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ARIANNE RESOURCES INC.

**ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS
MANAGEMENT PROXY CIRCULAR**

APRIL 29, 2013

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual General and Special Meeting (the "**Meeting**") of the Shareholders of ARIANNE RESOURCES INC. (the "**Corporation**") will be held at the offices of Fasken Martineau located at 800 Square Victoria, Suite 3700, Montreal (Quebec), H4Z 1E9, on May 29, 2013 at 10:00 a.m. (local time), for the following purposes:

- (1) to receive the audited financial statements of the Corporation for the year ended December 31, 2012 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, PricewaterhouseCoopers LLP, for the ensuing year and to authorize the directors to fix its remuneration;
- (4) to adopt a special resolution to amend the articles of the Corporation to change the name of the Corporation from "Arianne Resources Inc." to "Arianne Phosphate Inc." and
- (5) 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 April 19, 2013 (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, April 29th, 2013

BY ORDER OF THE BOARD OF DIRECTORS,

L. Derek Lindsay (signed)

Chief Financial Officer

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 IN ACCORDANCE WITH THE INSTRUCTIONS INDICATED ON THE PROXY FORM.

ARIANNE RESOURCES INC.

(the "Corporation")

INFORMATION CIRCULAR

April 29, 2013

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 Annual General and Special 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. Accordingly, the management of the Corporation has drafted this Circular that it is sending to all the security holders entitled to receive a notice of meeting.

If you cannot attend the Meeting in person, complete and return the enclosed form of proxy following the instructions therein.

QUORUM FOR THE TRANSACTION OF BUSINESS

The Corporation's by-laws provide that the quorum at a meeting of the shareholders of the Corporation shall be constituted by the attendance of one or more shareholders, present in person or represented by proxy, holding at least 5% of the votes attached to outstanding voting shares of the Corporation.

RIGHT OF REVOCATION OF PROXIES AND APPOINTMENT OF PROXYHOLDERS

The persons named in the enclosed form of proxy are directors and officers of the Corporation. A shareholder has the right to appoint as his or her proxy a person, who need not be a shareholder, other than the person whose name is printed on the accompanying form of proxy. **A shareholder who wishes to appoint some other person to represent him or her at the Meeting may do so by inserting such other person's name in the blank space provided in the form of proxy and signing the form of proxy, or by completing and signing another proper form of proxy.**

A shareholder may revoke a proxy at any time by sending an instrument in writing executed by him or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized in writing, at the same address where the form of proxy was sent and within the delays mentioned therein or two business days preceding the date the Meeting resumes if it is adjourned, or remit to the chairman of such Meeting on the day of the Meeting or any adjournment thereof if applicable.

EXERCISE OF DISCRETIONARY POWER BY PROXIES

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the instructions of the shareholder appointing them.

In the absence of instructions, the agent will exercise the right to vote IN FAVOUR of each question defined on the form of proxy, in the notice of meeting or in the Circular.

Unless otherwise specified herein, all resolutions will be adopted by a simple majority of the votes represented at the Meeting.

Management does not know and cannot foresee at the present time any amendments or new points to be brought before the Meeting, or any adjournment thereof. If such amendments or new points were to be

properly brought before the Meeting, or any adjournment thereof, the persons named in the enclosed form of proxy will vote on such matters in the way they consider advisable.

NON-REGISTERED HOLDERS

The information set forth in this section should be reviewed carefully by the non-registered shareholders. Shareholders who do not hold their shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, those shares will, in all likelihood, not be registered in the shareholder's name. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the form of proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

The vast majority of brokers now delegate responsibility of obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**BFSI**") in Canada. BFSI typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to BFSI, or otherwise communicate voting instructions to BFSI (by way of the Internet or telephone, for example). BFSI then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a BFSI voting instruction form cannot use that form to vote shares directly at the Meeting. The voting instruction forms must be returned to BFSI (or instructions respecting the voting of shares must otherwise be communicated to BFSI) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through a broker or other intermediary, please contact your broker or other intermediary for assistance.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his or her broker (or his or her broker's agent), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the shares as proxyholder for the registered shareholder by entering his or her own name in the blank space on the proxy form provided to him or her by his or her broker (or his or her broker's agent) and return it to that broker (or that broker's agent) in accordance with the broker's instructions (or the agent's instructions).

All references to shareholders in this Circular, the enclosed form of proxy and the notice of meeting are to the registered shareholders unless specifically stated otherwise.

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 76,466,176 Shares issued and outstanding.

To the knowledge of the directors and senior officers of the Corporation, there is no beneficial owner or person exercising control or direction over the Corporation's shares and carrying more than 10 % of the outstanding voting rights.

You have the right to receive a Notice of Meeting and vote at the Meeting if you are a shareholder of the Corporation on the close of business on April 19, 2013.

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.

BUSINESS TO BE TRANSACTED AT THE MEETING

Financial Statements Presentation

The annual report, including the financial statements of the Corporation for the financial year ended December 31, 2012 and the related auditor's report, will be presented at the Meeting.

