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**ARIANNE RESOURCES INC.**

**SPECIAL ANNUAL GENERAL MEETING OF THE SHAREHOLDERS**

**MANAGEMENT PROXY CIRCULAR**

**MAY 6, 2010**

## NOTICE OF SPECIAL ANNUAL GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting (the “**Meeting**”) of the Shareholders of ARIANNE RESOURCES INC. (the “**Corporation**”) will be held at the Hotel Fairmont Queen Elizabeth, room Chambly, located at 900 Rene-Levesque West blvd, Montreal (Quebec), on June 15 2010 at 3.00 p.m. ( local time), for the following purposes:

- 1° to receive the audited financial statements of the Corporation for the year ended December 31, 2009 and the Auditor’s report thereon;
- 2° to elect the Directors of the Corporation for the ensuing year;
- 3° to appoint the Auditors of the Corporation for the ensuing year and to authorize the Directors to fix its remuneration;
- 4° to consider and, if judged appropriate, to approve the modification to the Corporation’s Stock option plan allowing the issuance of 5,100,000 common shares of the Corporation;
- 5° to consider and, if judged appropriate, to approve the reduction of the exercise price of stock options;
- 6° to transact such other matters as may properly come before the Meeting and any adjournment thereof.

You have the right to receive notice of and to vote at the Meeting if you were a shareholder of the Corporation on the close of business on May 3<sup>rd</sup>, 2010 (the “**Record Date**”). The accompanying Management Proxy Circular (the “**Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and is deemed to be part of this Notice.

Saguenay, Quebec, May 6, 2010

**BY ORDER OF THE BOARD OF DIRECTORS,**

*Bernard Lapointe (Signed)*

CEO

**THE BOARD OF DIRECTORS INVITES EACH SHAREHOLDER TO PERSONALLY ATTEND THE MEETING. IF YOU ARE UNABLE TO ATTEND THE MEETING IN PERSON, YOU MAY BE REPRESENTED BY PROXY. SUCH PROXY IS NOT REQUIRED TO BE A SHAREHOLDER TO ACT IN SUCH CAPACITY.**

**SHAREHOLDERS ARE REQUESTED TO COMPLETE, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY FORM IN THE ENVELOPE PROVIDED AT THEIR EARLIEST CONVENIENCE. THE VOTING RIGHTS ATTACHED TO YOUR SHARES WILL BE VOTED OR WITHHELD FROM VOTING IN ACCORDANCE WITH THE INSTRUCTIONS INDICATED ON THE PROXY FORM.**

## **ARIANNE RESOURCES INC.**

*(The “Corporation”)*

### **INFORMATION CIRCULAR**

**May 6, 2010**

#### **SOLICITATION OF PROXIES**

This Management Proxy Circular (the “**Circular**”) pertains to the solicitation, by management of the Corporation of proxies to be used at the Special Annual General Meeting of the Shareholders of the Corporation (the “**Meeting**”) which will be held on the date, at the place and for the purposes indicated in the attached notice of meeting (the “**Notice of Meeting**”) or any adjournment thereof. The Corporation is assuming the cost of this solicitation, which is being done by mail.

*Shareholders who cannot attend the meeting are asked to complete the enclosed proxy form (the “Proxy Form”) and return it to Proxy department, Computershare Trust company of Canada, 100, University avenue, 9<sup>th</sup> Floor, Toronto (Ontario) M5J 2Y1, no later than the close of business on June 11<sup>th</sup>, 2010. If the shareholder is a corporation, the signature of an officer on the Proxy Form shall be duly authorized in writing.*

#### **APPOINTMENT OF PROXIES**

The persons named in the attached Proxy Form are Directors of the Corporation. **Every shareholder has the right to appoint a proxy to represent him at the Meeting other than the persons whose name appears as proxies in the Proxy Form attached hereto by striking out the printed names and inserting the name of the proxy of his choice in the space provided for this purpose. A person thus appointed as a proxy need not be a shareholder of the Corporation.**

#### **RIGHT OF REVOCATION OF PROXIES**

A shareholder who grants a proxy may revoke it a any time as to any matter in respect of which a vote has not already been taken by written instrument executed by such shareholder or by his representative duly authorized in writing, or if the shareholder is a corporation, under the signature of an officer or proxy holder duly authorized in writing, and by depositing such instrument of revocation at the head office of the Corporation or at Proxy department, Computershare Trust company of Canada, 100, University avenue, 9<sup>th</sup> Floor, Toronto (Ontario) M5J 2Y1, no later than the close of business on the second business day preceding the date of the meeting (excluding Saturdays, Sundays and statutory holidays) or by delivering it to the Chairman of the said Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof.

