



**CALDERA RESOURCES INC.**

1155 blvd. Rene-Levesque, suite 2500  
Montreal, Quebec, Canada H3B 2K4

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE is hereby given that an annual general and special meeting of shareholders of Caldera Resources Inc. (the “**Corporation**”) will be held at **1 Place Ville-Marie, suite 1615, Montreal, Quebec**, at the offices of the auditors for the Corporation, Bratt Fremeth Star, s.e.n.c., on Tuesday, December 27<sup>th</sup>, 2011, at the hour of 10:00 a.m (Montreal time) for the following purposes:

1. To receive the audited financial statements for the financial year ended December 31, 2010, together with the auditors’ report thereon.
2. To appoint auditors for the ensuing year and to authorize the Corporation’s directors to fix the remuneration to be paid to those auditors.
3. To elect the Corporation’s directors for the ensuing year.
4. To approve the Stock Option Plan for the Corporation.
5. To transact such other business as may properly be transacted at the meeting or at any adjournment thereof.

If you are unable to attend the annual general and special meeting in person, please read the information regarding proxies contained in the accompanying information circular and the notes included with the accompanying instrument of proxy and then complete and return the proxy within the time indicated below. The enclosed proxy is solicited by management of the Corporation, but you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided the name of the person you wish to represent you at the meeting.

A form of proxy will only be valid if it is duly completed and signed as set out in the form of proxy and deposited with either the Corporation’s registrar and transfer agent, Equity Financial Trust Company, 200 University Avenue, suite 400, Toronto, Ontario, M5H 4H1 (Fax no. (416) 595-9593), or with the head office of the Corporation at 1155 blvd. René-Lévesque, Suite 2500, Montreal, Quebec, Canada H3B 2K4 (Fax no. (514) 221-4386), at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the commencement of the meeting or any adjournment thereof.

DATED at Montreal, November 28, 2011.

BY ORDER OF THE BOARD

(s) Vasilios Mavridis  
Vasilios “Bill” Mavridis  
President and Chief Executive Officer  
Caldera Resources Inc.



**CALDERA RESOURCES INC.**  
**INFORMATION CIRCULAR**  
**As at November 28, 2011**

**SOLICITATION OF PROXIES**

This information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Caldera Resources Inc. (the “**Company**”) for use at the annual general and special meeting of the Company’s shareholders (the “**Shareholders**”) to be held at the time and place and for the purposes set forth in the accompanying notice of meeting (the “**Notice**”) and at any adjournment thereof (the “**Meeting**”). The solicitation will be by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. The Company does not reimburse Shareholders, nominees or agents for the costs incurred in obtaining from their principals authorization to execute forms of proxy.

**APPOINTMENT OF PROXIES**

The persons named in the accompanying instrument of proxy are directors and/or officers of the Company, and are proxyholders nominated by management. **A Shareholder has the right to appoint a person to attend and act on its behalf at the Meeting other than the nominees of management named in the enclosed instrument of proxy. To exercise this right, a Shareholder must strike out the names of the nominees of management named in the instrument of proxy and insert the name of its nominee in the blank space provided on the proxy. A person appointed as proxy holder need not be a Shareholder.**

A form of proxy will only be valid if it is duly completed and signed as set out below and then deposited with either the Company’s registrar and transfer agent, **Equity Financial Trust Company** (the “**Transfer Agent**”), 200 University Avenue, Suite 400, Toronto, ON M5H 4H1 (Fax no. (416) 595-9593), or with the head office of the Company at 1155 blvd. René-Lévesque, Suite 2500, Montreal, QC H3B 2K4 (Fax: (514) 221-4386), at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the commencement of the Meeting or any adjournment thereof.

