

TREASURY METALS INC.

The Exchange Tower, 130 King Street West
Suite 3680, Box 99
Toronto, Ontario M5X 1B1

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting of shareholders of Treasury Metals Inc. (the "Company") will be held at the Ridout Room of the Toronto Board of Trade, 77 Adelaide St. West, First Canadian Place, Suite 350, Toronto, ON M5X 1C1 on the 9th of June, 2011, at 2:30 pm (Toronto Time) for the purpose of:

- (a) receiving the Company's financial statements for the year ended December 31, 2010, and the report of the auditors thereon;
- (b) electing directors;
- (c) appointing auditors and authorizing the directors to fix their remuneration; and
- (d) transacting such further and other business as may be properly brought before the meeting or any adjournment thereof.

A shareholder wishing to be represented by proxy at the meeting or any adjournment thereof must deposit his duly executed form of proxy with the Company's transfer agent and registrar, Equity Financial Trust Company, Suite 400, 200 University Avenue, Toronto, Ontario, M5H 4H1 not later than 2:30 p.m. (Toronto time) on June 7, 2011 or, if the meeting is adjourned, not later than 48 hours, excluding Saturdays and holidays, preceding the time of such adjourned meeting.

Shareholders who are unable to attend the meeting in person, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the meeting.

DATED this 6th day of May, 2011.

BY ORDER OF THE BOARD

(Signed)

Marc Henderson
Director

TREASURY METALS INC.
The Exchange Tower, 130 King Street West
Suite 3680, Box 99
Toronto, Ontario M5X 1B1

**MANAGEMENT INFORMATION CIRCULAR FOR THE
ANNUAL GENERAL MEETING OF SHAREHOLDERS**

SOLICITATION OF PROXIES

This information circular (“**Circular**”) is furnished in connection with the solicitation by the management of Treasury Metals Inc. (the “**Company**”) of proxies to be used at the annual general meeting (the “**Meeting**”) of holders of common shares of the Company (the “**Common Shares**”) to be held at the Ridout Room of the Toronto Board of Trade, 77 Adelaide St. West, First Canadian Place, Suite 350, Toronto, ON M5X 1C1 on the 9th of June, 2011, at 2:30 pm (Toronto Time) and at any adjournment thereof for the purposes set forth in the enclosed Notice of Meeting. Proxies will be solicited primarily by mail and may also be solicited personally or by telephone by the directors and/or officers of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

The Company may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting shares of the Company (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Circular, the notice of meeting and form of proxy to the beneficial owners of such shares. The Company will provide, without cost to such persons, upon request to the Secretary of the Company, additional copies of the foregoing documents required for this purpose.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy represent management of the Company. **A shareholder desiring to appoint some other person, who need not be a shareholder of the Company, to represent him at the Meeting may do so by filling in the name of such person in the blank space provided in the proxy or by completing another proper form of proxy.** A shareholder wishing to be represented by proxy at the meeting or any adjournment thereof must deposit their duly executed form of proxy with the Company’s registrar and transfer agent Equity Financial Trust, Suite 400, 200 University Avenue, Toronto, Ontario, M5H 4H1 not later than 2:30 p.m. (Toronto Time) on June 7, 2011 or, if the meeting is adjourned not later than 48 hours, excluding Saturdays and holidays, preceding the time of such adjourned meeting. A proxy should be executed by the 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.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked.

A shareholder attending the Meeting has the right to vote in person and, if he does so, his proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

The shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the shares represented by the proxy shall be voted accordingly. **Where no choice is specified, the proxy will confer**

discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration, as stated elsewhere in this Circular. The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Beneficial Holders

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of Common Shares will 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, those Common Shares will, in all likelihood, not be registered in the shareholder’s name. Such Common 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 of the Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders meetings. The various brokers and other intermediaries have their own mailing procedures and provide their 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 (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). 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 who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the 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 space 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.

All references to shareholders in this Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

Registered Shareholders

Registered holders of Common Shares as shown on the shareholders' list prepared as of the close of business on April 14, 2011 (the "**Record Date**") will be entitled to vote such shares at the Meeting on the basis of one vote for each Common Share held, except to the extent that the person has transferred the ownership of any of his Common Shares after the Record Date, and the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands, not later than 10 days before the Meeting, or such shorter period before the Meeting that the by-laws of the Company may provide, that his name be included in the list before the Meeting, in which case the transferee is entitled to vote his Common Shares at the Meeting.