#### **EXERCISE OF DISCRETIONARY POWER BY PROXIES**

The voting right conferred by the Common Shares (the “**Shares**”), for which a proxy is given in the Proxy Form duly signed in favour of the persons designated therein, will be exercised on any vote held at the Meeting in accordance with the instructions indicated thereon. The Directors soliciting the proxy undertake to follow the instructions given by a shareholder in the Proxy Form.

**If no instructions are given that the proxy holder withhold from voting on any matters described in the Notice of Meeting, the voting rights attached to the Shares will be exercised by those persons designated in the Proxy Form and will be voted IN FAVOUR of all the matters described herein.**

**The enclosed Proxy Form confers discretionary voting authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, and with respect to such matters as may properly be brought before the Meeting. As of the date hereof, management of the Corporation knows of no such amendments or other matters to come before the Meeting.**

### NON-REGISTERED HOLDERS

Only registered holders of Shares at the closing of business on May 3<sup>rd</sup>, 2010 (the “**Record Date**”), or the persons they appoint as their proxy, are permitted to attend and vote at the Meeting.

However, in many cases, Shares beneficially owned by a holder (a “**Non- Registered Holder**”) are registered either in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Shares (intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSP’s, RRIF’s, RESP’s and similar plans) or in the name of a depository (such as the Canadian Depository for Securities limited or “**CDS**”).

In accordance with Canadian securities laws, the Corporation has distributed copies of the Notice of Meeting, the Circular and the Proxy Form (collectively, the “**Meeting Materials**”) to CDS and Intermediaries for onward distribution to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive the Meeting Materials will either:

(a) be given a Proxy Form which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Shares beneficially owned by the Non-Registered Holders but which is otherwise left in blank. Because the Intermediary has already signed the Proxy Form, this Proxy Form is not required to be signed by the Non-Registered Holders when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy Form should otherwise properly complete the Proxy Form and deposit it with the Corporation’s registrar and transfer agent; or

(b) more typically be given a voting instruction form which is signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**Proxy Authorization Form**”) which the Intermediary must follow. Typically, the Proxy Authorisation Form will consist of a one-page pre-printed form. Sometimes, instead of the one-page pre-printed form, the Proxy Authorisation Form will consist of a regular printed Proxy Form accompanied by a page of instructions which contains a removable label containing a bar code and other information. In order for the Proxy Form to validly constitute a Proxy Authorization Form, the Non-Registered Holder must remove the label from the instructions and affix it to the Proxy Form, properly completed and sign the Proxy Form and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. If a Non-Registered Holder who receives one of the above forms wishes to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxy holders printed in the accompanying Proxy Form and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy Form or Proxy Authorization Form is to be delivered.

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

Except as otherwise herein disclosed, none of the Directors, executive officers of the Corporation and none of the proposed nominees for election as a Director of the Corporation, nor any of their affiliates or associates have any material interest, directly or indirectly, by way of their beneficial ownership of the Shares or otherwise in any of the matters to be acted upon at the Meeting.

## **VOTING SHARES AND THEIR PRINCIPAL HOLDERS**

The share capital of the Corporation is made of an unlimited number of Shares without par value. As at the date hereof, the Corporation had 25,923,016 Shares issued and outstanding.

To the knowledge of the directors and senior officers of the Company, there is no beneficial owners or persons exercising control or direction over Company shares carrying more than 10 % of the outstanding voting rights.

**Each holder of Shares is entitled to vote at the Meeting or at any adjournment thereof on the basis of one vote for each Share registered in the holder's name.** A transferee of Shares acquired after the Record Date shall be entitled to vote at the Meeting or any adjournment thereof, if he produces properly endorsed certificates for such Shares, or otherwise establishes that he owns such shares and has demanded not later than ten days before the Meeting that his name be included in the list of shareholders entitled to receive the Notice of Meeting prepared by the Corporation as of the Record Date.

## **RIGHTS ATTACHED TO THE SHARES**

Besides conferring the right to one vote per Share and to attend and vote at any meeting of the shareholders of the Corporation, each Share entitles the holder thereof, on a *pari passu* basis, to receive any dividends declared, paid or set aside by the Corporation and to participate equally in any distribution of the remaining assets of the Corporation after payment of its debts, upon winding up or dissolution of the Corporation.

## **BUSINESS TO BE TRANSACTED AT THE MEETING**

### **Financial Statements Presentation** (*Heading no.1 of the Notice of Meeting*)

The annual report, including the financial statements of the Corporation for the financial year ended December 31, 2009 and the related auditor's report, will be presented at the Meeting. These documents are included therein.

