other matters which may properly be brought before the Meeting or any adjournment. At the time of printing of this Information Circular, management is not aware of any such amendments.

REQUEST FOR FINANCIAL STATEMENTS

National Instrument 51-102 "Continuous Disclosure Obligations" sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee 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 on at the Meeting other than as disclosed herein.

VOTING SHARES, PRINCIPAL SHAREHOLDERS AND RECORD DATE

The board of directors (the "**Board**") of the Company has fixed January 7, 2013, as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares without par value of the Company. As of the Record Date, the Company had outstanding 21,771,902 fully paid and non-assessable Common Shares without par value, each carrying the right to one vote. The Company has no other classes of voting securities.

To the knowledge of the directors and executive officers of the Company, no one beneficial owner owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the outstanding voting rights of the Company.

ELECTION OF DIRECTORS

The Board currently consists of four directors. Management proposes to fix the number of directors of the Company at four (4) and to nominate the persons listed below for election as directors.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the British Columbia *Business Corporations Act* or the Articles of the Company, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the proxy as nominee to vote the Common Shares represented by proxy for the election of any other person or persons as directors.

The following table sets out the names of the management nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares of the Company which each beneficially owns or over which control or direction is exercised:

Nominee Position with the Company and Province/State and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Director of the Company Since	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control of Direction is Exercised ⁽²⁾
R. Bruce Duncan Director Ontario, Canada	President of West Oak Capital Partners Inc.; CEO of Evolving Gold Corporation since February 2012; Executive Chairman of Canada Carbon Inc. since May 2012; former CEO of Canada Carbon Inc. from December 2004 to May 2012; Executive Chairman of Canada Coal Inc. from February 2012; former CEO of Canada Coal Inc. from August 2010 to February 2012; former CEO of Prosperity Goldfield Corp. from September 2010 to April 2012.	October 5, 2012	264,500
Michael B. England ⁽³⁾ President, CEO and Director British Columbia, Canada	Self-employed investor relations consultant since January 1995; President, England Communications Ltd. since February 2009; Officer of Brigadier Gold Limited from August 2001 to September 2004; Director of United Bolero Resources Corp. from October 2002 to March 2006; Director of First Star Resources Inc. from April 2004 to January 2007; President, CEO and Director of Geo Minerals Ltd. from September 2005 to December 2011; Director, President and CEO of GeoNovus Minerals Corp. since October, 2011; Director of Andover Ventures Inc. from February 2006 to December 2007; President and CEO of Andover Ventures Inc. from August 2006 to December 2007; Director of Alston Ventures Inc. from November 2007 to July 2012; President, CEO and Director of Alix Resources Corp.	October 11, 2011	938,820

Nominee Position with the Company and Province/State and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Director of the Company Since	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control of Direction is Exercised ⁽²⁾
	<p>since June 2007; Director of Kent Exploration Inc. from October 2007 to March 2012; Director of Caribou King Resources Ltd. since Sept. 2009 and CEO since February 2011; Director, CEO and President of Ashburton Ventures Inc. since January 2007, December 2008, and September 2009 respectively; Director of Zone Resources Inc. from May 2008 to April 2011; Director of Abbastar Resources Corp. from April 2009 to April 2010; Director of BTU Capital Corp. since April 2009; Director of Aintree Resources Corp. since October 2009; Director of Archean Star Resources Inc. from January 2011 to March 2012; and Director of Discovery Ventures Inc. from November 2011 to June 2012.</p>		
<p>Paul D. Gray⁽³⁾ Director British Columbia, Canada</p>	<p>Professional geoscientist since August 2005 to present; principal of Paul D. Gray Geological Consultants from August 2007 to present; director and CEO of Dawson Gold Corp. since June 2010; president, director of Argus Metals Corp. from September 2005 to present; director of Tajiri Resources Corp. since October, 2011; COO and director of Doublestar Resources Ltd. from 1998 to July 2007; director of Alston Ventures Inc. from July 2009 to July 2012; director of Geo Minerals Ltd. from May 2008 to December 2011; Dawson Gold Corp. from June 2010 to present; director of Cloudbreak Resources Ltd. from March 2009 to July 2010.; director of Blue River Resources Ltd. from August 2009 to Present</p>	<p>October 27, 2011</p>	<p>33,333</p>
<p>Marvin A. Mitchell⁽³⁾ Director British Columbia, Canada</p>	<p>Professional engineer since 1972; principal, Mitchell Geological Services Inc. since 1985; director of Ashburton Ventures Inc. since November 2008; director of Geo Minerals Ltd. from September 2005 to December 2011; director of Snowfield Development Corp. since January 1995; director of Petro One Energy Corp. from November 2006 to February 2011; director of Tasca Resources Ltd. (formerly "Ecomax Energy Services Ltd.") since June 2011; director of Touchdown Resources Inc. since October 2009; director of Kent Exploration Inc. July 2006 to June 2011, director of Solace Resources Corporation from January 1998 to January 2011; director of Olympic Resources Ltd.</p>	<p>October 27, 2011</p>	<p>83,333</p>