Registered shareholders may also, rather than returning the proxy received from the Company by mail or hand delivery, elect to submit a form of proxy by use of the telephone or of the Internet. Those registered holders electing to vote by telephone require a touch-tone telephone to transmit their voting preferences. Registered holders electing to vote by telephone or via the Internet must follow the instructions included in the form of proxy received from the Company.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

At the date hereof, the Company has outstanding 47,024,819 Common Shares, each of which carries one vote per share. To the knowledge of the directors and officers of the Company, the only persons or corporations beneficially owning, directly or indirectly, or exercise control or direction over securities carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of the Company is:

| Name | Number of Shares | Percentage |
|--------------------------------|-------------------------|-------------------|
| Laramide Resources Ltd. | 5,187,500 | 11.0 % |
| Corona Gold Corporation | 4,998,533 | 10.6 % |

Persons registered on the books of the Company at the close of business on the Record Date and persons who are transferees of any shares acquired after such Record Date and who have produced properly endorsed certificates evidencing such shares or who otherwise establish ownership thereof and demand, not later than 10 days before the Meeting, that their names be included in the list of shareholders, are entitled to vote at the Meeting of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (the "**Board**"), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. RECEIPT OF FINANCIAL STATEMENTS

The audited financial statements of the Company for the fiscal year ended December 31, 2010 and the report of the auditors thereon, will be tabled at the Meeting.

2. ELECTION OF DIRECTORS

The Board currently consists of five (5) directors after the resignation of Scott Jobin-Bevans effective April 30, 2011. The table and the notes thereto state the names of all persons nominated by

management for election as directors, all other positions and offices with the Company now held by them, their principal occupations or employment during the past five years if such nominee is not presently an elected director, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof. Each director of the Company holds office until his successor is elected at the next annual meeting of the Company, or any adjournment thereof, or until his successor is elected or appointed.

| Name and Municipality of Residence | Principal Occupation | Director of Company Since | Number of Common Shares Beneficially Owned Directly or Indirectly or Controlled ⁽¹⁾ |
|---|--|---------------------------|--|
| Marc Henderson Toronto, Ontario | Mr. Henderson is a director of the Company and non-executive Chairman of the Board and has been a director since August 2007. Mr. Henderson currently serves as the President, Chief Executive Officer and a director of Laramide and has held this position since May 1995. Mr. Henderson is also an independent director and Chairman of the Audit Committee of Lydian International Limited and is a director of Javelina Resources Ltd. | August 2007 | 2,477,248 |
| Martin Walter Toronto, Ontario | Mr. Walter is the President and Chief Executive Officer of the Corporation. From 2001 to 2009 he was the Vice President of Exploration, and subsequently the Executive Vice President of Aquiline Resources Inc. and from 2004 to 2008 he was a director and President and Chief Executive Officer of Sierra Minerals Inc. Prior to 2001, Mr. Walter was a senior consulting geologist at Ironbark International Limited from 1997 to 2001 and prior thereto was a consulting geologist with MPH Consultants from 1994 to 1997. Mr. Walter has a degree in geology from Ballarat University, Australia as well as an MBA from the University of Toronto. Mr. Walter is a director of Crown Point Ventures Ltd., a TSX-V listed company since 2006. | Nominee 201 | 850,000 |
| William Fisher ⁽²⁾⁽³⁾ Toronto, Ontario | Mr. Fisher is a director of the Company and has held this position since February 2008. Mr. Fisher is currently Chief Executive Officer and a director of Karmin Exploration Inc. and has been Chief Executive Officer since August 2001, and a director since 1995. In May 2008, Mr. Fisher became a director of PC Gold (TSX listed) and in November 2008 he became a director of Rockwell Diamonds (TSX and JSE listed). He also acted as Chief Executive Officer and director of GlobeStar Mining Corporation from August 2001 to February 2008, when he resigned from both positions. Mr. Fisher was also Chairman of the board of directors and a director of Aurelian Resources Inc. which was sold to Kinross in September 2008. | February 2008 | 112,500 |
| Blaise Yerly ⁽²⁾ Corseaux, Switzerland | Mr. Yerly is a director of the Company and has held this position since February 2008. Mr. Yerly was Chairman and Director of the board of directors of Aquiline Resources Inc. from 1998 until it was sold to Pan American Silver Corp. in December 2009. Mr. | February 2008 | 794,750 |

| Name and Municipality of Residence | Principal Occupation | Director of Company Since | Number of Common Shares Beneficially Owned Directly or Indirectly or Controlled ⁽¹⁾ |
|--|---|---------------------------|--|
| | Yerly also serves as Director on the Board of Javelina Resources Ltd., and is also a director of several privately held companies. | | |
| Peter Walker ⁽³⁾ Toronto, Ontario | Mr. Walker is a director of the Company and has held this position since February 2008. Mr. Walker is currently self-employed as a consultant. From July 1993 to March 2005, Mr. Walker was Chairman, director, President and Chief Executive Officer of Corona. Mr. Walker is currently a director of Corona and has held this position since July 1993. | February 2008 | 517,575 |
| Doug Bache ⁽²⁾ Burlington, Ontario | Mr. Bache is a director of the Company and chairman of the audit committee and has held these positions since August 2009. Mr. Bache is President of Maxum Capital Markets Inc., a private merchant bank that offers corporate finance and strategy advisory services primarily to mining companies. He was president of Valencia Ventures Inc. from April 2006 to June 2008 and was a director of Aberdeen International Inc. from January 2006 until September 2008. Mr. Bache was also Treasurer of North American Palladium Ltd. from August 2003 to December 2005. | August 2009 | 120,000 |
| Harry Burgess Oakville, Ontario | Mr. Burgess is a Vice-President of Micon International Limited, a mining consulting practice. Mr. Burgess sits on the board of Vena Resources Inc. and Brigus Gold Corp., both TSX listed companies and of Acme Resources Corp., a TSX-V listed company. Mr. Burgess holds degrees in mechanical and mining engineering and has 40 years' experience in the mining industry. He has been engaged in consulting since 1980. His prior operating experience includes senior positions in the copper industry of Zambia and gold mining in South Africa. As a consultant, Mr. Burgess has worked extensively throughout the world and has particular experience in the evaluation and monitoring of mining projects for banks and financial institutions. Mr. Burgess was on the board of Absolut Resources Corp. from September 2004 until its amalgamation with Aquiline Resources Inc. in April 2008 and then was on the Aquiline Resources Inc. board from April 2008 until December 2009. | Nominee 2011 | Nil |