An instrument of proxy must be signed by the Shareholder or its attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

**ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders, as many Shareholders do not hold their shares in the Company in their own name.** Shareholders holding their shares through their brokers, intermediaries, trustees or other persons (collectively, the “**Intermediaries**”) or otherwise not in their own name (the “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders appearing on the records maintained by the Company’s transfer agent as registered Shareholders will be recognized and allowed to vote at the Meeting. If a Shareholder’s shares are listed in an account statement provided to the Shareholder by a broker, in all likelihood those shares are not registered in the Shareholder’s name and that Shareholder is a Beneficial Shareholder. Such shares are most likely registered in 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., as nominee 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 Meeting 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 party well in advance of the Meeting.**

Regulatory polices require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as

non-objecting beneficial owners, or “**NOBOs**”) or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or “**OBOs**”).

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the Notice, this Circular and the instrument of proxy (collectively, the “**Meeting Materials**”) through Intermediaries to the NOBOs and to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to OBOs.

Meeting Materials sent to Beneficial Shareholders are accompanied by a request for voting instructions (a “**VIF**”), instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered Shareholder) as to how to vote the Beneficial Shareholder's shares on the Beneficial Shareholder's behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The vast majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communications (“**Broadridge**”), also formerly known as ADP Investor Communications (“**ADP**”) in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) 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 an Intermediary, please contact that Intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. **A Beneficial Shareholder receiving a VIF cannot use that form to vote common shares directly at the Meeting. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

**All references to Shareholders in the Meeting Materials are to registered Shareholders unless specifically stated otherwise.**

The Meeting Materials are being sent to both registered and non-registered owners of the Company's shares. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of the Company's securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these Meeting Materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

## **REVOCATION OF PROXIES**

A proxy may be revoked by:

- (a) Signing a proxy bearing a later date and depositing it at the place and within the time indicated above;
- (b) Signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed, as set out in the notes to the proxy) and either delivering it to the head office of the Company, located at 1155 blvd René-Lévesque, Suite 2500, Montreal, QC H3B 2K4 (Fax: 514-221-4386), at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof;

- (c) Attending the Meeting or any adjournment thereof and registering with the scrutineer of the Meeting as a Shareholder present in person, whereupon such proxy will be deemed to have been revoked; or
- (d) In any other manner provided by law.

Only registered Shareholders may revoke a proxy. A Beneficial Shareholder who wishes to change their vote must, at least seven days before the Meeting, arrange for their Intermediary to revoke its proxy on their behalf.

## VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

If a Shareholder specifies a choice with respect to any matter to be acted upon, the shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the security holder on any ballot that may be called for. If the security holder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly. In the enclosed form of proxy, in the absence of any instructions in the proxy, it is intended that the shares will be voted by the proxyholder, if a nominee of management, in favour of the motions proposed to be made at the Meeting as stated under the headings in the Notice. If any amendments or variations to those matters, or any other matters, are properly brought before the Meeting, the proxyholder, if a nominee of management, will exercise its discretion and vote on such matters in accordance with its best judgment.

The instrument of proxy enclosed, in the absence of any instructions in the proxy, also confers discretionary authority on any proxyholder other than the nominees of management named in the instrument of proxy with respect to the matters identified in this Circular, amendments or variations to those matters, or any other matters which may properly be brought before the Meeting. To enable a proxyholder to exercise its discretionary authority, a Shareholder must strike out the names of the nominees of management in the enclosed instrument of proxy and insert the name of its nominee in the space provided and not specify a choice with respect to the matters to be acted upon. This will enable the proxyholder to exercise its discretion and vote on such matters in accordance with its best judgment.

At the time of printing this Circular, management of the Company is not aware that any amendments or variations to existing matters or new matters which are to be presented for action at the Meeting.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Only those Shareholders of record on November 28<sup>th</sup>, 2011 (the “**Record Date**”) will be entitled to vote at the Meeting or any adjournment thereof, in person or by proxy. As of the date of this Circular, 59,333,333 common shares are issued and outstanding (the “**Common Shares**”), each Common Share carrying the right to one vote.