### **Election of the Directors** (*Heading n°2 of the Notice of Meeting*)

Under its General By-laws, the Corporation is administered by a Board of Directors (the "**Board of Directors**"). Currently, the Corporation has 6 Directors sitting on the Board of Directors. Management proposes to elect 6 Directors at the Meeting. The mandate of each Director elected at the Meeting expires on the date of the next Annual General Meeting of Shareholders following his election or appointment or on the date when his successor is elected or appointed, unless such Director resigns or his position becomes vacant due to his death or another reason according to the By-laws of the Corporation.

**The persons named in the attached Proxy Form intend to vote IN FAVOUR of the election of the nominees named below, unless the signatory shareholder of a proxy has indicated his intention to withhold from voting during the election of the Directors.**

Management of the Corporation considers that none of the candidates will be unable to act as Director or no longer wishes, for any reason, to fulfill this function, but in the event of a change for any reason whatsoever before the Meeting is held, the persons mentioned in the attached Proxy Form reserve the right to vote for other candidates of their choice.

### Nominees to the Board of Directors

Name, municipal address residency and present position with the Company	Main Occupation	Date on which elected director	Number of common shares owned as of May 6, 2010
Bernard Lapointe Chicoutimi, QC CEO and director	CEO of the Company	December 19, 2002	1,076,264
Denis Bélisle Candiac, QC Corporate Secretary and director	General Manager Legal Affairs, human resources and technical services of the Société de télédiffusion du Québec (Télé-Québec)	September 21, 2005	160,200
Norman Forrest Laval, QC Vice president – Investor Relations and director	Vice-president–Investor Relations for the Company	June 21, 2005	191,767
Serge Servant Val D'Or, QC Director	General manager – Forages Nordic	December 24, 2004	24,000
Luc Boivin La Baie, QC Director	Vice president, Marketing – Fromageries Boivin Inc.	September 21, 2005	0
Alain Vachon Candiac, QC Director	Consulting Geologist	February 25, 2008	16,500

#### Notes

The information relating to the number of Shares held or over which control is exercised has been provided by each nominee.

#### **Appointment of the Auditors** (*Heading n°3 of the Notice of Meeting*)

Dallaire & Lapointe Inc., Chartered Accountants is the auditor of the Corporation. **The persons mentioned in the attached Proxy Form intend to vote IN FAVOUR of the appointment of Dallaire & Lapointe Inc., Chartered Accountants as auditor of the Corporation at the Meeting** and to authorize the Directors to determine its compensation, unless the signatory shareholder of the proxy has indicated his intention to withhold form voting on the appointment of the auditors.

**Modification to the Corporation's Stock option plan allowing the issuance of 5,100,000 common shares of the Corporation** (*Heading n° 4 of the Notice of Meeting*)

The Corporation's stock option plan (the « Plan »), from which options can be awarded in favor of the Corporation's officers, directors, consultants or employees (the « Beneficiaries »), enables the Corporation to grant options to the Beneficiaries.

The goal of the Plan is to provide access to the Beneficiaries to the growth and development of the Corporation giving them the possibility, with options on shares, to purchase an increased financial participation in the Corporation.

During a meeting that was held on April 30, 2010, the Corporation's board of directors adopted a resolution to modify the stock option plan. The Corporation proposes to modify the Plan in order to increase to 5,100,000 shares, the maximum number of shares that can be issued within the Plan, in accordance with the TSX Venture Exchange Policies. The strike price and conditions are determined by the board of directors. This strike price cannot be lower than the stock price, according to the rules of the authorities under which the Corporation operates.

**THE COMPANY DIRECTORS RECOMMEND THAT SHAREHOLDERS VOTE FOR THE RESOLUTION THAT WILL INCREASE THE NUMBER OF SHARES AVAILABLE FOR INCENTIVE STOCK OPTIONS WITHIN THE PLAN TO 5,100,000 SHARES. THIS RESOLUTION WILL HAVE TO BE APPROVED BY A MAJORITY OF APPROVAL VOTES FROM DISINTERESTED SHAREHOLDERS.**

It is understood that this resolution will have to be approved by a majority of votes by all shareholders during the Meeting, these votes will not include the following shareholders : i) insiders to which options can be granted within the Plan ii) individuals that are related to these insiders. THE NUMBER OF SHARES EXCLUDED FROM THIS VOTE REPRESENTS 1,518,046 SHARES.

**Reduction of the exercise price of stock options** (*Heading n° 5 of the Notice of Meeting*)

The Company's stock option plan (the « Plan »), from which incentive stock options can be granted to officers, directors and consultants ( the « Beneficiaries »), enables the Company to grant options to the Beneficiaries. The goal of the Plan is to provide access to the Beneficiaries to the growth and development of the Company giving them the possibility, with options on shares, to purchase an increased financial participation in the Company.