Nominee Position with the Company and Province/State and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Director of the Company Since	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control of Direction is Exercised ⁽²⁾
	since October 2010 to November 2011, director Archean Star Resources January 2011 to June 2011; Director of GeoNovus Minerals Corp. since October, 2011.		

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years unless otherwise indicated.
- (2) The number of Common Shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by Computershare Investor Services Inc., the registrar and transfer agent of the Company, insider reports filed on SEDI and by the nominees themselves.
- (3) Member of the Audit Committee.

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

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

Zone Resources Inc., a company of which Michael B. England became a director in May of 2008, was issued a cease trade order dated May 7, 2008, by the Alberta Securities Commission and a cease trade order dated May 14, 2008, by the BC Securities Commission for failing to file annual audited financial statements for the period ending Dec. 31, 2007, within the required time period. Zone Resources Inc. received a Revocation Order from the Alberta Securities Commission on September 9, 2008 and from the BC Securities Commission on September 9, 2008.

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

To the knowledge of the Company, no proposed director of the Company was, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including GeoNovus Minerals Corp.) 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 proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director has within the last 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

COMPENSATION OF EXECUTIVE OFFICERS

Compensation Discussion and Analysis

The Board as a whole has the responsibility of determining the compensation for the Chief Executive Officer (the "CEO") and the Chief Financial Officer (the "CFO") and of determining compensation for directors and senior management.

The Company's compensation objectives include the following:

- to assist the Company in attracting and retaining highly-qualified individuals;
- to create among directors, officers, consultants and employees a sense of ownership in the Company and to align their interests with those of the shareholders; and
- to ensure competitive compensation that is also financially affordable for the Company.

Compensation

The compensation program is designed to provide competitive levels of compensation. The Company recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Company's NEOs (defined below) may receive compensation that is comprised of three components:

- Salary, wages or contractor payments;
- Stock option grants; and/or
- Bonuses.

The objectives and reasons for this system of compensation are to allow the Company to remain competitive compared to its peers in attracting experienced personnel. The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group". The Compensation Committee relies on the general experience of its members in setting base salary amounts.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, although the level of reward provided by a particular stock option grant is dependent upon the volatile stock market.

Any bonuses paid to the NEOs are allocated on an individual basis related to the review by the Board of the work planned during the year and the work achieved during the year, including work related to mineral exploration, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

Executive Compensation

In this section "Named Executive Officer" or "NEO" means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed fiscal year and whose total compensation exceeds \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year end.

Michael B. England, the Company's President and CEO and Olga Nikitovic, the Company's CFO were the "Named Executive Officers" of the Company for the purposes of the following disclosure. There are no other executive officers of the Company whose total compensation exceeded \$150,000 during the financial year ended August 31, 2012. The compensation paid to the Named Executive Officers for the three most recently completed financial years of the Company is as set out below:

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Michael B. England President and CEO	2012	68,750	Nil	33,326	Nil	Nil	Nil	Nil	102,076
Olga Nikitovic CFO	2012	40,000	Nil	11,007	Nil	Nil	Nil	Nil	51,007

(1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.