Election of the Directors

Under its by-laws, the Corporation is administered by a Board of Directors (the "**Board of Directors**"). Currently, the Corporation has eight directors sitting on the Board of Directors. Messrs. Bernard Lapointe and Pierre Lortie have chosen not to stand for reelection. As a result, management proposes to elect six 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.

You can vote for the election of all the candidates described below, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the accompanying form of proxy will vote FOR the election of each of the candidates described below as director of the Corporation.

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 unless the shareholder has indicated in the form of proxy his wish to abstain from exercising the voting rights attached to his shares at the time of the election of the directors.

Name	Office Held	Director Since	Number of Shares Beneficially Owned or Over Which Control is Exercised as of April 29, 2013	Present Principal Occupation
James Cowley Utah, United States	President and Director	January 20, 2011	60,000	President of Arianne Resources Inc.
Luc Boivin ⁽¹⁾ Quebec, Canada	Director	September 21, 2005	103,796	General Manager of Fromageries Boivin Inc.
David J. DeBiasio ⁽²⁾ British Columbia, Canada	Director	August 24, 2011	16,000	Retired – Former VP Energy and Raw Materials at Agrium
Guthrie J. Stewart ⁽¹⁾⁽²⁾ Quebec, Canada	Director	October 26, 2011	213,000	Corporate Director
Marco Gagnon ⁽¹⁾ Quebec, Canada	Director	February 3, 2011	19,000	President and director of Adventure Gold Inc.
Siva Jothie Pillay Kent, United Kingdom	Director	March 19, 2013	Nil	Chief Financial Officer of Ocean Partners Holdings Limited

(1) Members of the Audit Committee.

(2) Members of the Human Resources and Corporate Governance Committee.

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

The mandate of the directors will expire at the next annual general meeting of the shareholders of the Corporation. The following text is a brief biography of the new person appearing in the table above.

SIVA JOTHIE PILLAY

Mr. Pillay is Chief Financial Officer of Ocean Partners Holdings Limited since 2005. Ocean Partners is a trader of non-ferrous metal ores and concentrates located in the United Kingdom. Mr. Pillay's experience involves treasury, accounting and risk management functions. Previously, Mr. Pillay was an independent trade finance arranger and adviser at Devoe Pillay & Company Limited and at International Trade Finance Limited, a Chief Financial Officer at Capital Resources International Limited, where he was responsible for all day-to-day and strategic issues related to the group's metal, trading, mining and production operations and a senior portfolio manager at Standard Bank London Limited and MeesPierson N.V. Mr. Pillay is from United Kingdom and holds a BSc. (Joint Hours) Accounting & Law from Southampton University.

Appointment of the Auditors

Dallaire & Lapointe Inc. has been the Corporation's external auditors since 2006. In early 2013, the Corporation's Audit Committee (the "**Audit Committee**"), with the Board's approval, decided that it was the appropriate time to have a competitive bidding process to select a firm of chartered accountants to be proposed to the shareholders as the Corporation's auditors for 2013.

The bidding process was conducted by management with oversight by the Audit Committee. Firms were invited to bid. Following written and oral presentations by each firm, management and the Audit Committee evaluated each firm against specific criteria. The Audit Committee recommended the appointment of PricewaterhouseCoopers LLP to the Board of Directors.

There have been no reportable events as defined in National Instrument 51-102 between the Corporation and Dallaire & Lapointe Inc. There have been no reservations contained in the reports of Dallaire & Lapointe Inc. on the annual financial statements for the two fiscal years preceding the date of the notice. Set out as Schedule A to this Circular are:

- the text of the Corporation's notice, pursuant to National Instrument 51-102, to the securities regulatory authorities in Canada, to Dallaire & Lapointe Inc. and PricewaterhouseCoopers LLP;
- the text of letters from Dallaire & Lapointe Inc. and PricewaterhouseCoopers LLP addressed to the Canadian regulatory authorities.

The current term of office of Dallaire & Lapointe Inc. as auditors will expire at the close of the 2013 annual general and special meeting of the shareholders and the appointment of PricewaterhouseCoopers LLP must be approved by a majority of the votes cast by the holders of common shares.

In deciding to engage PricewaterhouseCoopers LLP, the Audit Committee reviewed auditor independence and existing commercial relationships with PricewaterhouseCoopers LLP. The Audit Committee concluded that PricewaterhouseCoopers LLP has no commercial relationship with the Corporation that would impair its independence. The Board of Directors recommends that PricewaterhouseCoopers LLP be appointed as the Corporation's auditors for a term of one year commencing at the close of the Meeting. **Unless contrary instructions are indicated on the proxy form or the voting instruction card, each proxy received by management or voting instruction card returned to Computershare will be voted in favour of the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders at a remuneration to be fixed by the Board of Directors**

