

**WILDCAT EXPLORATION LTD.  
Suite 203 – 1780 Wellington Avenue  
Winnipeg, Manitoba  
R3H 1B3**

**INFORMATION CIRCULAR**

(containing information as at May 3, 2010 unless indicated otherwise)

**This Information Circular (the “Circular”) is provided in connection with the solicitation of proxies by Management of Wildcat Exploration Ltd. (“Wildcat” or the “Corporation”) for use at the Annual General Meeting of Shareholders of the Corporation to be held in Winnipeg, Manitoba, on Thursday, June 3, 2010 at 10:00 a.m. (Winnipeg time) (the “Meeting”) and at any adjournment thereof.**

Shareholders unable to attend the Meeting in person are urged to complete the proxy form enclosed herewith and forward it to Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, ON, M5H 4H1, on or before 11:00 A.M. (Toronto time) on June 1, 2010. If the shareholder is a legal person, an officer’s signature on the said proxy form must be accompanied by an authorizing resolution.

**Solicitation of Proxies**

Proxies will be solicited primarily by mail. However, employees, officers, directors or agents of the Corporation may also solicit proxies, personally, in writing or by telephone. The Corporation will bear all costs and expenses of solicitation which costs and expenses are expected to be nominal.

**General Proxy Information**

**Appointment and Revocation of Proxies**

***Registered Holders***

The persons named in the enclosed proxy form are directors and/or officers of the Corporation. **A shareholder has the right to appoint a person or company to represent the shareholder at the Meeting other than the persons named in the Proxy. A shareholder who wishes to appoint some other person or company to represent the shareholder at the Meeting may do so by striking out the names of the persons specified in the Proxy and inserting the name of the person or company to be appointed in the blank space provided and signing the Proxy. In order to be valid, all proxies must be delivered to the Corporation’s Transfer Agent, Equity Transfer & Trust Company, at 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, ATTENTION: PROXY DEPARTMENT, 48 hours before the time of the Meeting, or, in the case of any adjournment or postponement of the Meeting, no later than 48 hours before the time of such reconvened meeting.**

The giving of a proxy will not affect the right of a shareholder to attend and vote in person at the Meeting. A proxy is revocable. A shareholder who has executed a form of proxy, or his or her attorney authorized in writing, may revoke it in any manner permitted by law, including the depositing of an instrument of revocation in writing at the Corporation’s registered office, located at Suite 203 – 1780 Wellington Avenue, Winnipeg, Manitoba R3H 1B3, Canada, at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, but prior to the use of the proxy at the Meeting or any adjournment or postponement thereof.

### *Non-Registered (Beneficial) Holders*

**Only registered holders of common shares of the Corporation, or the persons they appoint as their proxy holders, are customarily permitted to attend and vote at the Meeting.** However, in many cases, common shares beneficially owned by a holder (a “Non-Registered Holder”) are registered either:

- (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a depository (a “Depository”), such as CDS Clearing and Depository Services Inc., in which the Intermediary is a participant.

In accordance with the requirements of Canadian securities laws, the Corporation has distributed copies of the Notice of Meeting, the Circular, and the Proxy (collectively, the “meeting materials”) to Depositories and intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will either:

- (a) be given a proxy **that has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder; or
- (b) more typically, be given a voting instruction form (“VIF”) that must be completed and signed by the Non-Registered Holder in accordance with the directions on the VIF (which may in some cases permit the completion of the VIF by telephone and internet with the use of a control number provided on the VIF).

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the Proxy and insert the name of the Non-Registered Holder (or such other person voting on behalf of the Non-Registered Holder) in the blank space provided or, in the case of a VIF, follow the corresponding instructions on the VIF. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries, including instructions regarding when and where the Proxy (or VIF) is to be delivered.**

A Non-Registered Holder may revoke a proxy or VIF which has been given to an Intermediary by written notice to the Intermediary. In order to ensure that an Intermediary acts upon a revocation of a proxy form or VIF, the written notice should be received by the Intermediary well in advance of the Meeting.

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

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instruction.

### **Voting and Exercise of Discretion by Proxies**

The securities represented by all properly executed proxies, not previously revoked, will be voted or withheld from voting at the Meeting, in accordance with the instructions contained in the proxy, on any ballot that may be called for. If a shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly. Forms of Proxy containing no instructions or where both choices have been specified regarding the matters specified therein will be voted FOR the matters mentioned in the accompanying Notice of Meeting.

As of the date of this Circular, Management knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting, each representative named in the Proxy intends to vote in accordance with the representative's best judgment. The Proxy also confers discretionary authority in respect of amendments to or variations in all matters that may properly come before the Meeting.

### **Interest of Certain Persons or Companies in Matters to be Acted Upon**

Other than as set forth in the Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors. Directors and executive officers may, however, be interested in the annual approval and amendment of the Corporation's Stock Option Plan as detailed under "Approval of and Amendments to the Stock Option Plan".

### **Voting Securities and Principal Holders of Voting Securities**

The authorized share capital of the Corporation consists of an unlimited number of common shares without par value, of which, on May 3, 2010, 88,076,076 common shares (the "Shares") are issued and outstanding. Each Share entitles the holder thereof to one (1) vote in person or by proxy. Only persons who are shareholders of record as at 5:00 p.m. (Winnipeg time) on May 3, 2010 (the "Record Date"), will be entitled to receive notice of the Meeting. Nevertheless, failure to receive such notice does not deprive a shareholder of his right to vote at the Meeting and be entitled to vote or to have their Shares voted at the Meeting. Any person who acquires shares after the Record Date may exercise the voting rights attached thereto if such person produces to an authorized representative of Equity Transfer & Trust Company a duly endorsed share certificate(s) or otherwise establishes ownership of the shares, and requests that his name be included on the list of shareholders no later than ten (10) days before the date of the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders, or who is holding a proxy on behalf of a shareholder who is not present at the Meeting, will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each common share registered in his name on the list of shareholders, which is available for inspection during normal business hours at Equity Transfer & Trust Company and will be available at the Meeting. **Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

To the knowledge of the directors and executive officers of the Corporation, there are no persons or companies who beneficially own, or exercise control or direction over, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Corporation.