The following table lists as of November 28<sup>th</sup>, 2011, the principal shareholders who beneficially own, to the knowledge of the Company, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Company:

Name and Municipality	Type of Ownership	Number of Common Shares	Percentage Held
Pinetree Capital Ltd. <sup>(1)</sup> Toronto, ON	direct	10,000,000	16.85%

<sup>(1)</sup> Mr. Sheldon Inwentash is the Chairman and CEO of Pinetree Capital Ltd. and is deemed to be an insider.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### APPOINTMENT OF AUDITORS

Bratt Fremeth Star s.e.n.c. were first appointed auditors of the Company on March 23<sup>rd</sup>, 2009. Unless otherwise instructed, the persons named in the enclosed instrument of proxy will vote for the appointment of Bratt Fremeth Star s.e.n.c. as auditors for the Company to hold office until the next annual general meeting of Shareholders, at a remuneration to be fixed by the board of directors of the Company (the “**Board**”).

### ELECTION OF DIRECTORS

The Board presently consists of six directors (each, a “**Director**”), with one vacancy and it is anticipated that the board of directors will fill the vacancy by resolution. The term of office for persons elected at the Meeting will expire at the next annual general meeting of Shareholders, unless a Director resigns or is otherwise removed in accordance with the Company’s by-laws and the *Business Corporations Act (Quebec)* (the “QBCA”).

The persons named below will be presented at the Meeting for election as Directors, as nominees of management, and the persons named in the enclosed instrument of proxy intend to vote for the election of these nominees. The names of further nominees for election as Director may come from the floor during the Meeting.

The following table sets out the names of the persons to be presented for election as Directors as nominees of management, all other positions and offices with the Company now held by them, their principal occupation or employment, the year in which they became a Director of the Company and the number of shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them, if any, as at the date hereof:

<b>Name of Nominee, Municipality of Residence and Present Position with the Company</b>	<b>Principal Occupation</b>	<b>Year First Became a Director</b>	<b>No. of Common Shares Beneficially Owned</b>
Vasilios (Bill) Mavridis Montreal, Quebec, Canada President, Chief Executive Officer and Director	President of the Company since December 2008. From 2005 Mr. Mavridis acted as a consultant.	2008	671,000
Lorne Woods <sup>(1)(2)</sup> Westmount, Quebec, Canada Director	President of Sunset Cove Mining Inc. (TSXV:SSM). Formerly Vice President Investor Relations of Blue Note Mining Inc. from 2005 to October 2009. Prior to that he was Vice President Investor Relations Forest Gate Resources Inc.	2008	66,500
Mark Billings <sup>(1)(2)</sup> Montreal, Quebec Director	President of Orex Exploration Inc.	2008	40,000
Steve Roebuck <sup>(1)(2)</sup> Toronto, Ontario Director	Vice President of Exploration Advanced Explorations Inc. Formerly VP exploration Forest Gate Resources.	2008	40,000
Ross Orr <sup>(1)(2)</sup> Toronto, Ontario Director	President and CEO of BacTech Environmental Corporation. Formerly President and Chief Executive Officer of RebGold Corporation (formerly BacTech Mining Corporation), from 2004 to 2010	1995	140,000

(1) Current Members of the Audit Committee are Mark Billings, Steve Roebuck, and Lorne Woods (2) Current Members of the Corporate Governance Committee are Steve Roebuck, Ross Orr and Lorne Woods.

The above information has been furnished by the respective Directors individually. Unless otherwise stated, each of the above-named nominees has held the principal occupation or employment indicated for the past five years.

Except as otherwise disclosed below, no proposed Director (either directly or through a holding company)

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that
  - (i) while that person was acting in that capacity, was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an “**Order**”); or
  - (ii) after the person ceased to act in that capacity, was subject to an Order that resulted from an event that occurred while that person was acting in that capacity;
- (b) is, as at the date of this Circular, or has been, within 10 years, before the date of this Circular, a director or executive officer of any company (including the Company) that became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, either while the director or executive officer was serving in such a capacity or within one year of that director or executive officer ceasing to act in such a capacity;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed Director.