Notes:

- ⁽¹⁾ Based on information provided by the individuals.
- ⁽²⁾ Member of the Company's Audit Committee.
- ⁽³⁾ Member of the Company's Compensation Committee.

Each director elected at the Meeting will hold office until the next annual meeting or until his successor is duly elected or appointed.

Except as disclosed below, none of the directors or executive officers:

- (a) is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director or chief executive officer or chief financial officer of any company that:
 - (i) was the subject of an order (as defined in Form 51-102F5 of National Instrument 51-102-*Continuous Disclosure Obligations*) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the director or executive officer 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 a director, chief executive officer, or chief financial officer.

Mr. Martin J. Walter, President and CEO of Treasury Metals, was a senior officer and director of Sierra Minerals Inc. ("Sierra") when a management cease trade order was made on April 4, 2007 by the Ontario Securities Commission ("OSC") and on April 15, 2007 by the British Columbia Securities Commission ("BCSC") as a result of the failure of Sierra to file and deliver to shareholders its annual financial statements for the year ended December 31, 2006 and its first quarter interim financial statements for the period ended March 31, 2007. These management cease trade orders were subsequently revoked on June 28, 2007 by the OSC and on June 29, 2007 by the BCSC following the filing of the financial statements as required.

Mr. Gibson, CFO of Treasury Metals, was the CFO of Vector Intermediaries, Inc. ("Vector"), a TSX Venture Exchange ("TSXV") traded company. Vector Intermediaries Inc. was subject to a cease trade order by the Alberta Securities Commission dated June 20, 2003. The cease trade order was imposed for failure to file audited financial statements for the year ended December 31, 2002 and unaudited financial statements for the period ended March 31, 2003. Following the imposition of the cease trade order, Vector was sold in receivership, and its securities were de-listed from the TSXV.

None of the directors, executive officers or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is at the date hereof, or has been within 10 years before the date of this Circular, a director or executive officer of any company 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; or
- (b) has, within the 10 years before this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Proxies received in favour of management will be voted FOR the election of the above-named nominees, unless the shareholder has specified in the proxy that the Common Shares are to be withheld from voting in respect thereof. Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the shareholder has specified in the proxy that the Common Shares are to be withheld from voting in respect of the election of directors.

3. APPOINTMENT OF AUDITORS

Collins Barrow LLP (formerly Smith Nixon LLP), Chartered Accountants, is the auditor of the Company and was first appointed auditor of the Company on June 10, 2009.

Unless the shareholder directs that his or her Common Shares are to be withheld from voting in connection with the appointment of the auditor, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of Collins Barrow LLP, Chartered Accountants, as the auditor of the Company until the next annual meeting of shareholders and to authorize the directors to fix the auditor's remuneration.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information as at December 31, 2010.

| | Number of Securities to be issued upon the exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of Securities remaining available for future issuance under equity compensation plans |
|---|---|---|--|
| Plan Category | | | |
| <i>Equity compensation plans approved by security holders</i> | 3,629,500 | \$0.43 | 737,281 |
| <i>Equity compensation plans not approved by security holders</i> | Nil | Nil | Nil |
| Total | 3,629,500 | \$ 0.43 | 737,281 |

Under the Stock Option Plan, stock options were granted from time to time by the Board of Directors only to directors, senior officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board of Directors. The number of Common Shares which could be reserved for issuance was limited to 10% of the issued and outstanding shares of the Company as at the date of the grant of options. Options which are exercised, or for any reason are cancelled or terminated prior to exercise would be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares could not be less than the market value of the shares on the Toronto Stock Exchange (the "TSX") preceding the day upon which the option is granted. Options granted can only be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee's employment, upon the employee ceasing to be an employee, senior officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferrable. The Stock Option Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company's capitalization. Subject to shareholder approval in certain circumstances, the Board of Directors may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Stock Option Plan.