Change of Name of the Corporation

The Board of Directors has resolved, subject to shareholders' approval, to amend the articles of the Corporation to change the name of the Corporation from "Arianne Resources Inc." to "Arianne Phosphate Inc." The purpose of this change is to recognize the focus of its activities on developing the world class Lac à Paul phosphate deposit. To implement the proposed name change, the shareholders must approve the special resolution attached hereto as Schedule B. The special resolution must be passed by at least 66⅔% of the votes cast at the Meeting. **Unless otherwise instructed in the attached proxy form, the directors designated in the accompanying proxy form will vote IN FAVOUR of the special resolution to change the Corporation name.**

EXECUTIVE COMPENSATION

Interpretation

"Named Executive Officer" or "NEO" means each of the following individuals:

- (a) the Chief Executive Officer ("CEO");
- (b) the Chief Financial Officer ("CFO");
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and the Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, for that financial year; and

- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are Bernard Lapointe, CEO, L. Derek Lindsay, CFO, James Cowley, President, and Jean Sébastien David, Vice-President, Operations.

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 strategic objectives so as to maximize the long-term return on shareholders' investment.

These strategic objectives that guide management and directors can be summarized as follows:

- Discovery of new mineralized zones;
- Definition of mineral resources;
- Completion of financings that secure the continuation of the mission; and
- Development of the Lac à Paul phosphate project.

Components of aggregate compensation

The aggregate compensation of the NEO currently consists of one or more of the following elements:

- (a) a base monetary compensation which is competitive; and
- (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.

Base compensation

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

Incentive compensation

Option grants are designed to attract and retain key personnel. Option grants to Beneficiaries (as defined below) are established by the Board of Directors on a continuous basis, based on the progress of the Corporation.

Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Corporation for services in all capacities to the Corporation for the three most recently completed financial year:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ⁽²⁾ (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Bernard Lapointe	2012	175,000	-	82,275	-	-	-	-	257,275
	2011	158,333	-	238,300	-	-	-	-	396,633
	2010	-	-	101,175	-	-	-	125,000	226,175
James Cowley	2012	150,000	-	54,850	-	-	-	-	204,850
	2011	50,000 ⁽³⁾	-	462,200	-	-	-	-	512,200
	2010	-	-	-	-	-	-	-	-
L. Derek Lindsay	2012	87,500 ⁽⁴⁾	-	332,900	-	-	-	-	420,400
	2011	-	-	-	-	-	-	-	-
	2010	-	-	-	-	-	-	-	-
Jean Sébastien David	2012	98,077 ⁽⁵⁾	-	337,800	-	-	-	-	435,877
	2011	-	-	-	-	-	-	-	-
	2010	-	-	-	-	-	-	-	-

(1) Grant date fair values of stock option awards were determined utilizing the Black-Scholes option pricing model. Assumptions utilized are disclosed in the notes to the Corporation's consolidated financial statements.

(2) Management fees were paid to companies controlled by the officers.

(3) Mr. Cowley started working for the Corporation on September 1, 2011 and the \$50,000 represents the proportional amount of his annual salary of \$150,000.

(4) Mr. Lindsay started working for the Corporation on May 1, 2012 and the \$87,500 represents the proportional amount of his annual salary of \$140,000.

(5) Mr. David started working for the Corporation on April 23, 2012 and the \$98,077 represents the proportional amount of his annual salary of \$150,000.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Corporation:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Bernard Lapointe	75,000	1.15	Sept. 24, 2022	(3,750)	-	-	-
	300,000	1.37	Aug. 23, 2021	(81,000)	-	-	-
	100,000	0.37	Jan. 19, 2021	73,000	-	-	-
	260,000	0.15	June 24, 2020	247,000	-	-	-
L. Derek Lindsay	100,000	1.15	Sept. 24, 2022	(5,000)	-	-	-
	200,000	1.16	April 30, 2022	(12,000)	-	-	-
James Cowley	50,000	1.15	Sept. 24, 2022	(2,500)	-	-	-
	300,000	1.37	Aug. 23, 2021	(81,000)	-	-	-
	200,000	0.37	Jan. 19, 2021	146,000	-	-	-
Jean Sébastien David	300,000	1.16	April 23, 2022	(18,000)	-	-	-

(1) Based on the December 31, 2012 closing price of \$1.10 for the Corporation's common shares.

Value vested or earned during the most recently completed financial year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

Name	Option-based awards – Value vested during the year⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Bernard Lapointe	2,250	-	-
L. Derek Lindsay	3,000	-	-
James Cowley	1,500	-	-
Jean Sébastien David	3,000	-	-

(1) Such amount represents the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date.

Pension Plan Benefits

The Corporation does not have a defined benefits pension plan or a defined contribution pension plan.

Termination and Change of Control Benefits

At the end of the most recently completed financial year, there were no employment contracts, agreements, plans, or arrangements for payments to a NEO, at, following or in connection with any termination (whether voluntary, involuntary, or constructive), resignation, retirement, a change in control of the Corporation, or a change in a NEO's responsibilities, except as follows.