On April 16, 2010 the board of directors cancelled 1,464,000 stock options. These options had exercise prices ranging between \$0.50 and, \$1.28 due to the 2009 1 for 5 consolidation and new stock options were awarded at a price of \$0.15. The goal of this process is to better reflect current market conditions in order to reactivate the original incentive for creating shareholder value. The directors therefore ask the approval of the non-management shareholders for the reduction of the exercise price at \$0.15 of the following stock options:

Name	Held Options targeted	Initial exercise price	New exercise price for approval
Bernard Lapointe	60 000	1,20 \$	0,15 \$
	20 000	0.90 \$	0.15 \$
	20 000	0.75 \$	0.15 \$
	90 000	0.50 \$	0.15 \$
	55 000	0.55 \$	0.15 \$

<b>Name</b>	<b>Held Options targeted</b>	<b>Initial exercise price</b>	<b>New exercise price for approval</b>
Luc Boivin	20 000	0,78 \$	0,15 \$
	20 000	1.28 \$	0.15 \$
	20 000	0.90 \$	0.15 \$
	10 000	0.75 \$	0.15 \$
	70 000	0.50 \$	0.15 \$
	30 000	0.50 \$	0.15 \$
Denis Bélisle	80 000	0,95 \$	0,15 \$
	20 000	0.90 \$	0.15 \$
	20 000	0.75 \$	0.15 \$
	70 000	0.50 \$	0.15 \$
	30 000	0.50 \$	0.15 \$
Lucie Hébert	50 000	0,50 \$	0,15 \$
	20 000	0,50 \$	0,15 \$
Serge Servant	24 000	0,90 \$	0,15 \$
	10 000	0,75 \$	0,15 \$
	70 000	0,50 \$	0,15 \$
	30 000	0,50 \$	0,15 \$
Norman Forrest	20 000	0,78 \$	0,15 \$
	40 000	1.28 \$	0,15 \$
	20 000	0.90 \$	0.15 \$
	20 000	0.75 \$	0.15 \$
	70 000	0.50 \$	0.15 \$
	55 000	0.50 \$	0.15 \$
Alain Vachon	100 000	0,50 \$	0,15 \$
	30 000	0,50 \$	0,15 \$
Nadège Tollari	30 000	0,50 \$	0,15 \$
	20 000	0,50 \$	0,15 \$
	5 000	0,55 \$	0,15 \$
	5 000	0,50 \$	0,15 \$
Consultant	20 000	1,20 \$	0,15 \$
Consultant	40 000	0,50 \$	0,15 \$
Consultant	20 000	0,78 \$	0,15 \$
Consultant	10 000	0,50 \$	0,15 \$
Employee	20 000	0,90 \$	0,15 \$
	20 000	0,50 \$	0,15 \$
	20 000	0,50 \$	0,15 \$
Employee	5 000	0,55 \$	0,15 \$
	5 000	0,50 \$	0,15 \$
	5 000	0,50 \$	0,15 \$

Name	Held Options targeted	Initial exercise price	New exercise price for approval
Employee	5 000	0.55 \$	0.15 \$
	5 000	0.50 \$	0.15 \$
	5 000	0.50 \$	0.15 \$
Employee	5 000	0.55 \$	0.15 \$
	5 000	0.50 \$	0.15 \$
	5 000	0.50 \$	0.15 \$
Employee	5 000	0.55 \$	0.15 \$
	5 000	0.50 \$	0.15 \$
	5 000	0.50 \$	0.15 \$

None of these options were exercised to date and it is understood that none of these options can be exercised before the present shareholder approval.

**Company directors recommend that shareholders approve the resolution approving the reduction of the exercise price of 1,464,000 stock options at an exercise price of \$0.15 for the officers, directors, employees and consultants mentioned in the above table.**

**Unless instructed otherwise, proxyholders will exercise their voting rights in favor of the approval, ratification and the confirmation of the resolution mentioned herein. This resolution requires the approval of the majority of votes expressed by non-related shareholders, present or otherwise represented at the Meeting. THE NUMBER OF SHARES EXCLUDED FROM THIS VOTE REPRESENTS 1,518,046 SHARES.**

## **COMPENSATION OF DIRECTORS AND SENIOR OFFICERS**

During the fiscal year ended Decemer 31, 2009, the Corporation had 4 senior executive officers. An aggregate amount of \$205,500 (including all personal benefits) was paid to the 4 senior executive officers (the “**Named Executive Officers**”) by the Corporation during the fiscal year ended December 31, 2009,

### **Compensation Discussion and Analysis**

The executive compensation policy of the Corporation is designed to offer competitive compensation enabling the Corporation to attract and retain qualified, high-calibre staff. It will seek to motivate executive officers to exceed established objectives so as to maximize the long-term return on shareholders' investment.