## **STOCK OPTION PLAN**

In 1999, the directors and shareholders approved and adopted the Stock Option Plan (the “**Plan**”) to encourage Common Share ownership in the Company by directors, officers, key employees and consultants of the Company from time to time. The Plan has been amended from time to time. On November 28, 2011 the Board of Directors made certain technical amendments to the Stock Option Plan so that it become a “rolling” stock option plan.

The principal terms of the Plan are as follows: The maximum aggregate number of Shares which may be reserved and set aside for issue under this Plan at any point in time, is 10% of the Outstanding Shares reserved for issuance. Previously exercised options are able to be returned to the Plan upon obtaining shareholder approval to such replenishment. The maximum number of Common Shares with respect to which grants may be made to any one (1) employee or his or her associates (as that term is defined in the *Securities Act* (Ontario)) shall not exceed 5% of the issued shares. The maximum number of securities issuable to insiders (as defined in the *Securities Act* (Ontario)) of the Company and their associates, at any time, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding securities of the Company, the maximum number of securities issued to insiders of the Company and their associates, within any one year period, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding securities of the Company and, in the case of any one (1) insider and his or her associates, shall not exceed 5% of the issued and outstanding shares.

The Plan provides that eligible persons thereunder include any director (including any personal holding company of a director), employee (full-time or part-time), executive officer (including any personal holding company of an executive officer) or consultant (including a company or partnership) of the Company or any subsidiary thereof or any registered retirement savings plan established for the sole benefit of an eligible participant other than a consultant. A consultant includes an individual (including an individual whose services are contracted through a personal holding company) with whom the Company or a subsidiary has a contract for substantial services.

The Plan is to be administered by the Board of Directors of the Company which has designated this authority to the Corporate Governance Committee. The Corporate Governance Committee has the authority to determine, among other things, subject to the terms and conditions of the Plan, the terms, limitations, restrictions and conditions respecting the grant of stock options under the Plan.

There is no requirement under the Plan for options to be vested over a period of time and the Company has historically not imposed any vesting requirements. The Corporate Governance Committee has authority under the Plan to establish the option price at the time each stock option is granted which shall in all cases be not less than the closing price of the Common Shares on the trading day immediately preceding the date of the grant. However, the Plan does provide discretion for options to be priced after grant in which case the exercise price shall be the five (5) day volume weighted average price at the time the options are priced. Options granted under the Plan must be exercised no later than five (5) years after the date of grant and options are not transferable other than by will or the laws of descent and distribution. If an optionee ceases to be an eligible person for any reason whatsoever other than death, each option held by such optionee will cease to be exercisable in a period not exceeding ninety (90) days following the termination of the optionee's position with the Company. If an optionee dies, the legal representative of the optionee may exercise the optionee's options for a period not exceeding one hundred and eighty (180) days after the date of the optionee's death but only up to and including the original option expiry date. The Options are not assignable. The Company may provide optionees with financial assistance in order to enable such optionees to exercise stock options granted under the Plan. The terms of such financial assistance are at the discretion of the Board of Directors but any such assistance shall provide for full recourse against the optionee and shall be secured against the shares that are the subject of the assistance.

The Plan may be amended or discontinued by the Board without shareholder approval at any time provided no Optionee's rights granted under the Plan are adversely affected. Such amendments include those concerning (i) compliance with the TSX-V and any other applicable regulatory authority; (ii) administrative or general housekeeping; (iii) definition of Eligible Participants under the Plan unless such changes would expand the class of Eligible Participants; (iv) Plan administration; (v) maximum term, vesting provisions and termination provisions found in paragraph 6(e) of the Plan; and (vi) anti-dilution provisions set out in paragraph 7 of the Plan. For further clarity, the following types of amendments to the Plan will require shareholder approval: (i) the number of Options that may be granted pursuant to the Plan; (ii) the maximum number of securities or Options that may be granted to Insiders or to any one Eligible Participant; (iii) the manner in which the exercise price of Options is determined; (iv) the transferability of Options; (v) the provisions with respect to financial assistance; and (vi) the amending provisions of the Plan.