Pursuant to an employment agreement dated August 11, 2011, if the employment of the Corporation's CEO, Bernard Lapointe, is terminated by the Corporation for any reason other than for cause or by reason of the death or disability of Mr. Lapointe, the Corporation is required to pay Mr. Lapointe a lump sum equal to 12 months base salary (i.e. \$175,000 based on his current base salary of \$175,000).

Furthermore, should Mr. Lapointe's employment be terminated during the 12-month period commencing on the first day after a change of control has occurred (the "**Window Period**"), the Corporation is required to pay to Mr. Lapointe on the last day of employment, a lump sum cash amount (subject to any applicable payroll or other taxes required to be withheld) equal to the total of two (2) times his then annual base salary (i.e. \$350,000 based on his current base salary of \$175,000).

For the purpose of Mr. Lapointe's employment agreement, "change of control" means the emergence of any of the following events:

- (a) a person or a group of persons acting in concert that either (i) hold or control, directly or indirectly, 50 % or more of the voting shares of the Corporation, or (ii) hold a sufficient number of voting shares that gives them enough voting rights to allow them to elect a majority of the directors of the Corporation;
- (b) a person or a group of persons acting in concert, present a takeover offer or share exchange on 50 % or more of the voting shares of the Corporation that is followed by an acceptance by the shareholders; or
- (c) the majority of the persons acting as directors of the Corporation as of the effective Date cease, at any moment, to act as director (the "**Current Directors**") and the majority of the persons elected as director of the Corporation in replacement of any Current Directors

are not the proposed persons to act as director by the management of the Corporation at a non-contested election.

Similar clauses are applicable, in accordance with the salary, pursuant to the employment contracts signed on December 12, 2011 for James Cowley (annual salary of \$150,000), on April 17, 2012 for L. Derek Lindsay (annual salary of \$140,000), on April 23, 2012 for Jean-Sebastien David (annual salary of \$150,000), on December 12, 2011 for Daniel Boulianne (annual salary of \$120,000) and on December 12, 2011 for Nadège Tollari (annual salary of \$110,000).

Director Compensation

Director compensation table

The following table sets forth information with respect to all amounts of compensation provided to the non-management directors of the Corporation for the most recently completed financial year:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Pierre Lortie	-	-	493,650	-	-	-	493,650
Luc Boivin	-	-	- ⁽³⁾	-	-	-	-
David J. DeBiasio	-	-	- ⁽⁴⁾	-	-	-	-
Guthrie J. Stewart	-	-	109,700	-	-	-	109,700
Marco Gagnon	-	-	- ⁽⁵⁾	-	-	-	-
Alain Vachon ⁽²⁾	-	-	-	-	-	-	-

(1) Grant date fair values of stock option awards were determined utilizing the Black-Scholes option pricing model. Assumptions utilized are disclosed in the notes to the Corporation's consolidated financial statements.

(2) Alain Vachon resigned from the Board of Directors on September 25, 2012.

(3) La juste valeur marchande n'a pu être déterminée en vertu du modèle Black-Scholes car la première acquisition de droits ne se fera qu'en 2013. M. Boivin a toutefois été octroyé 60 000 options en 2012.

(4) La juste valeur marchande n'a pu être déterminée en vertu du modèle Black-Scholes car la première acquisition de droits ne se fera qu'en 2013. M. DeBiasio a toutefois été octroyé 60 000 options en 2012.

(5) La juste valeur marchande n'a pu être déterminée en vertu du modèle Black-Scholes car la première acquisition de droits ne se fera qu'en 2013. M. Gagnon a toutefois été octroyé 55 000 options en 2012.

Share-based awards, option-based awards, and non-equity incentive plan compensation

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the non-management directors of the Corporation:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Pierre Lortie	75,000 450,000	1.07 1.15	Nov. 26, 2022 Sept. 24, 2022	2,250 (22,500)	-	-	-
Luc Boivin	60,000	1.07	Nov. 26, 2022	1,800	-	-	-

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
	150,000 100,000 50,000 170,000	1.37 0.37 0.14 0.15	Aug. 23, 2021 Jan. 19, 2021 Aug. 5, 2020 Apr. 15, 2020	(40,500) 73,000 48,000 161,500			
David J. DeBiasio	60,000 500,000	1.07 1.15	Nov. 26, 2022 Aug. 23, 2021	1,800 (25,000)	-	-	-
Guthrie J. Stewart	100,000 250,000	1.15 1.76	Sept. 24, 2022 Oct. 24, 2021	(5,000) (165,000)	-	-	-
Marco Gagnon	55,000 150,000 150,000 50,000	1.07 1.37 0.58 1.25	Nov. 26, 2022 Aug. 23, 2021 Feb. 2, 2021 May 12, 2021	1,650 (40,500) 78,000 (7,500)	-	-	-
Alain Vachon ⁽²⁾	150,000	1.37	Aug. 23, 2021	(40,500)	-	-	-

(1) Based on the December 31, 2012 closing price of \$1.10 for the Corporation's common shares.