The purpose of a Stock Option Plan is to encourage Common Share ownership in the Company by directors, senior officers, employees and consultants of the Company and its affiliates and other designated persons. The Compensation Committee believes that a Stock Option Plan aligns the interests of the NEOs with shareholders by linking a component of executive compensation to the longer term performance of the Company's Common Shares.

STATEMENT OF EXECUTIVE COMPENSATION

A. Named Executive Officers

The purpose of this Compensation Discussion and Analysis is to provide information regarding the significant elements of compensation awarded to, earned by, paid to or payable to the Company's named executive officers ("NEOs") during the most recently completed fiscal year, the Company's executive compensation objectives and processes and other information related thereto. For the purposes of this disclosure, the Company's NEOs during the year ended December 31, 2011 were Martin Walter, Chief Executive Officer, Scott Jobin-Bevans, President and Former Chief Executive Officer, Dennis Gibson, Chief Financial Officer and James Fairbairn, Former Chief Financial Officer.

B. Compensation The Discussion and Analysis

The Compensation Committee of the Board is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Company's executive officers. The Compensation Committee ensures that total compensation paid to all NEOs is fair and reasonable and is consistent with the Company's compensation philosophy.

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Company's compensation philosophy is to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options, a significant component of executive compensation. This approach is based on the assumption that the performance of the Company's common share price over the long term is an important indicator of long-term performance.

The Company's compensation philosophy is based on the following fundamental principles:

1. *Compensation programs align with shareholder interests* – the Company aligns the goals of executives with maximizing long-term shareholder value;
2. *Performance sensitive* – compensation for executive officers should be linked to operating and market performance of the Company and fluctuate with the performance; and
3. *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of the compensation program in compensating all NEOs were developed based on the above-mentioned compensation philosophy and are as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with shareholders' interests and with the execution of the Company business strategy;
- to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

Competitive Compensation

Aggregate compensation for each NEO is designed to be competitive. The Compensation Committee reviews compensation practices of similarly situated companies in determining compensation policy. Although the Compensation Committee reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role within the Company, it is primarily focused on remaining competitive in the market with respect to total compensation.

The Compensation Committee reviews data related to compensation levels and programs of various companies that are similar in size to the Company and operate within the mining exploration and development industry, prior to making its decisions. These companies are used as the Company's primary peer group because they have similar business characteristics or because they compete with the Company for employees and investors. The Compensation Committee also relies on the experience of its members as officers and/or directors at other companies in similar lines of business as the Company in assessing compensation levels. These other companies are identified under the heading "Corporate Governance – Directorships".

The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish as a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

Aligning the Interests of the NEOs with the Interests of the Company's Shareholders

The Company believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the NEOs. The Company's objective is to establish benchmarks and targets for its NEOs which, if achieved, will enhance shareholder value.

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For the 2010 financial year, the three basic components of executive officer compensation program were:

- fixed salary;
- annual incentives (cash bonus); and
- option based compensation.

Fixed salary comprises a portion of the total cash-based compensation; however, annual incentives and option based compensation represent compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) market performance of the Common Shares. To date, no specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Board considers each performance target and the Company's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

Base Salary

The Compensation Committee and the Board approve the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers is consistent with the administration of salaries for all other employees.

Annual Incentives

The Company is not currently awarding any annual incentives by way of cash bonuses. However, the Company, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Compensation Committee and the Board approve annual incentives.

The success of NEOs in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Compensation Committee assesses each NEO's performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board with respect to the determination of annual bonuses for the NEOs. Where the Compensation Committee cannot unanimously agree, the matter is referred to the full Board for decision. The Board relies heavily on the recommendations of the Compensation Committee in granting annual incentives.

Compensation and Measurements of Performance

The Board approves targeted amounts of annual incentives for each NEO at the beginning of each financial year. The targeted amounts are determined by the Compensation Committee based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the NEO. The NEO will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Compensation Committee's and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Long Term Compensation