At the date of this Circular there are currently 1,300,000 stock options outstanding under the Plan, representing 2.2% of outstanding capital. No stock options have been granted and exercised and 1,500,000 options are available to be granted under the Plan.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### *Compensation Discussion & Analysis*

In accordance with its written mandate, the Company's Corporate Governance Committee is responsible for recommending to the Board the compensation of each member of the Company's senior management. The Corporate Governance Committee, in making its recommendations, and the Board, in determining how to act on them, weigh a range of factors. The Company wishes to attract and retain talented and experienced management and, as such, must consider the compensation packages offered by its industry peers. The Company also wishes to align management's interests with those of its Shareholders, and so has adopted a stock option plan (the "**Stock Option Plan**") allowing management to benefit from an increase in the Company's share price. The Company seeks to maintain a reasonable balance between offering a competitive salary and an attractive stock option package but does not apply a precise formula in determining the appropriate mix. Other considerations affecting the amount and makeup of management compensation include the Company's financial resources, its stage of development and plans for future growth and the time commitment of each individual officer to the Company's affairs (full time versus part time).

Ultimately, it is the Board's responsibility to fix and evaluate the appropriateness of each officer's compensation. The Company's process for determining executive compensation relies largely on the Board without any formal objectives, criteria and analysis. The final compensation paid is reached by negotiation with each individual officer.

The Board believes this approach is appropriate given the Company's size and means.

*Summary*

*Compensation Table*

The following table sets forth all annual and long term compensation for services in all capacities to the Company and its subsidiaries in respect of the chief executive officer and chief financial officer (the "NEOs") for the financial year ended December 31, 2010.

Name and principal positions  (a)	Year  (b)	Salary  (c)	Share-based awards (\$)  (d)	Option-based awards (\$) <sup>(3)</sup>  (e)	Non-equity incentive plan compensation (\$)  (f)		Pension value (\$)  (g)	All other compensation (\$)  (h)	Total compensation (\$)  (i)
					Annual incentive plans (f1)	Long-Term incentive plans (f2)			
Vasilios Mavridis President, Chief Executive Officer As of Dec. 5 2008	2010 2009 2008	C\$93,000 C\$85,000 C\$5,000	Nil	\$93,750 Nil Nil	Nil	Nil	Nil	Nil	\$186,750 Nil
Jacques Arsenault <sup>(1)</sup> Chief Financial Officer. As of Dec. 5, 2008	2010 2009 2008	C\$23,000 C\$25,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Chris Reindler <sup>(2)</sup> President, Chief Executive Officer. Resigned Dec. 5, 2008	2010 2009 2008	Nil Nil A\$118,900	Nil	Nil	Nil	Nil Nil	Nil	Nil	Nil
Mike Langoulant <sup>(2)</sup> Chief Financial Officer. Resigned Dec. 5, 2008	2010 2009 2008	Nil Nil A\$69,300	Nil	Nil	Nil	Nil Nil	Nil	Nil	Nil

(1) The C.F.O. is not an employee of the Corporation and acts as consultant through his personal consulting firm.

(2) Mr. Reindler and Mr. Langoulant each resigned as CEO and CFO of the Company, respectively, on December 5, 2008.

(3) Option-based award amounts are fair value estimates of options granted during the year, calculated using the Black-Scholes pricing model, whereby the fair value of stock options is determined on the grant date and recorded as compensation expense over the period that the stock options vest. The Black-Scholes model is an industry accepted valuation method. The Black-Scholes price is calculated at \$0.125 per option. The options are exercisable at \$0.15 and are currently out of the money.

*Incentive Plan Awards – share-based and option-based*

The following table summarizes the awards to NEOs under the Stock Option Plan outstanding at the end of the most recently completed financial year.