### **Components of Aggregate Compensation**

The aggregate compensation of the Named Executive Officers currently consists of one or more of the following elements:

- (a) a base monetary compensation which is competitive with the median of the reference market;
- (b) option grants designed to attract experienced personnel and encourage them to promote the Corporation’s interests and activities to the best of their knowledge; and

## Base Compensation

The base monetary compensation of the Named Executive Officers is based on competitive salaries for positions of similar responsibilities in other similar Canadian corporations. The Corporation's policy is to review the salary level of its Named Executive Officers on an annual basis and to consider, if applicable, adjustments reflecting the acquisition and use of key skills and individual contributions to the Corporation's results for the latest financial year. The Board of Directors decides if adjustments are required.

## Incentive compensation

Option grants are designed to attract and retain key personnel. Option grants to Beneficiaries are established by the Board of Directors on a continuous basis, based on the the fulfilment of certain objectives in the financial performance and growth of the Corporation and taking into account the contribution of each individual Beneficiaries in the fulfilment of such goals.

## Compensation of the President and Chief Executive Officer

The remuneration of the President and Chief Executive Officer, as indicated above, is reviewed by the Board of Directors of the Corporation which takes any decision in that regard. The President and Chief Executive Officer's monetary compensation is based on comparable market considerations and the Board of Directors' assessment of his performance, having regard to the Corporation's profitability and progress in achieving strategic objectives.

## Executive Officers Summary Compensation Table

Name and principal occupation	Year	Salary (\$)	Share - based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		All other compensation <sup>(1)</sup> (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans		
Bernard Lapointe CEO	2009	-	-	2 250 \$	-	-	115,000 <sup>(2)</sup>	117,250
	2008	-	-	0 \$	-	-	115,000 <sup>(2)</sup>	115,000
	2007	-	-	0 \$	-	-	24,000	24,000
Lucie Hébert CFO	2009	-	-	2 250 \$	-	-	50,500	52,750
	2008	-	-	0 \$	-	-	10,500	10,500

(1) Management fees are paid to companies controlled by the officers

(2) Management exploration fees of \$91,000 are included in this amount

During the year ended December 31, 2009, the Corporation did not pay any other form of compensation to the Directors.

No Director or member of senior management or officer of the Corporation is indebted to the Corporation for the year ended December 31, 2009.

## Incentive Plan Awards

### *Outstanding share-based awards and option-based awards*

As of the date of the Circular the Directors and executive officer of the Corporation held the following number of options:

Option-based Awards					Share-based Awards	
Name	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 (\$)
Bernard Lapointe	50,000	0.11 \$	July 13, 2019	2 250	-	-
	245,000	0.15 \$	April 16, 2020	0	-	-
Lucie Hébert	50,000	0.11 \$	July 13, 2019	2 250	-	-
	70,000	0.15 \$	April 16, 2020	0	-	-
Denis Bélisle	50,000	0.11 \$	July 13, 2019	2 250	-	-
	220,000	0.15 \$	April 16, 2020	0	-	-
Norman Forrest	50,000	0.11 \$	July 13, 2019	2 250	-	-
	225,000	0.15 \$	April 16, 2020	0	-	-
Nadège Tollari	50,000	0.11 \$	July 13, 2019	2 250	-	-
	60,000	0.15 \$	April 16, 2020	0	-	-
Luc Boivin	50,000	0.11 \$	July 13, 2019	2 250	-	-
	170,000	0.15 \$	April 16, 2020	0	-	-
Serge Servant	50,000	0.11 \$	July 13, 2019	2 250	-	-
	134,000	0.15 \$	April 16, 2020	0	-	-
Alain Vachon	50,000	0.11 \$	July 13, 2019	2 250	-	-
	130,000	0.15 \$	April 16, 2020	0	-	-
Employees and Consultants hold an additional 270,000 options						
The options at \$0.15 in this table are subject to the shareholders approval at the June 15, 2010 Meeting of shareholders						

***Incentive plan awards – Value vested or earned***

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year</b>
Bernard Lapointe CEO	0	-	2 250 \$
Lucie Hébert CFO	0	-	2 250 \$

**Stock Option Plan**

The Company Stock Option Plan (the “**Stock Option Plan**”) for its officers, Directors, employees and consultants (the “**Beneficiaries**”) that allows them to participate in the Company’s growth and development, will have 5,100,000 shares available for grants if shareholders approve its modification at this shareholders meeting. Since the Company is designated as a « Tier 2 » according to the criteria of the TSX-V, it must comply with the regulatory framework of Policy 4.4 regarding stock options.