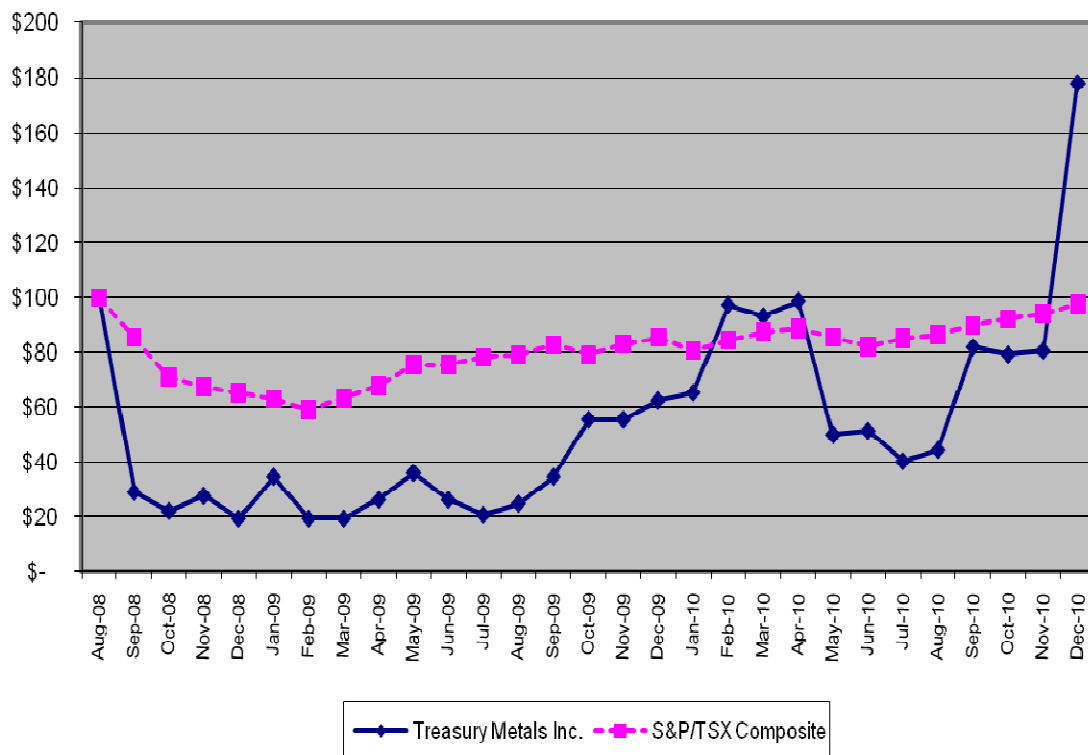
The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Company's stock option plan ("**Stock Option Plan**"). The shareholders of the Company approved the Stock Option Plan at the Annual General and Special Meeting of shareholders held on June 10, 2009. The purpose of the Stock Option Plan is to encourage common share ownership in the Company by directors, senior officers, employees and consultants of the Company and its affiliates and other designated persons. The Compensation Committee believes that the plan aligns the interests of the NEOs with shareholders by linking a component of executive compensation to the longer term performance of the Common Shares. Options may be granted under the Stock Option Plan only to directors, senior officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board of Directors. The number of Common Shares which may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding Common Shares as at the date of the grant of options. The maximum number of Common Shares which may be reserved for issuance to any one director, senior officer, consultant or employee under the Stock Option Plan is 10% of the Common Shares outstanding at the time of the grant (calculated on a non-diluted basis). Any option which is exercised, or for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The

option price of any Common Shares cannot be less than the closing price of the Common Shares on the day immediately preceding the day upon which the option is granted, less any discount permitted by the policies of the TSX. Options granted under the Stock Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, senior officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company's capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Stock Option Plan.

C. Performance Graph

The following graph compares the cumulative shareholder return on a \$100 investment in Common Shares to the cumulative shareholder return of the S&P/TSX Composite Index, on a monthly basis, from August 19, 2008, the date the Common Shares of the Company were listed for trading on the TSX to December 31, 2010.

CUMULATIVE TOTAL RETURN ON \$100 INVESTMENT (Cdn.\$)



As noted above, the Compensation Committee considers a number of factors and performance elements when determining compensation for the NEOs. Although the Company's total shareholder return is one performance measure that is reviewed, it is not the only consideration in executive compensation deliberations. As a result, a direct correlation between total shareholder return over a given period and executive compensation levels is not anticipated.

D. Summary Compensation Table

The following table contains a summary of the compensation paid to the NEOs of the Company during the two most recently completed financial years.

| NEO Name and Principal Position | Year | Salary (\$) | Share-based awards (\$) | Option-based awards (\$) | Non-Equity incentive plan compensation (\$) | | Pension Value (\$) | All other compensation | Total compensation (\$) |
|---|------|-------------|-------------------------|--------------------------|---|---------------------------|--------------------|------------------------|-------------------------|
| | | | | | Annual incentive plans | Long-term incentive plans | | | |
| Martin Walter, ⁽¹⁾ Chief Executive Officer | 2010 | 25,000 | Nil | 252,450 | Nil | Nil | Nil | Nil | 277,450 |
| Scott Jobin-Bevans, ⁽²⁾ President and former Chief Executive Officer | 2010 | 175,000 | Nil | 31,556 | Nil | Nil | Nil | Nil | 206,556 |
| | 2009 | 175,000 | Nil | 196,000 | Nil | Nil | Nil | Nil | 371,000 |
| | 2008 | 142,000 | Nil | Nil | Nil | Nil | Nil | Nil | 142,000 |
| Dennis Gibson, ⁽³⁾ Chief Financial Officer | 2010 | Nil | Nil | 73,147 | Nil | Nil | Nil | 30,000 | 103,147 |
| James Fairbairn, ⁽⁴⁾ Former Chief Financial Officer | 2010 | Nil | Nil | Nil | Nil | Nil | Nil | 33,500 | 33,500 |
| | 2009 | Nil | Nil | 39,000 | Nil | Nil | Nil | 60,000 | 99,000 |
| | 2008 | Nil | Nil | Nil | Nil | Nil | Nil | 31,000 | 31,000 |

(1) Mr. Walter was appointed Chief Executive Officer effective December 1, 2010

(2) Mr. Scott Jobin-Bevans relinquished the Chief Executive Officer role effective December 1, 2010

(3) Mr. Gibson was appointed Chief Financial Officer effective July 1, 2010. Mr. Gibson is an employee of Laramide Resources Ltd. and Laramide Resources Ltd. is reimbursed directly for the services of Mr. Gibson as the Chief Financial Officer of Treasury Metals.