Name  (a)	Option-based awards				Share-based awards	
	Number of securities underlying unexercised options  (b) (1)	Option exercise price (\$)  (c) (1)	Option expiration date  (d)	Value of unexercised in-the-money options (\$)  (e)	Number of shares or units that have not vested (#)  (f)	Market or payout value of share-based awards that have not vested  (g)
Vasilios Mavridis President, Chief Executive Officer and Acting Corporate Secretary	750,000	\$0.15	January 6, 2015	Nil	N/A	N/A
Jacques Arsenault, Chief Financial Officer	Nil	N/A	N/A	Nil	N/A	N/A

All of the option awards described above were made under the Stock Option Plan, which authorizes the Board to grant options to Directors, officers, employees and consultants to acquire Common Shares at a price no less than the closing market price of the Common shares the business day before the Company notifies the stock exchanges of the

grant of the option. The number of shares which may be granted to any one person shall not exceed 25% over a twelve-month period. The options will vest from the date of the grant to 18 months and expire within five years, as determined by the board. The Company may issue a maximum of 2,800,000 Common Shares under the Plan.

*Incentive Plan Awards – value vested or earned*

Under the Stock Option Plan, option-based awards for Directors and NEO’s vest immediately upon issuance. No NEO exercised any options in the current financial year.

*Pension Plan Benefits*

The Company has no pension plan or deferred compensation plan.

*Termination and Change of Control Benefits*

No NEO’s employment contract provides for a payment in connection with any termination, resignation, retirement or change in control of the Company.

*Director Compensation Table*

The following table sets forth all annual and long term compensation for services in all capacities to the Company and its subsidiaries in respect of the Directors (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 (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Mark Billings	Nil	Nil	\$15,625	Nil	Nil	Nil	\$15,625
Vasilios Mavridis	Nil	Nil	\$93,750	Nil	Nil	Nil	\$93,750
Ross Orr	Nil	Nil	\$15,625	Nil	Nil	Nil	\$15,625
Steve Roebuck	Nil	Nil	\$15,625	Nil	Nil	Nil	\$15,625
Lorne Woods	Nil	Nil	\$15,625	Nil	Nil	Nil	\$15,625

(1) Option-based award amounts are fair value estimates of options granted during the year, calculated using the Black-Scholes pricing model, whereby the fair value of stock options is determined on the grant date and recorded as compensation expense over the period that the stock options vest. The Black-Scholes model is an industry accepted valuation method. The Black-Scholes price is calculated at \$0.125 per option. The options are exercisable at \$0.15 and are currently out of the money.

The Company’s directors are currently remunerated solely in stock options.

*Director Compensation: Incentive Plan Awards*

The following table summarizes the awards to the Directors under the Stock Option Plan outstanding at the end of the most recently completed financial year.

Name	Option-based awards				Share-based rewards	
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested
	(b)	(c)	(d)	(e)	(f)	(g)
Mark Billings	125,000	\$0.15	January 6, 2015	Nil	N/A	N/A
Vasilios Mavridis	750,000	\$0.15	January 6, 2015	Nil	N/A	N/A
Ross Orr	125,000	\$0.15	January 6, 2015	Nil	N/A	N/A
Steve Roebuck	125,000	\$0.15	January 6, 2015	Nil	N/A	N/A

*Director Compensation: Incentive Plan Awards – value vested or earned*

Under the Stock Option Plan, option-based awards for Directors and NEO’s vest immediately upon issuance. No Directors exercised any options in the current financial year.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of the end of the Company's fiscal year ended December 31, 2010, all required information with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of Common Shares 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 Common Shares remaining available for future issuance under equity compensation plans (excluding Common Shares reflected in column (a))  (c)
Equity compensation plans approved by securityholders	Nil	Nil	Nil
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	Nil	Nil	Nil

## CORPORATE GOVERNANCE DISCLOSURE

The Board believes that the principal objective of the Company is to generate economic returns with the goal of maximizing shareholder value, and that this objective is to be accomplished by the Board through its stewardship of the Company. In fulfilling its stewardship function, the Board's responsibilities will include strategic planning, appointing and overseeing management, succession planning, risk identification and management, environmental oversight, communications with other parties and overseeing financial and corporate issues. The Board believes that good corporate governance practices provide an important framework for timely response by the Board to situations that may directly affect shareholder value. The Board is committed to good corporate governance, and has adopted Board and Committee Mandates to ensure the Company has strong corporate governance practices in place. The Company's Board and Committee Mandates other than that of the Audit Committee) are attached as Schedule "B" to this Circular.