**Election of Directors**

In accordance with Wildcat’s Articles of Incorporation, a minimum of one (1) and a maximum of seven (7) directors may serve on the Corporation’s Board. The Corporation’s by-laws require that the number of directors to be elected at the Annual Meeting shall be the number of directors then in office, unless the directors or the shareholders otherwise determine. Currently, the Board is composed of six (6) directors, five of whom are standing for re-election at the Meeting. Mr. Robert Dzisiak, who is currently a director, has informed the Corporation that in order to make time for his other business activities, he will not stand for re-election to the Corporation’s Board.

Each director shall, unless he resigns or his office becomes vacant for any reason, hold office until the close of the next Annual General Meeting of shareholders or until his successor is duly elected or appointed.

**The nominees in the enclosed proxy form intend to vote IN FAVOUR of the election of the persons whose names are listed in the following table, unless the shareholder signatory of the proxy has indicated his will to withhold from voting regarding the election of directors.**

The following table and notes thereto indicate the names of those persons proposed by management for election as directors (a “proposed director”). For each of the six (6) candidates, the table also shows all the other positions, committees and offices held with the Corporation; his principal occupation for the last five years; the date upon which he became a director of the Corporation; the number of Shares beneficially owned, or controlled or directed, directly or indirectly, by him as at the date hereof; and his place of residence.

Name and Office Held with the Corporation	Principal Occupation <sup>(1)</sup>	Province or State and Country of Residence <sup>(1)</sup>	Director Since	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as at May 3, 2010 <sup>(1)</sup>
John L. Knowles President, CEO & Director	President & CEO, Wildcat Exploration Ltd. since June 28, 2007  Management Consultant, May 2006 to June 2007  Executive Vice President & CFO, Aur Resources Inc., a mining company, July 2005 to April 2006  VP & CFO, HudBay Minerals Inc. (“HudBay”), December 2004 to June 2005 and concurrently CFO, Hudson Bay Mining & Smelting Co. Limited, a mining company (and a predecessor company to HudBay), May 1996 – June 2005	Manitoba, Canada	June 28, 2007	868,000

<b>Name and Office Held with the Corporation</b>	<b>Principal Occupation<sup>(1)</sup></b>	<b>Province or State and Country of Residence<sup>(1)</sup></b>	<b>Director Since</b>	<b>Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as at May 3, 2010<sup>(1)</sup></b>
Denis G. Fillion <sup>(2)(3)(4)</sup> Director	President, Denis G. Fillion Ltd., CMA and public accountant since 1972	Manitoba, Canada	July 22, 2003	743,671
Andrew W. Daniels <sup>(2)(3)(4)</sup> Director	Founder & CEO of Daniels Trading, a commodity futures and option brokerage, 1995 to present	Tennessee, USA	June 28, 2007	2,758,333
Glen G. Gowryluk Chief Financial Officer & Director	Chartered Accountant, Chief Financial Officer of Wildcat Exploration Ltd. since January 8, 2007  Independent consultant since March 2004	Manitoba, Canada	June 11, 2008	30,000
Charles G. Pitcher Director	President, The Mining House Inc., a provider of engineering services related to project development and management, 1985 to present	Ontario, Canada	June 4, 2009	Nil
Edward W. Yarrow Nominee	Independent Consultant since January 1, 2010  V.P. of Exploration, North America and Europe, Anglo American from 2002 to December 31, 2009	British Columbia, Canada	N/A	Nil

Notes:

- (1) Statements as to the principal occupation, province or state and country of residence and Shares over which control is exercised directly or indirectly by the directors are based upon information obtained from such directors and from records available to the Corporation.
- (2) Member of Audit Committee
- (3) Member of Management Resources and Compensation Committee
- (4) Member of Corporate Governance Committee

## Compensation Discussion And Analysis

### **Compensation Discussion and Analysis**

#### *Compensation, Philosophy and Objectives*

The Corporation does not have a formal compensation program. However, the administration of the Corporation's compensation mechanisms is handled by the Management Resources and Compensation Committee (the "MRC Committee") of the Corporation. The general mandate of the MRC Committee is to examine matters relating to the compensation of the directors and executive officers of the Corporation with respect to (i) general compensation goals and guidelines and the criteria by which bonuses and stock compensation awards are determined; (ii) amendments to any equity compensation plans adopted by the Board and changes in the number of shares reserved for issuance thereunder; and (iii) other plans that are proposed for adoption or adopted by the Corporation for the provision of compensation. The general objectives of the Corporation's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Corporation to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Corporation is under by virtue of the fact that it is a junior mineral exploration companies without a history of earnings.

The MRC Committee is composed of three directors, namely Denis G. Fillion, Andrew W. Daniels, and Robert Dzisiak. Mr. Dzisiak is the chair of the MRC Committee. Mr. Dzisiak is not standing for re-election to the Corporation's Board and he will retire from the MRC Committee at the time of the Meeting.

The Board, upon the recommendation of the MRC Committee, ensures that total compensation paid to all Named Executive Officers ("NEOs"), as hereinafter defined, is fair and reasonable. The Board relies on the experience of its members as officers and directors with other junior mining companies in assessing compensation levels.

To conserve working capital in 2009 uncertain economic environment, the MRC Committee worked with an executive placement firm in recruiting and determining the compensation for the CEO, taking into consideration such factors as the market expectations for such a position with a junior exploration company and the experience and qualifications of the successful candidate. With effect from December 15, 2008, in recognition of the limited availability of financing for exploration companies such as the Corporation, the CEO proposed, and the Corporation agreed, that the CEO's monthly compensation be reduced by 50%, and the parties subsequently agreed that the CEO's monthly compensation be restored, effective November 1, 2009 to 75% of the CEO's full salary, subject to ongoing review on a month-by-month basis.