Options are not transferable and are valid for 10 years from the date of grant. The exercise price per common share is fixed by the board of directors but cannot be less than the closing price of the shares the day before the grant.

**Securities that can be issued as part of the Corporation’s Stock option Plan, as of now**

<b>Category of the Plan</b>	<b>Number of securities that has to be issued with the exercise of the options</b>	<b>Weighted average exercise price of the options</b>	<b>Securities remaining to be issued as part of the Stock option Plan</b>
<b>Stock option Plan approved by the shareholders</b>	1,944,000	\$0.52	56,000
<b>Stock option Plan not approved by the shareholders</b>	0	N/A	3,100,000
<b>Total</b>	1,944,000	-	3,156,000

**Termination of Employment, Change in Responsibilities and Employment Contracts**

The employment contracts do not include provisions regarding severance payment to be paid to each of them in the event of termination of employment.

## Remuneration of Directors

The Directors of the Corporation do not receive any compensation for the services rendered in such capacity. Directors of the Corporation who are also employees do not receive any additional remuneration for services rendered in such capacity.

## Liability Insurance

The Corporation subscribes to an insurance on behalf of its Directors and officers to cover for potential liabilities incurred in connection with their services to the Corporation. The coverage is for \$1,000,000 per insurance period, with a cost is \$7,800 per year.

## Interest of informed persons in material operations

None of the insiders of the Corporation, the proposed nominees for election as Director, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any material transaction since the beginning of the Corporation's most recently completed financial year, or in any proposed material transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name	Independence <sup>(1)</sup>	Financial Literacy <sup>(2)</sup>
Bernard Lapointe	Non-independent	Financially Literate
Luc Boivin	Independent	Financially Literate
Serge Servant	Independent	Financially Literate

(1) Pursuant to MI 52-110, an audit committee member is independent if he or she has no direct or indirect "material relationship"; (as such term is defined in MI 52-110) with the issuer.

(2) Pursuant to MI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

## External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors during the financial years ended December 31, 2009 and 2008 were as follows:

Financial Year Ended December 31	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2009	\$28,150	-	\$1,990	\$505
2008	\$25,000	-	-	\$10,000

## **DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES**

National Instrument 58-101 – Disclosure of Corporate Governance Practices (**NI 58-101**) enacted by the Canadian Securities Administrators provides for greater transparency regarding corporate governance practices. As the Corporation is a venture issuer, it is required to describe its position with regard to the matter contained in the Form 58-101F2 of NI-58-101.

### **1. Board of Directors**

*Disclose how the board of directors (the “board”) facilitates its exercise of independent supervision over management, including (i) the identity of directors who are independent, and (ii) the identity of directors who are not independent, and the basis for that determination. If the disclosure is included in a management information circular distributed to security holders of the issuer for the purpose of electing directors to the issuer’s board of directors, provide disclosure regarding the existing directors and any proposed directors.*

Pursuant to NI 58-101, in a jurisdiction other than British Columbia, a director is independent if he or she would be independent within the meaning of section 1.4 of MI 52-110 on the Audit Committee, i.e. if he or she has no direct or indirect material relationship with the issuer, that is, a material relationship which could, in the view of the issuer’s board of directors, reasonably interfere with the exercise of a committee member’s independent judgment or a relationship with the issuer which is one of those described in same section. In British Columbia, a director is independent if (a) a reasonable person with knowledge of all the relevant circumstances would conclude that the director is independent of management of the issuer and of any significant security holder, or (b) the issuer is a reporting issuer in a jurisdiction other than British Columbia, and the director is independent under subsection 1.2(1) on Meaning of Independence of NI-58-101.

The Board is constituted of a majority of individuals who qualify as independent directors since, of the six (6) current directors, four (4) are unrelated to the Corporation. Mr. Alain Vachon, Luc Boivin, Norman Forrest and Serge Servant are deemed “independent” since in the Board’s opinion, they are unrelated to management and free of all interests, business dealings or other relationships, which could or could conceivably be perceived as being able to significantly interfere with the ability of such directors to act in the best interests of the Corporation, other than the interest and relationship that arises from stock ownership.

Mr. Bernard Lapointe and Denis Bélisle are deemed directors who are “not independent” since they are part of the senior management.

### **2. Directorships**

*If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a Canadian or foreign jurisdiction, identify both the director and the other issuer. If the disclosure is included in a management information circular distributed to security holders of the issuer for the purpose of electing directors to the issuer’s board of directors, provide disclosure regarding the existing directors and any proposed directors.*

Mr. Denis Bélisle is also a director of Vantex Resources Ltd. and Vanstar Mining Resources Inc. which are reporting issuers in the Provinces of Quebec, Alberta and British Columbia and whose shares are listed on the TSX Venture Exchange.