(4) Mr. Fairbairn resigned as Chief Financial Officer effective June 30, 2010.

The Company has calculated the “grant date fair value” amounts in column (e) using the Black-Scholes-Merton model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the option, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return.

Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. In fact, stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes-Merton valuation, especially where, as in the case of the Company, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money

option value calculation. The same caution applies to the total compensation amounts in column (i) above, which are based in part the grant date fair value amounts set out in column (e) above.

E. Incentive Plan Awards

Outstanding Option-Based and Share-based Awards

The following table sets out for each NEO, the incentive stock options (option-based awards) and share-based awards outstanding as at December 31, 2010. These incentive stock options either vested at the time of grant or were fully vested during the year ended December 31, 2010. The closing price of the Company's shares on the TSX on December 31, 2010 was \$1.28.

| Name | Option-based Awards ⁽¹⁾ | | | | 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 (\$) |
| Martin Walter | 400,000 | 0.70 | December 13, 2013 | 232,000 | Nil | Nil |
| Scott Jobin-Bevans | 800,000 50,000 | 0.30 0.70 | June 23, 2014 December 13, 2013 | 784,000 29,000 | Nil | Nil |
| Dennis Gibson | 150,000 50,000 | 0.30 0.70 | June 23, 2014 December 13, 2013 | 147,000 29,000 | Nil | Nil |

Notes:

⁽¹⁾ The Company has in place a "rolling" Stock Option Plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued Common Shares at the time of grant. As at the date hereof, 3,629,500 Common Shares may be reserved for issuance pursuant to the Stock Option Plan.

Value Vested or Earned During the Year

The following table sets forth, for each NEO, the value of all incentive plan awards vested during the year ended December 31, 2010.

| Name | 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 |
|--------------------|--|--|---|
| Martin Walter | 252,400 | N/A | N/A |
| Scott Jobin-Bevans | 31,566 | N/A | N/A |
| Dennis Gibson | 31,566 | N/A | N/A |

Notes:

⁽¹⁾ Summarizes for each of the NEOs the aggregate value that would have been realized if the options had been exercised on the vesting date during the financial year ended December 31, 2010.

F. Employment Agreements

During the fiscal year ended December 31, 2010, the Company had in place the following employment contract between the Company or any subsidiary or affiliate thereof and its NEOs:

Scott Jobin-Bevans

Pursuant to an employment agreement effective as of September 1, 2008, the Company has engaged the services of Scott Jobin-Bevans as President and Chief Executive Officer of the Company at a salary of \$175,000 per year. Mr. Jobin-Bevans will also be eligible to participate in the Stock Option Plan and may receive an annual bonus at the discretion of the Board of Directors. In the event Mr. Jobin-Bevans' employment is terminated without cause or upon the occurrence of a change of control of the Company, Mr. Jobin-Bevans will be entitled to receive an amount equal to 18 months of his base salary. In addition, any unvested stock options held by Mr. Jobin-Bevans shall vest upon termination of employment without cause or upon a change of control and shall be exercisable on the terms granted.

G. Pension Plan Benefits

There are no pension plan benefits in place for the NEOs.

H. Termination and Change of Control Benefits

The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a NEO of the Company, in connection with or related to the retirement, termination or resignation of such person and the Company has provided no compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. The Company is not party to any compensation plan or arrangement with NEOs resulting from the resignation, retirement or the termination of employment of such person.

I. Director Compensation

The following table describes director compensation for non-executive directors for the year ended December 31, 2010

| Name | Fees earned (\$) | Option-based awards (\$) | All other compensation (\$) | Total compensation (\$) |
|----------------|---------------------|--------------------------------|-----------------------------------|----------------------------|
| Marc Henderson | 15,000 | 31,566 | Nil | 46,566 |
| William Fisher | 24,000 | 31,566 | Nil | 55,566 |
| Blaise Yerly | 19,000 | 31,566 | Nil | 50,566 |
| Peter Walker | 19,000 | 31,566 | Nil | 50,566 |
| Doug Bache | 25,000 | 78,890 | Nil | 103,890 |

Option-based and Share based Awards to Directors

The following table sets out for each independent director the incentive stock options (option-based awards) and share-based awards outstanding as of December 31, 2010. These incentive stock options vested at the time of grant. The closing price of the Company's shares on the TSX on December 31, 2010 was \$1.28.