#### *Analysis of Elements*

The principal elements of the executive officers' compensation consist of base salary and long-term incentive awards (stock options).

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Corporation.

The Corporation considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Corporation to reward each Named Executive Officer's efforts to increase value for shareholders without requiring the Corporation to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Corporation's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Corporation's stock option plan (the "Stock Option Plan").

### *Long Term Compensation and Option-Based Awards*

The Corporation has no long-term incentive plans other than the Stock Option Plan. The Corporation's directors and officers and certain consultants are entitled to participate in the Stock Option Plan. The Stock Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Stock Option Plan aligns the interests of the NEO and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Corporation's common shares.

A description of the significant terms of the Stock Option Plan is found under the heading "Particulars of Matters to be Acted Upon/Approval of and Amendments to Stock Option Plan".

Options are recommended by the RMC Committee. In monitoring or adjusting the option allotments, the RMC Committee and the Board take into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the RMC Committee also makes the following determinations:

- parties who are entitled to participate in the Stock Option Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the TSX Venture Exchange from the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The RMC Committee makes these determinations subject to and in accordance with the provisions of the Stock Option Plan. The RMC Committee and the board of directors reviews and approves grants of options on an annual basis and periodically during a financial year.

The Corporation used the Black-Scholes option pricing model for calculating the fair value of options granted. The Black-Scholes model is commonly used by junior public companies.

### *Termination and Change of Control Benefits*

The CEO and the CFO have each signed agreements with the Corporation. These agreements are for a indefinite and definite term. Other than as provided below, these agreements do not provide for certain benefits in case of termination without cause of the NEO or change in the control of the Corporation.

The Corporation has arrangements with its NEO which provides for the payment of the full annual salary and automatic vesting of all options which have been granted but which have not vested on termination of employment (as a result of resignation or change of control). The employment agreement of the NEO is described in more detail under "Termination and Change of Control Benefits".

The Corporation believes that these arrangements are an important component of the overall compensation package it offers to its NEO and CFO and is necessary in order to attract and retain its key executives.

Subsequent to the year ended December 31, 2009, as a result of various policy changes in respect of incentive stock options effected by the TSXV in December, 2008, the RMC Committee recommended and the Board of Directors approved, subject to shareholder approval and regulatory acceptance, amendments to the Stock Option Plan. See “Particulars of Matters to be Acted Upon – Approval of and Amendments to Stock Option Plan”. In addition, the Corporation’s Stock Option Plan, is also to be amended to provide, that, in the event of a change of control transaction under which Shares are to be exchanged, acquired or otherwise disposed of, all options which have not vested will be deemed to be vested and exercisable solely to permit the exercise of all such options, so as to permit the optionee to participate in the change of control transaction.

### Summary Compensation Table

For the purposes of this Information Circular, a “Named Executive Officer”, or “NEO”, means each of the following individuals:

- (a) a chief executive officer (“**CEO**”) of the Corporation;
- (b) a chief financial officer (“**CFO**”) of the Corporation,
- (c) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6, for the December 31, 2008 financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity at December 31, 2008.

#### *Summary Compensation Table*

During the financial year ended December 31, 2009, the Corporation had two Named Executive Officers, **John Knowles**, the President and Chief Executive Officer of the Corporation, and **Glen Gowryluk**, the Chief Financial Officer. The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries for the two most recently completed financial years ending December 31, 2009 and 2008 in respect of the Chief Executive Officer and Chief Financial Officer of the Corporation. For the information concerning compensation related to previous years, please refer to the Corporation’s previous Management Proxy Circulars available at [www.sedar.com](http://www.sedar.com):

Name and principal position	Year <sup>(1)</sup>	Salary (\$) <sup>(2)</sup>	Share-based awards (\$)	Option-based awards (\$) <sup>(3)</sup>	Non-equity incentive plan compensation(\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$) <sup>(2)</sup>
					Annual incentive plans	Long-term incentive plans			
John L. Knowles, President & CEO <sup>(4)</sup>	2009	108,333	Nil	35,710	Nil	Nil	Nil	Nil	144,043
	2008	195,833	Nil	103,220	Nil	Nil	Nil	Nil	299,053
Glen Gowryluk, CFO <sup>(5)</sup>	2009	74,085	Nil	13,735	Nil	Nil	Nil	Nil	87,820
	2008	77,438	Nil	39,700	Nil	Nil	Nil	Nil	117,138

Notes:

- (1) Financial years ended December 31.
- (2) All amounts shown was paid in Canadian currency, the reporting currency of the Corporation.
- (3) Figures represent the grant date fair value of the options. The Corporation used the Black-Scholes option pricing model for calculating such fair value, as such model is commonly used by junior public companies.
- (4) Mr. Knowles was appointed as President and Chief Executive Officer on June 27, 2007. Effective June 28, 2007, the compensation was paid pursuant to an employment agreement dated June 28, 2007 entered into between Mr. Knowles and the Corporation. See "Termination And Change Of Control Benefits" for further details.
- (5) Mr. Gowryluk was appointed as Chief Financial Officer on January 6, 2007. Effective December 29, 2006, the compensation was paid pursuant to a consulting agreement dated December 29, 2006, as amended December 31, 2008, December 31, 2008 and December 31, 2009, entered into between Mr. Gowryluk and the Corporation. See "Termination And Change Of Control Benefits" for further details.