### **3. Orientation and Continuing Education**

*Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.*

The directors shall keep up to date and shall receive copies of all the necessary and latest information during meetings of the Boards of Directors, the Audit Committee and the Human Resources and Corporate Governance Committee. On account of the limited number of directors and the venture nature of the Corporation, no formal training system has been created.

#### **4. Ethical Business Conduct**

*Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.*

The Board of Directors acknowledges that it shall take on the responsibility of overseeing the competent and ethical operation of the Corporation. In order to guarantee that the directors exercise their judgment in an independent fashion when examining operations and contracts in which a director or a member of senior management has a significant interest, such transactions shall be reviewed and approved only by directors assembled together in a committee of the Board, where the director who has such an interest shall refrain from participating in the discussions and from voting on the matter. In addition, the Corporation shall take steps to ensure that directors do not undertake any transactions involving the Corporation's stock when important information is about to be communicated.

#### **5. Nomination of Directors**

*Disclose what steps, if any, are taken to identify new candidates for board nomination, including (i) who identifies new candidates, and (ii) the process of identifying new candidates.*

The President of the Corporation shall propose qualified candidates to fill vacant positions on the Board of Directors to the Human Resources and Corporate Governance Committee.

If a candidate is endorsed by the Human Resources and Corporate Governance Committee, the latter's name shall then be submitted to the Board of Directors for approval. The Human Resources and Corporate Governance Committee is composed of a majority of independent directors: Mr. Serge Servant (independent), Mr. Luc Boivin (independent) and Mr. Bernard Lapointe (non independent).

#### **6. Compensation**

*Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including (i) who determines compensation, and (ii) the process of determining compensation.*

The Human Resources and Corporate Governance Committee shall regularly assess the compensation policies in view of practices in the marketplace, the practices and risks typical of the industry and the inherent responsibilities of being an effective director. The Corporation's main activity is mining exploration and, at the present time, it is not generating any profits. In order to determine the compensation of the directors and the CEO, the Board of Directors shall notably take into account the contribution made by each person to the Corporation, the financial resources available to the Corporation and the compensation given to people occupying similar positions in comparable Canadian companies. To date, the Corporation's directors have not received any compensation in cash for the services they have rendered in their capacity as directors.

#### **7. Other Board Committee**

*If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.*

Apart from the Audit Committee and the Human Resources and Corporate Governance Committee, the Board has not other committee.

## **8. Assessments**

*Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.*

The informal mechanism has been implemented by the Human Resources and Corporate Governance Committee to evaluate the contribution and performance of the Board, of each of the Board's Committees and of each director of the Corporation. This Committee is currently composed of the following directors: Mr. Serge Servant, Mr. Luc Boivin and Mr. Bernard Lapointe.

## **MANAGEMENT CONTRACTS**

There are no management functions of the Corporation or any of its subsidiaries which are to any substantial degree performed by a person or a company other than the Directors or Executive Officers of the Corporation or any of its subsidiaries.

## **OTHER BUSINESS ON THE AGENDA**

Management of the Corporation has no knowledge of any changes regarding the items described in the enclosed Notice of Meeting nor of any other business which could be submitted to the Meeting, except for those items mentioned in the Notice of Meeting. However, if any change or other business is validly brought before the Meeting, the attached Proxy Form confers a discretionary power on the persons designated therein to vote as they see fit on the changes regarding any such items mentioned in the Notice of Meeting or on any other business.

## **SHAREHOLDERS PROPOSALS**

Any shareholder who wishes to submit a proposal to the Meeting must send this proposal to the Corporation before the prescribed expiration date so that it can be integrated into the Circulars with a view to such Meeting.

## **ADDITIONAL INFORMATION**

The Corporation financial information is included in the Financials Statements of the Corporation and notes thereto and in the accompanying Management's Discussion and Analysis for the fiscal year ended December 31, 2009. Copies of these documents and additional information concerning the Corporation can be found on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) and may also be obtained upon request to the secretary of the Corporation.

## **APPROVAL**

The Board of Directors of the Corporation has approved the contents of the Circular and its transmittal to the shareholders.

Dated this 6<sup>h</sup> day of May, 2010

*Bernard Lapointe (Signed)*

CEO

## SCHEDULE A

### CHARTER OF THE AUDIT COMMITTEE

#### **Purpose**

The audit committee is a standing committee of the board of directors. Its primary duty is to assist the board of directors in fulfilling its supervisory role with regard to the following:

1. The completeness of the financial statements and the information provided to shareholders and to other persons concerned.
2. The Corporation's compliance with financial regulatory requirements.
3. The accuracy and effectiveness of the internal control mechanisms implemented and maintained by management.
4. The competency, independence and performance of the external auditor who must report to the audit committee, to the board of directors and to the shareholders.