Outstanding Share-Based Awards And Option-Based Awards

The following tables provide information regarding all share-based and option-based awards outstanding as at August 31, 2012.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Michael B. England President and CEO	200,000 150,000	\$0.10 \$0.10	June 19, 2017 January 10, 2017	Nil Nil	Nil Nil	Nil Nil
Olga Nikitovic CFO	100,000	\$0.10	January 10, 2017	Nil	Nil	Nil

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year and the exercise or base price of the option.

Incentive plan awards – value vested or earned during the year

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

Name (a)	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
	(\$) (b)	(\$) (c)	(\$) (d)
Michael B. England President and CEO	Nil	Nil	Nil
Olga Nikitovic CFO	Nil	Nil	Nil

(1) This amount is the dollar value that would have been realized computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

Termination of Employment, Change in Responsibilities and Employment Contracts

There are no employment contracts between the Company and the Named Executive Officers except as described under the heading "Management Contracts".

There are no compensatory plans, contracts or arrangements between the Company and any Named Executive Officer, where the Named Executive Officer is entitled to receive more than \$50,000 from the Company, including periodic payments or installments, in the event of:

- (a) the resignation, retirement or any other termination of employment of the Named Executive Officer's employment with the Company;
- (b) a change of control of the Company; or
- (c) a change of the Named Executive Officer's responsibilities following a change in control.

Pension Arrangements

The Company does not have any pension arrangements in place for the Named Executive Officers.

COMPENSATION OF DIRECTORS

For a description of the compensation paid to the Company's Named Executive Officer(s) who also act as directors, see "Summary Compensation Table".

Other than as disclosed elsewhere in this Information Circular, no director of the Company who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

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

The Company may grant incentive stock options to directors of the Company from time to time pursuant to the stock option plan of the Company and in accordance with the policies of the TSX Venture Exchange (the "TSXV").

Director Compensation Table

The compensation paid to the directors, other than the Named Executive Officers, during the Company's most recently completed financial year is as set out below:

Name (a)	Fees earned (\$) (b)	Share-based awards (\$) (c)	Option-based awards ⁽¹⁾ (\$) (d)	Non-equity incentive plan compensation (\$) (e)	Pension value (\$) (f)	All other compensation (\$) (g)	Total (\$) (h)
Paul D. Gray	Nil	Nil	11,007	Nil	Nil	Nil	11,007
David J. Lajack ⁽²⁾	Nil	Nil	11,007	Nil	Nil	Nil	11,007
Marvin A. Mitchell	Nil	Nil	11,007	Nil	Nil	Nil	11,007

(1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.

(2) David J. Lajack was a director of the Company from October 27, 2011 to May 24, 2012.

Narrative Discussion

Other than amounts already included in the above table, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Information Circular.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options to the Company's directors is to assist the Company in compensating, attracting, retaining and motivating the directors and to closely align the personal interests of the directors to that of the Company's shareholders.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who is not a Named Executive Officer:

Director Name (a)	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options ⁽¹⁾ (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options ⁽²⁾ (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)
Paul D. Gray	100,000	\$0.10	January 10, 2017	Nil	Nil	Nil
David J. Lajack ⁽²⁾	100,000	\$0.10	January 10, 2017	Nil	Nil	Nil
Marvin A. Mitchell	100,000	\$0.10	January 10, 2017	Nil	Nil	Nil

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year and the exercise or base price of the option.
- (2) David J. Lajack was a director of the Company from October 27, 2011 to May 24, 2012

Incentive Plan Awards - Value Vested or Earned During The Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Directors who are not Named Executive Officers are as follows:

Name (a)	Option-based awards – Value vested during the year ⁽¹⁾ (\$) (b)	Share-based awards – Value vested during the year (\$) (c)	Non-equity incentive plan compensation – Value earned during the year (\$) (d)
Paul D. Gray	Nil	Nil	Nil
David J. Lajack ⁽²⁾	Nil	Nil	Nil
Marvin A. Mitchell	Nil	Nil	Nil