### **Incentive Plan Awards**

#### *Outstanding Option-Based Awards*

The following table sets forth for the NEOs, the incentive stock options (option-based awards), pursuant to the Stock Option Plan, outstanding as at December 31, 2009. This information includes all unexpired awards granted before the financial year ended on December 31, 2009.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
John L. Knowles	650,000	\$0.100	July 19, 2014	\$32,500
	650,000	\$0.170	July 10, 2013	Nil
	500,000	\$0.275	June 28, 2012	Nil
Glen Gowryluk	250,000	\$0.100	July 19, 2014	\$12,500
	250,000	\$0.170	July 9, 2013	Nil

Note:

- (1) Value of in-the-money options at financial year-end, if any, is the difference between the exercise price of the options and the closing price of the Corporation's common shares on the TSX Venture Exchange ("TSXV") on December 31, 2009, being the last trading day of the Corporation's common shares during the financial year end, of \$0.15.

*Incentive Plan Awards – Value Vested or Earning During The Year*

The following table sets forth for the NEOs, the value vested during the financial year ended on December 31, 2009 for options awarded under the Stock Option Plan, as well as the value earned under non-equity incentive plans for the same period.

<b>Name</b>	<b>Option-based awards- Value vested during the year (\$)<sup>(1)</sup></b>	<b>Share-based awards - Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation - Value earned during the year (\$)</b>
John L. Knowles	Nil	N/A	N/A
Glen Gowryluk	Nil	N/A	N/A

Note:

- (1) Value vested during the year is calculated by subtracting the market price of the Corporation's common shares on the date the option vested (being the closing price of the Corporation's shares on the TSXV on the last trading day prior to the vesting date) from the exercise price of the option.

**Termination And Change Of Control Benefits**

***Termination and Change of Control Benefits***

Other than as described below, the Corporation does not have any plan contract, agreement or plan or arrangement that provides for payments to the Named Executive Officers at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Corporation or a change in the Named Executive Officers' responsibilities.

The Corporation entered into an employment agreement (the "Employment Agreement") with Mr. John Knowles on June 28, 2007 to serve as the Corporation's President and Chief Executive Officer. According to the terms of the contract, Mr. Knowles is to be paid a salary of \$200,000 per annum and received 500,000 options of the Corporation upon signing with an additional 400,000 options to be received on the first anniversary date of employment, and a further 400,000 options to be received on the second anniversary date of employment, all of which vest equally on an annual basis over a three year period. Notwithstanding the terms of the employment agreement, in each of July 2008 and July 2009 the Corporation granted 650,000 options to Mr. Knowles, one half of which vested immediately and one half of which will vest on the first anniversary date of the grant. In the event that the employment agreement is terminated other than for cause, Mr. Knowles is to receive 50% of his annual salary if such termination occurs prior to the completion of the first year of employment, 75% of his annual salary if such termination occurs during the second year of employment, and the full annual salary if such termination occurs at any time after the completion of the second year of service. As well, all options which have been granted but which have not vested will automatically vest.

In the event that Mr. Knowles resigns as a result of a change in control of the Corporation, at any time within one year of the change of control, Mr. Knowles is to receive one full year's salary, with automatic vesting of all options which have been granted but which have not vested. "Change of Control" is defined as the occurrence of any of the following events:

- i. any person, alone or with its affiliates, associates or persons with whom such person is acting jointly or in concert, becoming the beneficial owner of securities representing or convertible into securities representing more than 50% of the total voting rights attaching to all then outstanding securities of the Corporation;
- ii. the members of the Board immediately prior to a meeting of shareholders of the Corporation no longer constituting a majority of the Board following such meeting; or

- iii. the Corporation participating in a Merger, which term includes any amalgamation, corporate reorganization, business combination, take-over or reverse take-over upon completion of which the former holders of common shares of the Corporation do not hold or control in excess of two-thirds of the voting rights attached to all voting securities of the merged, combined or successor entity.

The Corporation entered into a Consulting Agreement (the "Consulting Agreement") with Mr. Glen Gowryluk on December 29, 2006, which was amended December 18, 2007, December 31, 2008 and December 31, 2009. The term of the contract will expire on December 31, 2010. Pursuant to the Consulting Agreement, Mr. Gowryluk is to provide services to the Corporation in the role of Chief Financial Officer. According to the terms of the contract as amended, Mr. Gowryluk is to be paid \$112 per hour effective January 1, 2010, for time worked with no minimum monthly payment. The agreement may be terminated at any time and for any reason by the Corporation or by Mr. Gowryluk upon one month's written notice to the other party, and there is no minimum required payment in such case.

***Significant Conditions or Obligations Attached to Payment and Benefits***

Pursuant to the terms of the Employment Agreement, Mr. Knowles has agreed:

- to faithfully and to the best of his ability, provide management and technical direction to the Corporation in its pursuit of and/or the development of mineral exploration projects and conduct the affairs of the Corporation in a financially prudent manner and in compliance with all regulatory requirements;
- not to disclose any confidential information of the Corporation to any person or persons without the prior consent in writing of the Directors and not to use, in any manner other than to further the Corporation's business, any confidential information of the Corporation. "Confidential information" refers to any of the confidential affairs or secrets of the Corporation, including mineral properties being considered by the Corporation, and any knowledge, information or data which is proprietary to the Corporation and not otherwise generally known through public sources; and
- upon termination of the Employment Agreement, he shall immediately return all confidential information or other property of the Corporation in his possession or control.

Pursuant to the terms of the Consulting Agreement, Mr. Gowryluk has agreed:

- to provide executive financial management services with respect to the Corporation's operations;
- to communicate at once to the Corporation all business opportunities which come to Mr. Gowryluk in his capacity as a Contractor to the Corporation or otherwise in the course of the Corporation's business;
- not to disclose any confidential information or trade secrets of the Corporation to any person or persons. Such information includes, but is not limited to, information relating to mining and exploration activities, government relations, clients, customers, suppliers, sales, costs products, services, business systems, research, strategies, markets or plans belonging, to or developed by the Corporation or its subsidiaries; and
- upon termination of the Employment Agreement, he shall immediately return all confidential information or other property of the Corporation in his possession or control.