#### **Composition**

The audit committee is comprised of at least three directors, including one chairman, who are named by the board of directors every year after the annual meeting. The majority of the committee members must not be officers or other employee of the Corporation or of an affiliate.

Each committee member must meet the requirements in matters of independence, financial knowledge and experience, the requirements of the applicable laws that govern the Corporation and the rules of the Stock Exchanges on which the Corporation's shares are listed as well as the requirements of competent securities authorities.

The board of directors may, at any time, terminate a committee member's duties or replace him or her and it must fill vacant positions on the committee.

#### **Structure and functioning**

The chairman of the board, the chairman of the committee or two members of the committee may call a committee meeting at any time. The committee meets as required but not less than four times per year. *Quorum* is reached where two members are present at committee meetings, irrespective of their status, and the composition thereof must comply with the requirements of the *Canada Business Corporations Act*.

The chairman of the committee, in cooperation with the chairman of the board, draws up the agenda for each committee meeting taking into account the items appearing in the committee's activity program which is approved each year by the board of directors. At each meeting, the committee may also sit privately with only the committee members in attendance. The committee may retain the services of special consultants, where it deems it expedient, at the expense of the Corporation.

The chairman of the committee or the person appointed by him or her submits a committee activity report to the board of directors after each meeting and makes recommendations to the board of directors regarding issues that require board approval.

Each year, the committee reviews this charter and the items appearing in the committee activity program and, where necessary, recommends changes to the board of directors so that it will approve them. The committee will prepare a report to be attached to the proxy documents regarding the annual meeting. Together with the board of directors, the committee evaluates and considers the committee's annual performance.

### **Duties and responsibilities of the audit committee and review**

1. Review the unaudited interim financial statements and management's analysis of the financial situation and operating results with management and the external auditors by addressing, in particular, with the external auditors, questions that must be the subject matter of discussion pursuant to the generally accepted auditing standards that apply to the Corporation.
2. Review the press releases announcing the Corporation's financial results.
3. Review with management and the external auditors, after completion of the annual audit:
  - (a) the audited annual financial statements;
  - (b) the audit of the annual financial statements made by the external auditor as well as the latter's report thereon;
  - (c) management's analysis of the financial situation and operating results;
  - (d) any material change that had to be made to the external audit plan;
  - (e) any material question brought to management's attention during the audit, including any restriction on the scope of activities or access to information;
  - (f) any question related to the performance of the audit that must be the subject matter of discussion pursuant to the generally accepted auditing standards that apply to the Corporation.
4. Ensure that the external auditor is convinced that judgment and accounting estimates made by management as well as the accounting principles chosen by management reflect the adequate application of generally accepted accounting principles.
5. Review the Corporation's main accounting policies and methods with management and the external auditor.
6. Ensure the independence of the external auditor, given the requirements in respect thereto provided by the laws governing the Corporation and by the applicable rules of the Stock Exchanges on which the Corporation's shares are listed. At least once a year, the external auditor submits a written statement to the committee outlining all its relations with the Corporation; the committee reviews it with him or her and, where necessary, recommends that the board take the requisite measures to ensure the independence of the external auditors and their responsibility toward the committee and the board.
7. Evaluate the performance of the external auditor and recommend to the board the appointment or, where it deems it expedient, the replacement of the external auditor subject to shareholder approval.
8. Consider, review and approve the services offered by the external auditor and the fees to be paid to the external auditors with regard to the audit, to the related services rendered and to other services that are provided for by law and that comply with the guidelines established by the board limiting the recourse to the services of the external auditor.

9. Review with the external auditor and management the general scope of the annual audit plan and the resources that the external auditor will devote to the audit.
10. Require that management implement and maintain appropriate internal control mechanisms and review, evaluate and approve such mechanisms.
11. Review and discuss with the chief executive officer and chief financial officer the certificates related to the communication of the financial information and to the controls which such officers must file with securities authorities pursuant to the law.
12. Discuss the qualifications required to be a financial expert and determine if a committee member is a financial expert and ensure that the committee members have the financial knowledge.
13. Approve the methods established to deal with complaints, including anonymous complaints made by employees, regarding issues related to accounting, internal control and audit.
14. Review the Corporation's practices to ensure that any transaction made with affiliates and likely to adversely affect the solvency or the stability of the Corporation is identified.
15. Perform the other duties or exercise the powers that the board may, on a timely basis, entrust or assign to the committee as well as any other duty which the law, regulations or the applicable rules of the Stock Exchanges might impose on an audit committee.