(2) Alain Vachon resigned from the Board of Directors on September 25, 2012.

The following table presents information concerning value vested with respect to option-based awards and share-based awards for the non-management directors of the Corporation during the most recently completed financial year:

Name	Option-based awards – Value vested during the year (\$) ⁽²⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Pierre Lortie	-	-	-
Luc Boivin	-	-	-
David J. DeBiasio	-	-	-
Guthrie J. Stewart	3,000	-	-
Marco Gagnon	-	-	-
Alain Vachon ⁽¹⁾	-	-	-

(1) Alain Vachon resigned from the Board of Directors on September 25, 2012.

(2) Such amount represents the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at December 31, 2012, the end of the Corporation's financial year, with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the shareholders (Stock Option Plan)	14,448,000	\$1.15	265,000
Equity compensation plans not approved by the shareholders	n/a	n/a	n/a
Total	14,448,000	\$1.15	265,000

Stock Option Plan

Pursuant to the stock option plan of the Corporation (the "**Plan**"), the board of directors may, from time to time and at its discretion, grant to directors, officers, employees or consultants of the Corporation (the "**Beneficiaries**") options to acquire common shares of the Corporation for a maximum of 6,780,000 common shares.

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 on the TSX Venture Exchange the day before the grant. Options granted to a Beneficiary who is no longer eligible under the Plan will expire 12 months following the date such person ceases to be a Beneficiary for the purposes of the Plan.

Liability Insurance

The Corporation has a directors and officers' liability insurance. The two insurance policies have a total coverage of \$10,000,000 per insurance period, with a cost of \$19,855 per year and a \$25,000 deductible.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the fiscal year ended December 31, 2012, and as at the date of this Circular, none of the directors, executive officers, employees (or previous directors, executive officers or employees of the Corporation), each proposed nominee for election as a director of the Corporation (or any associate of a director, executive officer or proposed nominee) was or is indebted to the Corporation with respect to the purchase of securities of the Corporation and for any other reason pursuant to a loan.

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.

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.

AUDIT COMMITTEE

The Audit Committee's Charter

The text of the Audit Committee's charter is attached hereto as Schedule C.

Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name	Independence	Financial Literacy
Luc Boivin	Independent	Financially Literate
Guthrie J. Stewart	Non-Independent	Financially Literate
Marco Gagnon	Independent	Financially Literate

Relevant Education and Experience

The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member is set out below.

Luc Boivin is CEO of Fromagerie Boivin Inc. in La Baie. He is also Manager of the new Regional Economic Intervention Fund SAGLAC, a subsidiary of Investissement Québec. He is a Director of the Corporation since September 2005, Chairman of the Audit Committee since September 25, 2012, and served as acting CFO of the Corporation from December 19, 2012 to April 30, 2012.

Guthrie J. Stewart has over 25 years of experience in the field of private equity investments, senior management and corporate law. Until December 2007, Mr. Stewart was a partner of the Equity Fund of EdgeStone Capital Partners, a leading private equity firm in Canada. Mr. Stewart currently sits on a number of boards, including that of Orbit Garant Drilling (OGD: T) where he serves as Chairman. From 1992 to 2000, Mr. Stewart held various executive management positions with the Teleglobe group. Mr. Stewart began his education studying undergraduate science at Queen's University and earning an LL.B. from Osgoode Hall Law School. He also holds a Master of Business Administration degree from INSEAD, Europe.

Marco Gagnon is a graduate in geology from Université du Québec à Chicoutimi, is a senior mining exploration professional with more than 20 years of experience, mostly with major mining companies. Mr. Gagnon is the President, the CEO and a director of Adventure Gold Inc. since 2007. Moreover, he is also one of the founders and a former President of Focus Metals Inc., another company listed on the TSX Venture Exchange. He is also Director of GRK Resources Inc. From 2004 to 2007, he was Vice-President Exploration and Acquisitions with Société d'exploration minière Vior inc. Prior to 2004, Mr. Gagnon acquired extensive experience in mine production and mine site and project exploration with Inmet Mining Corporation where, over a period of 10 years, he developed an expertise in designing, implementing and managing exploration programs on base metal and gold properties in Eastern Canada and in Finland. Prior to Inmet, he was employed by Barrick Gold, Minnova and Radisson Mining Resources. Mr. Gagnon was President of the Quebec Mining Exploration Association from 2007 to 2009 and still sits on the board of directors.

Audit Committee Oversight

At no time since the commencement of the Corporation's financial year ended December 31, 2012 was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's financial year ended December 31, 2012 has the Corporation relied on the exemption provided under section 2.4 (*De minimis Non-audit Services*) of National Instrument 52-110 *Audit Committees* ("**NI 52-110**") or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions).

Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as described in its charter attached hereto as Schedule "A".

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors during the financial years ended December 31, 2012 and 2011 were as follows:

Financial Year Ended December 31	Audit Fees	Audit Related Fees	Tax Fees ⁽¹⁾	All Other Fees
2012	\$59,900	\$19,300	\$9,770	-
2011	\$31,165	--	\$4,255	-

(1) Income Tax Report and Declaration for the resource tax credit and mining rights.