## Director Compensation

### *Director Compensation Table*

The following table sets forth all amounts of compensation provided to the directors for the Corporation's most recently completed financial year.

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Denis G. Fillion	Nil	Nil	13,735	Nil	N/A	Nil	13,735
Andrew W. Daniels	Nil	Nil	13,735	Nil	N/A	Nil	13,735
Charles G. Pitcher	Nil	Nil	19,229	Nil	N/A	Nil	19,229
Robert Dzisiak	Nil	Nil	21,976	Nil	N/A	Nil	21,976

Note:

- (1) Figures represent the grant date fair value of the options. The Corporation used the Black-Scholes option pricing model for calculating such fair value, as such model is commonly used by junior public companies.

### *Outstanding Option-Based Awards*

The following table sets forth for each director all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year. These incentive stock options either vested at the time of grant or were fully vested during the year ended December 31, 2009.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Denis G. Fillion	250,000	\$0.100	July 19, 2014	\$12,500
	250,000	\$0.170	July 9, 2013	Nil
	150,000	\$0.245	July 26, 2012	Nil
	100,000	\$0.42	July 10, 2011	Nil
Andrew W. Daniels	250,000	\$0.100	July 19, 2014	\$12,500
	250,000	\$0.170	July 9, 2013	Nil
	150,000	\$0.245	July 26, 2012	Nil
Charles G. Pitcher	350,000	\$0.100	July 19, 2014	\$17,500
Robert Dzisiak	400,000	\$0.100	July 19, 2014	\$20,000
	400,000	\$0.170	July 9, 2013	Nil
	150,000	\$0.245	July 26, 2012	Nil

Note:

- (1) Value is calculated based on the difference between the exercise price of the option and the closing price of the Corporation's common shares on the TSX Venture Exchange (the "Exchange") on December 31, 2008, being the last trading day of the Corporation's shares for the financial year, which was \$0.055.

*Incentive Plan Awards – Value Vested or Earned During The Year*

The following table sets forth, for each director, other than those who are also NEOs of the Corporation, the value of all incentive plan awards vested during the year ended December 31, 2009.

<b>Name (a)</b>	<b>Option-based awards- Value vested during the year (\$) (b)</b>	<b>Share-based awards - Value vested during the year (\$) (c)</b>	<b>Non-equity incentive plan compensation - Value earned during the year (\$) (d)</b>
Denis G. Fillion	Nil	N/A	N/A
Andrew W. Daniels	Nil	N/A	N/A
Charles G. Pitcher	Nil	N/A	N/A
Robert Dzisiak	Nil	N/A	N/A

A description of the significant terms of the Stock Option Plan is found under the heading "Particulars of Matters to be Acted Upon – Stock Option Plan".

**Securities Authorized for Issuance Under Equity Compensation Plans**

**Equity Compensation Plan Information as of December 31, 2009**

The following table provides information regarding compensation plans under which securities of the Corporation are authorized for issuance in effect as of the end of the Corporation's most recently completed financial year end:

*Equity Compensation Plan Information*

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by security holders	6,775,000	\$0.16827	2,032,608

The Board of Directors have approved, subject to the necessary shareholder approval and regulatory acceptance, further amendments to the Stock Option Plan to (A) extend the period for exercise of outstanding options on the holder ceasing to be an eligible person under the Stock Option Plan; (B) extend the maximum term of an option; (C) include accelerated vesting in the event of change of control transaction and (D) make certain "housekeeping" changes. See "Particulars of Matters to be Acted Upon – Annual Approval of and Amendments to Stock Option Plan".

## **Particulars of Matters to be Acted Upon**

### **Approval of and Amendments to Stock Option Plan**

The Corporation's current Stock Option Plan, as approved by the Corporation's shareholders on December 4, 2003, and as amended on July 26, 2007 (the "Plan"), is a "rolling" plan and is therefore subject to annual shareholder approval pursuant to TSX Venture Exchange ("TSXV") policy. The Plan is administered by the Board of Directors and affords the Corporation more flexibility with regard to the granting of options. The Plan provides that:

1. the Board of Directors may at any time and, from time to time, reserve and grant options which shall be limited to and not exceed ten percent (10%) of the total number of issued and outstanding Shares at any given time;
2. options granted to insiders during any 12-month period may not exceed 10% of the issued shares of the Corporation unless the grant is approved by a majority of the votes cast by "disinterested shareholders";
3. options may not be granted in any twelve (12) month period to any individual to purchase in excess of 5% of the then issued and outstanding Shares;
4. options may not be granted in any twelve (12) month period to any one consultant to purchase in excess of 2% of the then issued and outstanding Shares;
5. options may not be granted in any twelve (12) month period to any one employee conducting investor relations activities to purchase in excess of 2% of the then issued and outstanding Shares and no such employee may vest more than one-quarter of any option so granted within a three month period;
6. the exercise price of an option shall be determined by the Board of Directors of the Corporation, provided that such price not be less than as may be permitted by the TSXV; and
7. options granted under the Plan are non-transferable and expire the earlier of (i) five (5) years from the date of grant; (ii) in the case of optionees involved in investor relations activities, thirty (30) days from the date the optionee ceases to be an "Eligible Person" under the Plan by reason of death, resignation or termination; or (iii) in the case of optionees other than those optionees involved in investor relations activities, ninety (90) days from the date the optionee ceases to be an "Eligible Person" under the Plan by reason of death, resignation or termination.

Currently, options to acquire a total of 6,775,000 Shares are outstanding under the Plan.