| Name | Option-based Awards ⁽¹⁾ | | | | 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 (\$) |
| Marc Henderson | 400,000 50,000 | 0.30 0.70 | June 23, 2014 December 13, 2013 | 392,000 31,566 | Nil | Nil |
| William Fisher | 317,000 50,000 | 0.30 0.70 | June 23, 2014 December 13, 2013 | 310,660 31,566 | Nil | Nil |
| Blaise Yerly | 317,000 50,000 | 0.30 0.70 | June 23, 2014 December 13, 2013 | 310,660 31,566 | Nil | Nil |
| Peter Walker | 50,000 | 0.70 | December 13, 2013 | 31,566 | Nil | Nil |
| Doug Bache | 150,000 125,000 | 0.30 0.70 | August 10, 2014 December 13, 2013 | 147,000 78,890 | Nil | Nil |

Value Vested or Earned During the Year

Options granted to the independent directors of the Company vest at the time of grant. Because the exercise price of options at the time of grant is set at or above the market price of the Common Shares on the grant date, the value of these incentive stock option grants at the time of vesting is nil.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's directors, executive officers or employees, or former directors, executive officers or employees, nor any associate of such individuals, is as at the date hereof, or has been, during the financial year ended December 31, 2010, indebted to the Company in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year or any associate of any such director or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting, except as disclosed in this Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect the Company other than:

1. a purchase agreement ("**Purchase Agreement**") dated September 24, 2007 as amended on January 16, 2008 and on March 3, 2008 between Corona Gold Corporation ("**Corona**") and Teck Cominco Limited ("**Teck**", together with Corona, the "**Vendors**") with respect to the acquisition by the Company of the Thunder Lake property from the Vendors;
2. the issuance of Common Shares to Laramide Resources Ltd. ("**Laramide**") in connection with payments pursuant to the Purchase Agreement;

3. the transfer of assets by Laramide to the Company pursuant to a spin-off transaction; and
4. an interest free loan by Laramide to the Company in the amount of \$2,000,000.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board of Directors has confirmed the strategic objective of the Company is seeking out and exploring mineral bearing deposits with the intention of developing and mining the deposit or proving the feasibility of mining the deposit for others.

National Instrument 58-101-Disclosure of Corporate Governance Practices (“**NI 58-101**”) requires the Company to disclose its corporate governance practices by providing in the information circular the disclosure required by Form 58-101F1. National Policy 58-201-Corporate Governance Guidelines (“**NP 58-201**”) establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board of Directors considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

Board of Directors

The Board is currently comprised of five members. Marc Henderson (Chairman), William Fisher, Blaise Yerly, Peter Walker and Doug Bache who are all considered to be independent directors of the Company.

Scott Jobin-Bevans, who was the sixth board member, resigned as a Director effective April 30, 2011. Mr. Jobin-Bevans was also President of the Company until April 30, 2011, was a member of management and, as a result, was not an independent director.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director’s independent judgment. As disclosed above, the Board is comprised of a majority of independent directors. During the ensuing year, the Board may consider to seek one or more suitable candidates for appointment to the Board who meet the independence criteria in NI 58-101 to increase the number of independent directors. The independent judgment of the Board in carrying out its responsibilities is the responsibility of all directors. The Board facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board has free access to the Company’s external auditors, legal counsel and to any of the Company’s officers.

Roles and Responsibilities of the Board

The Board of Directors participates fully in assessing and approving strategic plans and prospective decisions proposed by management. A significant portion of each regular Board of Directors meeting is devoted to strategic plans and opportunities available to the Company. Such discussions enable directors to gain a fuller appreciation of planning priorities and provides the opportunity for directors to give constructive feedback to management.

In order to ensure that the principal business risks borne by the Company are appropriate, the Board of Directors receives and comments on periodic reports from management of the Company’s assessment and management of such risks. The Board of Directors considers risk issues and approves

corporate policies addressing the management of the risk. The Board of Directors also reviews the methods and procedures established by management with respect to the control of key risks.

The Board of Directors regularly monitors the financial performance of the Company, including receiving and reviewing detailed financial information contained in management reports. The Board of Directors, directly and through the Audit Committee, assesses the integrity of the Company's internal control and management information systems.

The Board of Directors receives reports regarding the training and monitoring of senior management of the Company and its subsidiaries. Input is received at meetings of the Audit Committee, the Compensation Committee and the Board of Directors regarding the performance of senior management. Both the Compensation Committee and the Board of Directors have specifically assumed responsibility for reviewing the performance of senior management.

Meetings of the Board of Directors

The independent directors of the Company do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. To facilitate open and candid discussion among the independent directors, the independent directors may hold in camera sessions at Board meetings. The independent directors may also consider holding regularly scheduled meetings at which non-independent directors and members of management are not in attendance.

Currently, the Board is satisfied that it exercises its responsibilities for independent oversight of management. The ability to establish ad hoc committees comprised solely of independent directors provides the Board with the ability to meet independently of management whenever deemed necessary or appropriate and the chair of each such ad hoc committee provides leadership for such committee.