Exemption

Pursuant to section 6.1 of NI 52-110, the Corporation is not required to comply with Parts 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110 given that it is a venture issuer, as defined in NI 52-110.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 *Disclosure of Corporate Governance Practices* and Policy Statement 58-201 *Corporate Governance Guidelines* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices.

Board of Directors

The board is constituted of a majority of individuals who qualify as independent directors since, of the eight current directors, five are unrelated to the Corporation. Pierre Lortie, Luc Boivin, Marco Gagnon Siva Jothie Pillay and David J. DeBiasio 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.

Bernard Lapointe and James Cowley are deemed directors who are "not independent" since they are part of the senior management.

Directorships

Marco Gagnon is also CEO of Adventure Gold Inc. and director of GFK Resources Inc. Guthrie J. Stewart is Chairman of Orbit Garant Drilling Inc. and a director of MRRM Inc. and of Birks & Mayors Inc. These companies all trade either on the TSX Venture Exchange or the Toronto Stock Exchange.

Orientation and Continuing Education

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.

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.

Nomination of Directors

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

If a candidate is approved by the Human Resources and Corporate Governance Committee, the latter's name will then be submitted to the Board of Directors for their approval. The Human Resources and Corporate Governance Committee is composed of a majority of independent directors: Pierre Lortie (independent), David Debiasio (independent) and Guthrie J. Stewart (independent).

Compensation

The Human Resources and Corporate Governance Committee will 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.

Other Committees of the Board of Directors

Apart from the Audit Committee and the Human Resources and Corporate Governance Committee, the Board of Directors has no other committee.

Assessments

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: David DeBiasio, Pierre Lortie and Guthrie J. Stewart.

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.

ADDITIONAL INFORMATION

The Corporation's financial information is included in its comparative annual financial statements and notes thereto and in its accompanying Management's Discussion and Analysis for the fiscal year ended December 31, 2012. 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 and may also be obtained upon request to the secretary of the Corporation at 30 Racine Street East, Suite 160, Saguenay, Quebec G7H 1P5; Tel: 418-549-7316; Fax: 418-549-5750.

APPROVAL

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

Dated this 29th day of April, 2013

L. Derek Lindsay (Signed)

Chief Financial Officer



SCHEDULE A

Offrir le meilleur de la terre

CHANGE OF AUDITOR NOTICE

TO: Dallaire & Lapointe Inc., Chartered Professional Accountants
69, Perreault Street East, Suite 200
Rouyn-Noranda (Québec)
J9X 3C1
Attention : François Dumont, CPA, CA

AND TO: PricewaterhouseCoopers LLP, Chartered Professional Accountants
1250 René Lévesque Boulevard West
Suite 2800
Montréal, Québec
H3B 2G4
Attention : Nochane Rousseau, CPA, CA

NOTICE IS HEREBY GIVEN that, in accordance with National Instrument 51-102 - Continuous Disclosure Obligations ("NI 51-102"), the Board of Directors of Arianne Resources Inc. (the "**Corporation**"), upon the recommendation of its Audit Committee, has considered and approved the following actions, namely that:

1. Dallaire & Lapointe Inc. (the "**Former Auditor**"), Chartered Accountants, not be nominated for reappointment as auditor of the Corporation at the annual general and special meeting of the shareholders of the Corporation scheduled for May 29, 2013 (the "**Meeting**") and
2. PricewaterhouseCoopers LLP (the "**Successor Auditor**"), Chartered Accountants, be nominated for appointment as auditor of the Corporation at the Meeting (the "**Appointment**")

At the Meeting, the Former Auditor will not be nominated for reappointment as auditor of the Corporation. Holders of qualified securities of the Corporation will be asked at the Meeting to approve, by ordinary resolution, the appointment of the Successor Auditor as the auditor of the Corporation until the close of the next annual meeting of the shareholders of the Corporation, at such remuneration as may be approved by the Board of Directors of the Corporation.

The Former Auditor has not expressed any reservation in its audit reports for the period commencing at the beginning of the Corporation's two most recent financial years and ending at the date of this notice.

To the knowledge of the directors of the Corporation, no "reportable event" as such term is defined in NI-51-102 has occurred in connection with the audits for the period commencing at the beginning of the Corporation's two most recent financial years and ending at the date of this notice.

DATED at Montreal, Quebec, this 23 day of April, 2013.

ARIANNE RESOURCES INC.

By:

L. Derek Lindsay
Chief Financial Officer



To: Autorité des marchés financiers (Quebec)
Alberta Securities Commission
British Columbia Securities Commission

We have read the statements made by Arianne Resources Inc. in the attached copy of the Change of Auditor Notice dated April 23, 2013, which we understand will be filed pursuant to Section 4.11 of the National Instrument 51-102.

We agree with the statements in the Change of Auditor Notice dated April 23, 2013.