In December, 2008, the TSXV approved various changes to its policies in respect of incentive stock options. The Corporation is proposing a number of amendments to the Plan as a result of such policy changes. Accordingly, at the Meeting, shareholders will be asked to approve the following amendments to the Plan:

1. to extend from 90 days (or 30 days in the case of a person engaged in investor relations activities) to a reasonable period (not to exceed one year) during which an optionee may exercise his or her options once such optionee ceases to be a director, senior officer, employee, consultant, management company employee or technical advisory panel member of the Corporation;
2. to increase the maximum term of options granted under the Stock Option Plan from five years to ten years; and
3. to include a provision that, on the occurrence of a change of control transaction under which Shares are to be exchanged, acquired or otherwise disposed of, all options which have not vested will be deemed to be vested and exercisable solely to permit the exercise of all such options so as to permit the optionee to participate in the change of control transaction.

The Corporation will also make certain house-keeping changes to the Plan which will not require Shareholder approval. The terms and conditions of existing options which are outstanding under the current Plan will not be amended as a result of the changes to the Plan and will remain in full force and effect.

A copy of the Plan, with the proposed amendments, may be inspected at the registered office of the Corporation, Suite 203 - 1780 Wellington Avenue, Winnipeg, MB, R3H 1B3, Canada during normal business hours and at the Annual General Meeting to be held on June 3, 2010. In addition, a copy of the Plan with the proposed amendments, as amended, will be mailed, free of charge, to any holder of Shares who requests a copy, in writing, from the Secretary of the Corporation. Any such requests should be mailed to the Corporation, at its head office, to the attention of the Secretary.

Accordingly, the shareholders of the Corporation will be asked to approve the following ordinary resolution:

“BE IT RESOLVED as an ordinary resolution that:

1. The Corporation is hereby authorized to add the following new defined terms to section 2 of the Stock Option Plan:

“2. **“CHANGE OF CONTROL”** means:

- (a) the acquisition, directly or indirectly, by any person or group of persons acting jointly or in concert (as such term is defined in the Act) of Shares which, when added to all other Shares at the time held directly or indirectly by such person or persons acting jointly or in concert, constitutes for the first time in the aggregate 20% or more of the outstanding Shares; or
- (b) the consummation of a sale of all or substantially all of the assets of the Corporation; or
- (c) the consummation of a reorganization, amalgamation, plan of arrangement, merger or other form of transaction which has substantially the same effect as any of (a) or (b) above;”

**“CHANGE OF CONTROL TRANSACTION”** has the meaning ascribed to such term in section 11.1;”

2. The Corporation is hereby authorized to replace the phrase “five (5) years” in section 8.1 [Term of Options] of the Stock Option Plan with “ten (10) years”.

3. The Corporation is hereby authorized to replace the last sentence of section 9 [Cessation of Employment or Holding of Office] of the Stock Option Plan with the following:

“9. “Any outstanding Options shall remain in full force and effect and exercisable according to their terms for the Option Period until the Optionee ceases to be an Eligible Person for any reason, after which time the Options will expire within a reasonable period (not to exceed 1 year) following the date the Optionee ceases to be an Eligible Person and as determined by the Board or Compensation Committee, in its discretion, not to exceed the original Expiry Date of such Options.”

4. The Corporation is hereby authorized to include the following new paragraph (as paragraph 11) in the Stock Option Plan:

“11. **EFFECT OF A CHANGE OF CONTROL TRANSACTION.**

- 11.1 Upon the announcement of any form of transaction (a “Change of Control Transaction”) which, if completed, would constitute a Change of Control and under which Shares of the Corporation are to be exchanged, acquired or otherwise disposed of, including a take-over bid or tender offer made for all or any of the issued and outstanding Shares, the Corporation shall, as soon as practicable following the announcement of such Change of Control Transaction, notify each Optionee currently holding an Option of the Change of Control Transaction, and all Options of the Optionee which have not vested shall be deemed to be fully vested and exercisable solely for purposes of permitting the Optionee to exercise such Options in order to participate in the Change of Control Transaction in respect of the Shares (the “Optioned Shares”) thereby acquired.
- 11.2 Upon the completion of any other form of Change of Control not covered by section 11.1 above, all Options of an Optionee which have not vested shall be deemed to be fully vested and exercisable.
- 11.3 If:
- (a) a Change of Control Transaction is not completed (or a Change of Control does not occur); or
  - (b) an Optionee does not cause his or her Optioned Shares to be exchanged or disposed of in a Change of Control Transaction of the nature described in section 11.1 above;

then the Optioned Shares shall be returned by the Optionee to the Corporation and reinstated as authorized but unissued Shares and the terms of the Option set forth in the Plan shall again apply to the Option. If any Optioned Shares are returned to the Corporation under this section, the Corporation shall refund the exercise price to the Optionee for such Optioned Shares. Other than in circumstances contemplated in section 11.1, in no event shall the Optionee be entitled to dispose of the Optioned Shares otherwise than pursuant to a Change of Control Transaction.”

- 5. The Board of Directors of the Corporation be authorized to make such other changes to the Stock Option Plan that are of a non-material and housekeeping nature.
- 6. The Board of Directors of the Corporation be authorized to make any changes to the amended Stock Option Plan as may be required by the TSX Venture Exchange.
- 7. The Corporation’s “rolling” Stock Option Plan, as amended and as described in the Corporation’s Information Circular dated May 3, 2010 and the grant of options under the Stock Option Plan in accordance therewith, be approved.”
- 8. Any director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.”

In order to be effective, the foregoing ordinary resolutions must be approved by a simple majority of the votes cast by those shareholders of the Corporation who, being entitled to do so, vote in person or by proxy at the Meeting in respect of such resolutions.

**The persons named in the enclosed proxy form intend to vote IN FAVOUR of the resolution to approve the amended Plan and the amendment thereto referred to above, unless the shareholder giving the proxy has indicated otherwise, or has shown his intent to vote against such a proposal.**

#### **Indebtedness of Directors & Executive Officers**

At no time during the Corporation's last completed financial year, or as of May 3, 2010, was any director, executive officer, employee, proposed management nominee for election as a director of the Corporation nor any associate of any such director, executive officer, or proposed management nominee of the Corporation or any former director, executive officer or employee of the Corporation is or has been indebted to the Corporation or is or has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, other than routine indebtedness.