- (1) This amount is the dollar value that would have been realized computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.
- (2) David J. Lajack was a director of the Company from October 27, 2011 to May 24, 2012.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan that the Company has in place is a stock option plan (the “Plan”). The Plan was established to provide an incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company and it provides that options will be issued pursuant to option agreements with directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of Common Shares issuable thereunder, less any Common Shares reserved for issuance under share options granted under established or proposed share compensation agreements, may not exceed 10% of the total number of issued and outstanding Common Shares at the date of grant. Under the Plan, options may expire on a date which is no more than five years after the issuance of such option. See "Approval of Stock Option Plan" below for a description of the Company's stock option plan.

The following table sets forth securities of the Company that are authorized for issuance under equity compensation plans as at the end of the Company's most recently completed fiscal year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	1,325,000	\$0.10	272,765
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	1,325,000	\$0.10	272,765

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Company was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. None of the proposed nominees for election as a director of the Company, or any associate of any director, executive officer or proposed nominee, was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company.

The Company has not provided any guarantees, support agreements, letters of credit or other similar arrangement or understanding for any indebtedness of any of the Company's directors, executive officers, proposed nominees for election as a director, or associates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

Except as set out below, since the commencement of the Company's most recently completed financial year, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction, in any transaction or any proposed transaction which has materially affected or would materially affect the Company.

APPOINTMENT OF AUDITOR

Management recommends that Shareholders vote to appoint McGovern, Hurley, Cunningham, LLP, Chartered Accountants, with offices at Suite 300, 2005 Sheppard Avenue East, Toronto, Ontario M2J 5B4, as auditors for the Company and to authorize the directors to fix their remuneration. See "External Auditor Service Fees" under "Audit Committee And Relationship With Auditor" below.

MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

CORPORATE GOVERNANCE

General

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers to disclose the corporate governance practices that they have adopted according to guidance provided pursuant to National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”).

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the “**CSA**”) have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by reporting issuers of its corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

Board of Directors

The Board consists of three directors who are independent, R. Bruce Duncan, Paul D. Gray and Marvin A. Mitchell. None of the independent directors has any direct or indirect material relationship with the Company (other than shareholdings if any) which could, in the view of the Board, reasonably interfere with the exercise of a director’s independent judgment. Michael B. England, President and CEO, is not independent.

Directorships

The participation of the directors in other reporting issuers is described in the following table:

Name of Director	Names of Other Reporting Issuers of which the Director is a Director
R. Bruce Duncan	Evolving Gold Corporation, Canada Carbon Inc., and Canada Coal Inc.
Michael B. England	Aintree Resources Corp., Alix Resources Corp., Ashburton Ventures Inc., Bonaparte Resources Inc., BTU Capital Corp. and Caribou King Resources Ltd.
Paul D. Gray	Argus Metals Corp., Blue River Resources Ltd. and Dawson Gold Corp. and Tajiri Resources Corp.
Marvin A. Mitchell	Ashburton Ventures Inc., Snowfield Development Corp., Petro One Development Corp., Tasca Resources Ltd. (formerly “Ecomax Energy Services Ltd.”) and Touchdown Resources Ltd.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company’s properties and on director responsibilities.

Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business. In addition, management of the Company makes itself available to discussions with all Board members.

Ethical Business Conduct

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

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and committees.

Compensation

The Board is not compensated for acting as directors, except for being granted incentive stock options pursuant to the policies of the TSXV and the Company's stock option plan. The Board acts as a whole to determine and approve the final stock grants and compensation amounts.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* of the CSA ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (the "**Audit Committee**") and its relationship with its independent auditors, as set forth in the following.

Audit Committee Charter

The Company has adopted a charter (the "**Charter**") of the Audit Committee of the Board, which is attached as Schedule "A" to this Information Circular.

Composition of the Audit Committee

The table below lists the members of the audit committee and their independence and financial literacy:

Audit Committee Members	Independent	Financially Literate
Marvin Mitchell	Yes ⁽¹⁾	Yes ⁽¹⁾
Paul D. Gray	Yes ⁽¹⁾	Yes ⁽¹⁾
Michael B. England	No	Yes ⁽¹⁾

(1) As defined by NI 52-110 of the Canadian securities regulatory authorities.