Yours very truly,

(signed) Dallaire & Lapointe inc.

By : François Dumont, CPA,CA
Partner, public accountancy permit No. A117035

Rouyn-Noranda, Quebec
April 26, 2013.



April 26, 2013

To:

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
Autorité des Marchés Financiers

We have read the statements made by Arianne Resources Inc. ("Arianne") in the attached copy of Change of Auditor Notice dated April 23, 2013 which we understand will be filed by Arianne pursuant to Section 4.11 of the National Instrument 51-102.

We agree with the statements in the Change of Auditor Notice dated April 23, 2013 except that we have no basis to agree or disagree with the following statements:

"The Former Auditor has not expressed any reservation in its audit reports for the period commencing at the beginning of the Corporation's two most recent financial years and ending at the date of this notice"

"To the knowledge of the directors of the Corporation, no "reportable events" as such term is defined in NI 51-102 has occurred in connection with the audit for the period commencing at the beginning of the Corporation's two most recent financial years and ending at the date of this notice"

Yours very truly,

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., Chartered Professional Accountants
1250 René-Lévesque Boulevard West, Suite 2800, Montréal, Québec, Canada H3B 2G4
T: 514 205 5000, F: 514 876 1502, www.pwc.com/ca

*PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

SCHEDULE B
SPECIAL RESOLUTION RESPECTING CHANGING THE NAME OF THE CORPORATION

BE IT RESOLVED:

THAT the articles of the Corporation be amended so that the name of the Corporation be changed from "Arianne Resources Inc." to "Arianne Phosphate Inc.";

THAT any director or officer of the Corporation be and is hereby authorized to execute and sign any documents, perform all acts and things necessary or useful, in his or her own discretion, in order to give effect to this resolution.

SCHEDULE C AUDIT COMMITTEE CHARTER

I. ROLE

The role of the audit committee of the Corporation (the "**Audit Committee**") is to assist the board of directors (the "**Board**"), in its oversight and supervision of:

- A. the integrity of the financial reporting of the Corporation;
- B. the Corporation's internal controls and, where applicable, disclosure controls;
- C. the independence, qualifications and performance of the external auditor; and
- D. the Corporation's compliance with applicable legal and regulatory requirements.

II. COMPOSITION

1. The Audit Committee must be constituted, in accordance with National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time ("**NI 52-110**")
2. All members of the Audit Committee must (except to the extent permitted by NI 52-110) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Audit Committee.
3. No members of the Audit Committee shall receive, other than for service on the Board or the Audit Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Corporation or any of its related parties or subsidiaries.
4. All members of the Audit Committee must be financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements).
5. Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee on ceasing to be a director. The Board may fill vacancies on the Audit Committee by election from among the Board. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all powers of the Audit Committee so long as a quorum remains.

III. DUTIES AND RESPONSIBILITIES

The Audit Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board. In particular, the Audit Committee shall have the following duties and responsibilities:

Oversight and supervision of financial reporting and control

1. On a periodic basis, the Audit Committee shall review and discuss with management and the external auditor on the following:

- a) major issues regarding: (i) accounting principles and financial statement presentations, including any significant changes in the selection or application of accounting principles, (ii) the adequacy of the Corporation's internal controls, and (iii) any special audit steps adopted in light of identified material control deficiencies, if any;
 - b) analyses prepared by or on behalf of management setting forth significant financial reporting issues and judgments made in connection with the preparation of financial statements including analyses of the effects of alternative generally accepted accounting principles methods on the financial statements when such alternatives have been selected in the current reporting period; and
 - c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures (if any), on the financial statements of the Corporation.
2. The Audit Committee shall be directly responsible for resolving any disagreement between management and the external auditor regarding financial reporting.
 3. The Audit Committee shall review and discuss any report from the external auditor on:
 - a) all critical accounting policies and practices used by the Corporation;
 - b) all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternate treatments and disclosures and the treatment preferred by the external auditor; and
 - c) other material written communications between the external auditor and management.
 4. The Audit Committee shall review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Audit Committee.

Oversight and supervision of external auditor

1. The external auditor shall report directly to the Audit Committee. The Audit Committee shall recommend to the Board: (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, and (ii) the compensation of such external auditor.
2. The Audit Committee shall be directly responsible for overseeing the work of the external auditor when preparing or issuing and auditor's report or performing other audit, review or attest services for the Corporation.
3. The Audit Committee shall pre-approve all non-audit services to be provided by the external auditor to the Corporation and any consolidated subsidiary thereof. To this effect, the Audit Committee may adopt specific policies and procedures that may include the delegation by the Audit Committee to the Chairman of the Audit Committee the authority to pre-approve such non-audit services, provided that such pre-approval be reported to the Audit Committee at its next regularly scheduled meeting.
4. The Audit Committee shall at least annually, consider, assess and report to the Board on:
 - a) the independence of the external auditor, including whether the external auditor's performance of non-audit services is compatible with the external auditor's independence; and

- b) obtain from the external auditor a written statement delineating: (i) all relationships between the external auditor and the Corporation; and (ii) any other relationships that may adversely affect the independence of the external auditor.
5. The Audit Committee shall review audit process with the external auditor.
 6. Where applicable, the Audit Committee shall review and discuss with the chief executive officer and the chief financial officer of the Corporation the process for the certifications to be provided in the Corporation's public disclosure documents.
 7. The Audit Committee shall meet periodically with the external auditor in the absence of management.