If determined necessary or appropriate, at the end of or during each meeting of the Board or the committees of the Board, the members of management of the Company and the non-independent directors of the Company who are present at such meeting leave the meeting in order for the independent directors to meet. In addition, other meetings of the independent directors may be held from time to time if required. No separate meetings of the independent directors have been held since the beginning of the Company's most recently completed financial year, other than by conference call.

Directorships

| Director | Reporting Issuer (or equivalent) |
|-----------------|--|
| Marc Henderson | Laramide Resources Ltd., Lydian International Ltd., Javelina Resources Ltd., Khan Resources Inc. |
| William Fisher | Karmin Exploration Inc., PC Gold, Rockwell Diamonds |
| Peter Walker | Corona Gold Corporation |
| Doug Bache | None |
| Blaise Yerly | Javelina Resources Ltd. |
| Martin Walter | Crown Point Ventures Ltd. |
| Harry Burgess | Vena Resources Inc., Brigus Gold Corp., Acme Resources Corp. |

Position Descriptions

Given the small size of the Company's infrastructure, the Board does not feel that it is necessary at this time to formalize position descriptions for the Chairman of each committee of the Board, or the President and Chief Executive Officer in order to delineate their respective responsibilities. Accordingly, the roles of the executive officers of the Company are delineated on the basis of the customary practice.

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. Additionally, historically board members have been nominated who are familiar with the Company and the nature of its business.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "Code") applicable to all directors, officers and employees of the Company. The Code addresses issues such as the following:

- (a) conflicts of interest;
- (b) protection and proper use of corporate assets and opportunities;
- (c) fair dealing with Company's customers, suppliers, subcontractors and competitors;
- (d) compliance with laws, rules and regulations; and
- (e) reporting of any illegal or unethical behavior.

A copy of the Code is available for review at www.sedar.com. The directors of the Company are responsible for monitoring compliance with the Code and for regularly assessing its adequacy.

There have not been any material change reports filed since the beginning of the Company's most recently completed financial year that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

Directors recuse themselves from discussions where they have a conflict of interest or may be perceived to have a conflict of interest. The Chair may also request that a director recuse himself or abstain from voting on an issue if he feels that there may be a conflict.

Nomination of Directors

The Board has not appointed a nominating committee. The Board determines new nominees to the Board although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board members including both formal and informal discussions among the Board members and officers.

Other Board Committees

The Board has established an Audit Committee and a Compensation Committee.

Assessments

Currently the Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board's decision-making processes and the quality of information provided by management, and among other things:

- overseeing strategic planning;
- monitoring the performance of the Company's assets;
- evaluating the principal risks and opportunities associated with the Company's business and overseeing the implementation of appropriate systems to manage these risks;

- approving specific acquisitions and divestitures;
- evaluating senior management; and
- overseeing the Company's internal control and management information systems.

Compensation Committee

The Compensation Committee consists of William Fisher and Peter Walker each of whom are considered independent directors. The Compensation Committee has been established to assist the Board in settling compensation of directors and senior executives, and developing and submitting to the Board of Directors recommendations with regard to other employee benefits.

The Compensation Committee will review on an annual basis the adequacy and form of compensation of the senior executives and directors to ensure that such compensation reflects the responsibilities, time commitment and risk involved in being an effective executive officer or director, as applicable.

Audit Committee

The Audit Committee consists of Doug Bache (Chair), William Fisher and Blaise Yerly, each of whom are considered independent directors. The Audit Committee operates under guidelines established by Multilateral Instrument 52-110-*Audit Committees*. In addition to carrying out its statutory legal responsibilities (including review of the Company's annual financial statements), the Audit Committee reviews accounting policies and issues and all financial reporting, including interim financial statements and management's discussion and analysis in the Company's annual report. The Audit Committee meets with the Company's external auditors (with and without management) and with members of management at least once a year to assist it in the effective discharge of its duties. The Audit Committee also recommends to the Board of the firm to be appointed as the Company's auditor and the terms of its remuneration.

Further information regarding the Audit Committee is contained in the Company's annual information form (the "AIF") dated March 31, 2011 under the heading "Audit Committee Information" and a copy of the Audit Committee charter is attached to the AIF as Schedule "A". The AIF is available under the Company's profile at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Security holders may contact the Secretary of the Company in order to request copies of the Company's financial statements at The Exchange Tower, 130 King Street West, Suite 3680, Box 99, Toronto, Ontario M5X 1B1, Toronto, Ontario; Telephone: (416) 214-4654; Facsimile: (416) 599-4959. Financial information about the Company may be found in the Company's financial statements and Management's Discussion and Analysis for its most recently completed financial year.

DIRECTORS' APPROVAL

The contents and the sending of this Circular have been approved by the board of directors of the Company.

Except where otherwise indicated, information contained herein is given as of May 6, 2011.

DATED this 11th day of May, 2011.

(Signed)
Marc Henderson
Director