Relevant Education and Experience

Mr. Marvin Mitchell

Mr. Mitchell is currently a director of six reporting companies, all of whom are listed on the TSX Venture Exchange. Mr. Mitchell has been a director of numerous junior exploration companies similar to GeoNovus since 1975 and serves as a member of the audit committee on many of these companies. Mr. Mitchell is a graduate of Montana Tech. A division of the University of Montana and has been a Professional Engineer since 1975. He is the principal of Mitchell Geological Services Inc. since 1985. As a result of these years of experience, Mr. Mitchell is very familiar with the breadth and complexity of issues

that face GeoNovus, and in particular, the accounting issues that may be raised by the financial statements of GeoNovus.

Mr. Paul D. Gray

Paul D. Gray, P.Geo. - Mr. Gray is currently a director of four reporting companies, and the Chief Executive Officer of two companies, all of whom are listed on the TSX Venture Exchange. Mr. Gray has been a director and executive officer of numerous junior mining companies similar to GeoNovus since 2001, and serves as a member of the audit committee on many of these companies. Mr. Gray is also the principal of PDG Geological Consultants, a private company which offers contract geological services to several reporting companies involved in mining exploration. As a result of these years of experience, Mr. Gray is very familiar with the breadth and complexity of issues that face GeoNovus, and in particular, the accounting issues that may be raised by the financial statements of GeoNovus.

Michael B. England - Mr. England is currently a director and the Chief Executive Officer of four reporting companies, and a director of five other reporting issuers, all of whom are listed on the TSX Venture Exchange. Mr. England has been a director and executive officer of numerous junior mining companies similar to GeoNovus since 2001, and serves as a member of the audit committee on many of these companies. Mr. England is also the director and President of England Communications Ltd., a private company which offers management services to several reporting companies involved in mining exploration. As a result of these years of experience, Mr. England is very familiar with the breadth and complexity of issues that face GeoNovus, and in particular, the accounting issues that may be raised by the financial statements of GeoNovus.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Company's Audit Committee Charter.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

External Auditor Service Fees (by Category)

The Audit Committee has reviewed the nature and amount of the non-audited services provided by McGovern, Hurley, Cunningham, LLP, Chartered Accountants, to the Company to ensure auditor independence. Fees incurred for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended August 31, 2012	Fees Paid to Auditor in Year Ended August 31, 2011
Audit Fees ⁽¹⁾	\$3,774	N/A
Audit-Related Fees ⁽²⁾	Nil	N/A
Tax Fees ⁽³⁾	Nil	N/A
All Other Fees ⁽⁴⁾	Nil	N/A
Total	\$3,774	N/A

- (1) **"Audit Fees"** include fees necessary to perform the annual audit of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) **"Audit-Related Fees"** include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) **"Tax Fees"** include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) **"All Other Fees"** include all other non-audit services.

Exemption

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of Stock Option Plan

The Board adopted the Plan on December 13, 2011 and it was made effective on January 5, 2012, the date on which the Company's common shares were listed and posted for trading on the TSX Venture Exchange (the "TSXV") and is subject to regulatory and shareholder approval.

The purpose of the Plan is to provide certain directors, officers and key employees of, and other key persons who provide services to the Company and its subsidiaries with an opportunity to purchase Common Shares of the Company and benefit from any appreciation in the value of the Company's Common Shares. This incentive will provide a golden opportunity for these individuals to contribute to the future success and prosperity of the Company, thus enhancing the value of the Common Shares for the benefit of all the Shareholders and increasing the ability of the Company and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Company.