Oversight and supervision of management information systems internal control

1. The Audit Committee shall review and discuss with management and the external auditor and, when appropriate, provide recommendations to the Board on the following:
 - a) the Corporation's internal control system; and
 - b) where applicable, periodically assess compliance with the policies and practices of the Corporation relating to business ethics.
2. The Audit Committee may establish procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for confidential, anonymous submission by employees regarding questionable accounting or auditing matters.
3. The Audit Committee shall review control weaknesses identified by the external auditors, together with management's response thereto.
4. The Audit Committee shall meet periodically with management in the absence of the external auditor and the internal auditor.
5. The members of the Audit Committee shall, at least once per year, meet with the Chief Financial Officer to enhance their understanding in respect of the Corporation's financial statements.

Oversight and supervision of risk management

1. The Audit Committee shall review, report and, where appropriate, provide recommendations to the Board on the following:
 - a) the Corporation's processes for identifying, assessing and managing risk; and
 - b) the Corporation's major financial risk exposures and the steps taken to monitor and control such exposures.
2. The Audit Committee may delegate certain specific tasks and the review of certain questions regarding risk management to one or more board members or officers of the Corporation provided that such board member(s) or officer(s) shall report back to the Audit Committee.

Oversight and supervision of compliance with legal requirements

1. The Audit Committee shall review and discuss with management and the external auditor, report and, when appropriate, provide recommendations to the Board on the adequacy of the Corporation's process for complying with laws and regulations.
2. The Audit Committee may receive, on a periodic basis, reports from the Corporation with respect to legal and regulatory issues.

IV. PROCEDURES FOR MEETINGS

The Audit Committee shall fix its own procedure. The Audit Committee shall meet separately in executive session, at each regularly scheduled meeting, which shall occur not less than four times annually, and in the absence of management or the external auditor.

The minutes of the Audit Committee meetings shall accurately record the significant discussions of and decisions made by the Audit Committee, including all recommendations to be made by the Audit Committee to the Board and shall be distributed to the Audit Committee members for approval.

Meetings of the Audit Committee shall be held from time to time and at such place as members of the Audit Committee shall determine. Each of the Chairman of the Board, the chief executive officer and the chief financial officer, and the external auditor shall be entitled to request that the chairman of the Audit Committee (the "**Chairman**") call a meeting.

The Audit Committee may meet by telephone conference call or by any other means permitted by law or the Corporation's by-laws.

The Audit Committee may ask members of management and employees of the Corporation (including, for greater certainty, its affiliates and subsidiaries) or others (including, the external auditor) to attend meetings and provide such information as the Audit Committee requests. Members of the Audit Committee shall have full access to information of the Corporation (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and shall be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Corporation with management, employees, the external auditor and others as they consider appropriate..

The Audit Committee or its Chairman should meet at least once per year with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or either of these groups desires to discuss privately.

V. QUORUM AND VOTING

Unless otherwise determined from time to time by resolution of the Board, two members of the Audit Committee, one of which shall be the Chairman, shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the regular Chairman is absent, the Chairman shall be replaced by another member of the Audit Committee who shall be named by the other members among themselves. At a meeting, any question shall be decided by a majority of the votes cast by members of the Audit Committee, except where only two members are present, in which case any question shall be decide unanimously.

VI. SECRETARY

Unless otherwise determine by resolution of the Board, the corporate secretary of the Corporation shall be the secretary of the Audit Committee.

VII. RESIGNATION AND VACANCIES

An Audit Committee member may resign from the Audit Committee without resigning from the Board, but an Audit Committee member shall tender his or her resignation from the Audit Committee upon ceasing to be a member of the Board. Vacancies at any time occurring shall be filled by resolution of the Board.

VIII. RECORDS

The Audit Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board as appropriate.

IX. LIMITATIONS ON AUDIT COMMITTEE'S DUTIES

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Corporation or the members of the Audit Committee. Even though the Audit Committee has a specific mandate, it does not have the obligation to act as auditors or to perform audits, or to determine that the Corporation's financial statements are complete and accurate.

Members of the Audit Committee are entitled to rely, absent knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they received information, (ii) the accuracy and completeness of the information provided, and (iii) representations made by management as to the non-audit services provided to the Corporation by the external auditors. The Audit Committee's oversight responsibilities are not established to provide an independent basis to determine that (i) management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures, or (ii) the Corporation's financial statements have been prepared in accordance with generally accepted accounting principles and, if applicable, audited in accordance with generally accepted accounting standards.