#### **Interest of Informed Persons in Material Transactions**

Other than as mentioned in this Circular and other than transactions carried out in the ordinary course of business of the Corporation, none of the directors or executive officers of the Corporation, a director or executive officer of a person or company that is itself an informed person of the Corporation, nor any shareholder beneficially owning, directly or indirectly, Shares, or exercising control or direction over Shares, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding Shares nor an associate or affiliate of any of the foregoing persons has, since January 1, 2009, any material interest, direct or indirect, in any transaction which materially affected or would materially affect the Corporation.

#### **Management Contracts**

No management functions of the Corporation or its subsidiaries are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

#### **Corporate Cease Trade Orders or Bankruptcies**

None of the proposed directors or any of their personal holding companies:

- (a) is, as at the date of this Circular, or has been within ten years preceding the date of this Circular, a director, chief executive officer or chief financial officer of any company, that:
  - (i) was subject to a cease trade order or similar order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to a cease trade order or similar order that denied the issuer access to any exemption under securities legislation, in each case that was in effect for a period of 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this Circular, or has been within the ten 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

- (c) has, within ten years before the date of 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 proposed director.

None of the proposed directors or any of their personal holding companies has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

### **Appointment of Auditors**

BDO Canada LLP, 925 West Georgia Street, Vancouver, BC have been the auditors of the Corporation since March 2, 2007. **Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote IN FAVOUR of the reappointment of BDO Canada LLP to hold office until the next Annual General Meeting of shareholders and to authorize the directors to fix their remuneration for the year.**

### **Corporate Governance**

#### **Statement on Corporate Governance Practices**

Effective June 30, 2005, National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”) was adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. The Corporation is committed to high standards of corporate governance. The corporate governance practices adopted by the Corporation are described below.

#### ***Structure and Compensation***

The Board is currently composed of six (6) directors. All of Management's proposed nominees for election as a Director at the Meeting, except Mr. Yarrow, are current Directors of the Corporation. National Policy 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under National Instrument 52-110 ("NI 52-110"). NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the Corporation. "Material relationship" is defined as a relationship that could, in the view of the Corporation's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. Of Management's proposed nominees, two (2), being John Knowles, President and Chief Executive Officer, and Glen Gowryluk, Chief Financial Officer, are "insiders" or management directors, and, accordingly are not considered to be "independent". All other Management nominees, namely, Andrew Daniels, Denis Fillion, Charles Pitcher and Edward Yarrow, are considered by the Board to be "independent" within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each Director have been examined in relation to a number of factors. The independent Directors exercise their responsibilities for independent oversight of management, and are provided with leadership through their position on the Board and ability to meet independently of Management whenever deemed necessary.

The employment agreement between the Corporation and the President and Chief Executive Officer provides for an annual salary of \$200,000 together with specified grants of incentive stock options for acting as such. The Management Resources and Compensation Committee worked with an executive placement firm in recruiting and determining the compensation for the President and Chief Executive Officer, taking into consideration such factors as the market expectations for such a position with a junior exploration company and the experience and qualifications of the successful candidate. With effect from December 15, 2008, in recognition of the limited

availability of financing for exploration companies such as the Corporation, the President and Chief Executive Officer proposed, and the Corporation agreed, that his monthly compensation be reduced by 50%, and the parties subsequently agreed that his monthly compensation be restored, effective November 1, 2009 to 75% of his full salary, subject to ongoing review on a month-by-month basis. The termination provisions of the employment agreement, based on his salary without the temporary reduction, were unchanged.

The Corporation does not currently pay its Directors any remuneration, as such, and the only compensation received by non-management Directors is through the grant of incentive stock options. The quantity and quality of the Board compensation is reviewed on an annual basis. The number of options to be granted is determined by the Board as a whole, thereby providing the independent Directors with significant input into compensation decisions. Options to be granted to "management" Directors are required, as a matter of board practice, to be reviewed and approved by the "non-management" Directors.

The following Directors of the Corporation are directors of other reporting issuers:

<b>Name of Director</b>	<b>Other Reporting Issuers</b>	<b>Exchange</b>
Charles G. Pitcher	Western Coal Corp. SNS Silver Corp.	TSX TSXV
John L. Knowles	HudBay Minerals Inc.	TSX

#### ***Nomination and Assessment***

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the individual board members, including both formal and informal discussions among Board members and the Chairman and President. The current size of the Board is such that the entire Board takes responsibility for selecting new Directors and assessing current Directors. Proposed Directors' credentials are reviewed in advance of a Board Meeting with one or more members of the Board prior to the proposed Director's nomination.

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual Directors, but will consider implementing one in the future should circumstances warrant. Based on the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

New Directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Corporation's size and current level of operations.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing businesses. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Corporation's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Corporation's Board.

#### ***Expectations of Management and Ethical Business Conduct***

The Board expects management to operate the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's

business plan and to meet performance goals and objectives. During 2008 the Board adopted a written Code of Business Conduct and Ethics.

### ***Committee Responsibilities and Activities***

Committees of the Board are an integral part of the Corporation's governance structure. At the present time, the standing committees are comprised of the Audit Committee, the Management Resources and Compensation Committee and the Corporate Governance Committee. Please see the table under the heading "Election of Directors" in this Circular for disclosure of the membership of each committee.

The Management Resources and Compensation Committee and the Board of Directors as a whole are responsible for the appointment or removal of executive officers, including a review of their performance and fixing their remuneration. This committee also administers the stock option plan of the Corporation and ensures that compensation programs are continuously suitable for acquiring, retaining and motivating employees.