As permitted by the policies of the TSXV, the Plan provides for a floating maximum limit of 10% of the outstanding Common Shares. As at January 7, 2013, the floating maximum available under the Plan represents 2,177,190 Common Shares, of which 11,775,000 are issued and 402,190 are reserved and available for issuance under the Plan. Under the Plan, the option price must not be less than the exercise price permitted by the TSXV. The current policies of the TSXV state that the option price must not be less than the closing prices of the Common Shares listed on the TSXV on the day immediately preceding the date of grant, less the applicable discount permitted by the policies of the TSXV. An option must be exercised within a period of ten years from the date of grant. Within this ten year period, the Board may determine the limitation period during which an option may be exercised. Any amendment to the Plan requires the approval of the TSXV and may require disinterested shareholder approval. [

The material terms of the Plan are as follows:

1. The term of any options granted under the Plan will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
2. The exercise price of any options granted under the Plan will be determined by the Board, in its sole discretion, and shall not be less than the closing market price of the Company's Common Shares the day on which the directors grant such options, less any discount as permitted by the TSXV.
3. No vesting requirements will apply to options granted under the Plan other than as required by TSXV policies; however, a four-month hold period will apply to all shares if options are granted at an exercise price which is less than the closing market price, each option is subject to a four-month hold period, commencing from the date of grant.

4. All options will be non-assignable and non-transferable.
5. No more than (i) 5% of the issued Common Shares may be granted to any one individual in any 12-month period, unless disinterested shareholder approval is obtained; and (ii) 2% of the issued Common Shares may be granted to any one consultant, or an employee conducting investor relation activities, in any 12-month period.
6. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12-month period, exceeding 10% of the Company's issued Common Shares; and (iii) any grant of options to any one individual, within a 12-month period, exceeding 5% of the Company's issued Common Shares.
7. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's Common Shares.

The Plan is subject to annual shareholder approval and TSXV acceptance to its filing. Shareholders will be asked at the Meeting to consider, and if thought fit, approve an ordinary resolution ratifying and approving the Plan.

The full text of the Plan will be made available at the registered and records offices of the Company, Suite 700 – 401 West Georgia Street, Vancouver, British Columbia, V6B 5A1, until 4 p.m. on the business day immediately preceding the date of the Meeting.

Shareholder Approval

Shareholders will be asked at the Meeting to approve with or without variation the following resolution:

“BE IT RESOLVED THAT the Company's Stock Option Plan be and is hereby ratified and approved, and that in connection therewith a maximum of 10% of the issued and outstanding common shares at the time of each grant be approved for granting as options and that the board of directors be and are hereby authorized, without further shareholder approval, to make such changes to the Stock Option Plan as may be required or approved by regulatory authorities.”

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the notice of annual General meeting. If any other matter properly comes before the Meeting, the proxy will be voted on those matters in accordance with the best judgment of the person voting the proxy.

ADDITIONAL INFORMATION

Additional financial information regarding the Company's business is contained in the audited consolidated financial statements and management's discussion and analysis for the year ended August 31, 2012. These statements and all the continuous disclosure documents submitted to the Securities Commissions and Stock Exchange can be found on SEDAR at www.sedar.com. Shareholders may request a copy of the financial statements and management's discussion and analysis at 789 West Pender Street, Suite 1220, Vancouver, BC V6C 1H2, Telephone (604) 683-3995; Fax (604) 683-3988.

APPROVAL AND CERTIFICATION

The contents of this Information Circular have been approved and this mailing has been authorized by the Directors of the Company.

Where information contained in this Information Circular, rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

The foregoing contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, this 7th day of January, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

“Michael B. England”

Michael B. England
Director, President and Chief Executive Officer

Schedule "A"

GEONOVUS MINERALS CORP. AUDIT COMMITTEE CHARTER

I. PURPOSE

The primary function of the Audit Committee, a committee of the board of directors (the "**Board of Directors**") of GeoNovus Minerals Corp., (the "**Company**") is to assist the Board of Directors in fulfilling its oversight responsibilities relating to the financial accounting and reporting process and internal controls for the Company by:

- (a) reviewing the financial reports and other financial information before such reports and other financial information is provided to any governmental body or to the public;
- (b) recommending the appointment and reviewing and appraising the audit efforts of the Company's external auditors and providing an open avenue of communication among the external auditors, financial and senior management and the Board of Directors;
- (c) serving as an independent and objective party to monitor the Company's financial reporting process and internal controls, the Company's processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements; and
- (d) encouraging continuous improvement of, and fostering adherence to, the Company's policies, procedures and practices at all levels.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Part III of this Charter. The Audit Committee's primary function is to assist the Board of Directors in fulfilling its responsibilities. It is, however, the Company's management which is responsible for preparing the Company's financial statements and it is the Company's external auditors which are responsible for auditing those financial statements.

II. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is to be comprised of such number of directors as determined by the Board of Directors, each of whom must be "independent" and "financially literate", as such terms are defined in National Instrument 52-110 *Audit Committees* ("NI 52-110") where NI 52-110 requires such independence.

The members of the Audit Committee shall be appointed by the Board of Directors and serve until the next annual meeting of shareholders of the Company or until their successors are duly appointed. Unless a Chairman is appointed by the full Board of Directors, the members of the Audit Committee may designate a Chairman by majority vote of the full Audit Committee membership.

As part of its role in fostering open communication, the Audit Committee should meet at least annually with management and the external auditors in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately.

The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their oversight related duties, members of the Audit Committee are to be provided with full access to all corporate information and are to be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and external auditors of the Company.

A quorum for the transaction of business at any meeting of the Audit Committee is the presence in person or by telephone or other communication equipment of a majority of the members of the Audit Committee or such greater number as the Audit Committee may by resolution determine.

Should a vacancy arise among the members of the Audit Committee, the remaining members of the Audit Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

Meetings of the Audit Committee are to be held from time to time, but not less than four times annually, at such place as the Audit Committee or the Chairman of the Audit Committee may determine upon at least two days' prior notice to each of the members. The notice period may be waived by a quorum of the Audit Committee.

The Chairman of the Audit Committee, any member of the Audit Committee, the Chairman of the Board of Directors, the Company's external auditors, or the Chief Executive Officer, Chief Financial Officer or Secretary of the Company is entitled to request that the Chairman of the Audit Committee call a meeting. A notice of the Audit Committee may be given verbally, in writing or by telephone, fax or other means of communication, and need not specify the purpose of the meeting.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Audit Committee shall:

- (a) communicate directly with the external auditors;
- (b) meet with the external auditors, with and without management present, to discuss the results of their examinations ;
- (c) annually review and recommend to the Board of Directors the selection of the independent auditors, subject to shareholders' approval, and approve the annual fee for the external audit services;
- (d) establish a procedure which enables employees to report any concerns regarding accounting or auditing matters;
- (e) review with management and with the independent auditors, the financial statements and management discussion and analysis before referring these documents to the Board of Directors;
- (f) ensure the Company's compliance with legal and regulatory requirements relating to financial disclosure;
- (g) review any new appointments to senior positions with financial reporting responsibilities;
- (h) review all financial press releases.

The Committee shall perform any other matters delegated to it by the Board of Directors.

Financial Reporting Processes

- (a) In consultation with the external auditors, review the integrity of the Company's financial reporting processes, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices.
- (c) Consider and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested by management with the concurrence of the

external auditors and ensure that management's reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

Process Improvement

- (a) Establish regular and separate systems of reporting to the Audit Committee by each of management and the external auditors regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
- (b) Review the scope and plans of the external auditors' audit and reviews prior to the audit and reviews being conducted. The Audit Committee may authorize the external auditors to perform supplemental reviews or audits as the Audit Committee may deem desirable.
- (c) Following completion of the annual audit and quarterly reviews, review separately with management and the external auditors any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditors received during the course of the audit and reviews.
- (d) Review and resolve any significant disagreements between management and the external auditors in connection with the preparation of the financial statements.
- (e) Where there are significant unsettled issues, the Audit Committee is to assist in arriving at an agreed course of action for the resolution of such matters.
- (f) Review with the external auditors and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Audit Committee.

Ethical and Legal Compliance

- (a) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- (b) Review management's monitoring of the Company's systems in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
- (c) Review, with the Company's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the Company's financial statements.

Risk Management

Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage, and obtain the external auditors' opinion of management's assessment of significant financial risks facing the Company and how effectively such risks are being managed or controlled.