The Corporate Governance Committee oversees the implementation of the corporate governance guidelines enunciated above and, where and if deemed appropriate, shall develop modifications thereto.

### **Audit Committee's Charter**

Under NI 52-110, companies are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee's charter, the composition of the audit committee and the fees paid to the external auditor. This information is provided in Appendix "A" hereto.

### **Other Matters to be Acted Upon**

As of the date hereof, management is not aware of other matters to be acted upon at this Meeting. **However, should any matter be properly brought forth before the Meeting, the accompanying proxy will be voted in accordance with the best judgment of the person or persons voting the proxy.**

### **Additional Information**

Additional information regarding the Corporation and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com) "Company Profiles – Wildcat Exploration Ltd.". The Corporation's financial information is provided in the Corporation's audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above. Shareholders of the Corporation may request copies of the Corporation's financial statements and related management discussion and analysis by contacting the Corporation in writing at Suite 203 - 1780 Wellington Avenue, Winnipeg, MB, R3H 1B3 CANADA, Attn: Mr. John Knowles.

## Appendix A

### Audit Committee

#### Composition of the Audit Committee

The following directors are members of the Audit Committee (“Audit Committee”):

Andrew Daniels	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Robert Dzisiak <sup>(4)</sup>	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Denis Fillion	Independent <sup>(3)</sup>	Financially literate <sup>(2)</sup>

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation that could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
- (3) In 2007, Mr. Fillion provided consulting services to Wildcat through Denis G. Fillion Ltd., CMA on a short-term basis while the Corporation transitioned to new financial statement reporting software. These services are not considered to have created a material relationship, as defined in NI 52-110.
- (4) Mr. Dzisiak is not standing for re-election as a Director at the Meeting. Following the Meeting the Directors intend to meet and appoint a third member of the Audit Committee.

#### Relevant Education and Experience

##### *Andrew Daniels*

In 1995, Mr. Daniels, who holds a Bachelor of Science in Management, founded Daniels Trading, a commodity futures and options brokerage firm, headquartered in Chicago IL., and he has been CEO since inception. Daniels Trading advises commercial and high net worth individuals in trading global markets.

##### *Robert Dzisiak*

Mr. Dzisiak, who holds a Masters degree in Agricultural Economics, has served as President and CEO of Investment Dealers Association of Canada listed firms for more than ten years. He is CEO of R.J. O'Brien Canada, a commodities merchant firm and he has served as a director for a number of publicly traded companies. He is past chairman of the Winnipeg Commodity Exchange and served as a director from 1996 until 2006. He was also a director of the Winnipeg Commodity Exchange Clearing Corp. from 1998 until 2006.

##### *Denis Fillion*

Mr. Fillion is the owner of Denis G. Fillion Ltd, Certified Management Accountant. Mr. Fillion has been practicing public accounting since 1972. His clients have included a broad range of enterprises across Canada.

## **Audit Committee Charter**

The following is the text of the Audit Committee's Charter.

### **1. Overall Purpose / Objectives**

The Audit Committee will assist the board of directors (the "Board") in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Corporation's business, operations and risks.

### **2. Authority**

2.1 The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Corporation officers at meetings as appropriate.

### **3. Organization**

#### Membership

3.1 The Audit Committee will be comprised of at least three members, a majority of which are not officers or employees of the Corporation.

3.2 The chairman of the Audit Committee will be nominated by the committee from time to time.

3.3 A quorum for any meeting will be two members.

3.4 The secretary of the Audit Committee will be the Corporation secretary, or such person as nominated by the Chairman.

#### Attendance at Meetings

3.5 The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.

3.6 Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.

3.7 The proceedings of all meetings will be minuted.

### **4. Roles and Responsibilities**

The Audit Committee will:

4.1 Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

4.2 Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

- 4.3 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- 4.4 Review any legal matters which could significantly impact the financial statements as reported on by the chief financial officer and meet with outside counsel whenever deemed appropriate.
- 4.5 Review the annual and quarterly financial statements including Management's Discussion and Analysis and annual and interim earnings press releases prior to public dissemination, including any certification, report, opinion, or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- 4.6 Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- 4.7 Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- 4.8 Review audit issues related to the Corporation's material associated and affiliated companies that may have a significant impact on the Corporation's equity investment.
- 4.9 Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- 4.10 Evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
- (a) actual financial results for the interim period varied significantly from budgeted or projected results;
  - (b) generally accepted accounting principles have been consistently applied;
  - (c) there are any actual or proposed changes in accounting or financial reporting practices;
  - (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- 4.11 Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- 4.12 Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Corporation. The Board authorizes the Chairman of the Audit Committee to approve any non audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non audit or additional work.
- 4.13 Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.
- 4.14 Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- 4.15 Review and approve the Corporation's hiring policies regarding partners, employers and former partners and employees of the present and former external auditors of the Corporation.

- 4.16 Establish a procedure for:
- (a) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
  - (b) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- 4.17 Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- 4.18 Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- 4.19 Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- 4.20 Perform other functions as requested by the full Board.
- 4.21 If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
- 4.22 Review and recommend updates to the charter; receive approval of changes from the Board.
- 4.23 With regard to the Corporation's internal control procedures, the Audit Committee is responsible to:
- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those related to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management; and
  - (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Audit Committee may deem appropriate; and
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
  - (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation 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.

## Pre Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Corporation's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve any non-audit services or additional work which the Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

### External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit-Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2009	\$35,000 <sup>(5)</sup>	--	\$1,500 <sup>(5)</sup>	--
2008	\$35,000	\$2,765	\$2,440	\$1,456

Notes:

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements which are not included under the heading "Audit Fees".
- (3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".
- (5) Estimated

### Exemption

The Corporation has relied upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers from the requirement to comply with the restrictions on the composition of its audit committee and the disclosure requirements of its audit committee in an annual information form as prescribed by NI 52-110.