### *Board Independence*

The Board must have the capacity, independent of management, to fulfill its responsibilities.

Independence is based upon the absence of relationships and interests that could compromise the ability of a Director to exercise judgement with a view to the best interests of the Company. To facilitate independence, the Company is committing to the following practices:

1. The recruitment of strong, independent directors.
2. A majority of the Directors being independent when possible, given resignations and new appointments.
3. Delegation of the director selection and evaluation processes and the evaluation of the Company's Chief Executive Officer to the Board's Corporate Governance Committee.
4. All committees of the Board being constituted of a majority of independent directors, and solely independent directors where possible.
5. Of the Directors, Steve Roebuck, Lorne Woods, Mark Billings and Ross Orr are independent. The remaining Director, Vasilios Mavridis, is not independent because he is deemed to have a material relationship with the Company. Mr. Mavridis is the President and CEO.

### *Other Directorships*

Certain Directors are also directors of the following other reporting issuers:

<b>Director</b>	<b>Other Reporting Issuer(s)</b>
Mark Billings	Argex Mining Inc., Canamex Resources Corp., LiteWave Corp., St-Georges Platinum and Base Metals Ltd, Transamerican Energy Inc., Jiminex Inc., Goldbard Capital Corp., Iconic Minerals Ltd and Zephyr Minerals Ltd.
Ross Orr	BacTech Environmental Corporation, RebGold Corporation
Lorne Woods	Sunset Cove Mining Inc.
Steve Roebuck	Sunset Cove Mining Inc.

### *Orientation and Continuing Education*

New Directors are provided with an orientation program which includes information about the business and operations of the Company, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other Directors. Specific details of the orientation of each new Director are tailored to that Director's individual needs and areas of interest.

The Company also encourages continuing education for Directors so that they may maintain or enhance their skills and abilities as directors and ensure that their knowledge and understanding of the Company's business remains current.

### *Nomination of Directors and Compensation*

The Board has established a Corporate Governance Committee, one function of which is to assist the Board in fulfilling its responsibilities with respect to identifying and evaluating qualified candidates and recommending such candidates for nomination to the Board and its various committees. In making its recommendations to the Board, the Corporate Governance Committee considers the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess, the competencies and skills that the Board considers each existing Director to possess, the competencies and skills each new nominee will bring to the Board and the ability of each new nominee to devote sufficient time and resources to his or her duties as a Director.

The Corporate Governance Committee is also responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees, and for ensuring that each position's compensation reflects its responsibilities and risks. In fulfilling its responsibilities, the Corporate Governance Committee evaluates the performance of the Company's Chief Executive Officer and other senior management in light of corporate goals and objectives, and makes recommendations with respect to compensation levels based on such evaluations.

### *Other Board Committees*

The Board has not established any committees other than the Audit and Corporate Governance committees.

### *Assessments*

The Board has delegated to the Corporate Governance Committee the responsibility for carrying out a review and assessment of the overall performance and effectiveness of the Board, its committees and the contributions of individual directors on an annual basis. The objective of this review is to facilitate continuous improvement in the Board's execution of its responsibilities.

## AUDIT COMMITTEE

### *General*

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls established by management and the Board.

### *Terms of Reference for the Audit Committee*

The Board has adopted a Charter (the "**Charter**") for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Charter is attached as Schedule "C" to this Circular.

### *Composition*

The Audit Committee currently consists of the following three directors. Also indicated is whether they are "independent" and "financially literate."

<b>Name of Member</b>	<b>Independent (1)</b>	<b>Financial Literate(2)</b>
Mark Billings	Yes	Yes
Ross Orr	Yes	Yes
Lorne Woods	Yes	Yes

Notes:

(1) A member of the Audit Committee is independent if he has no director or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably be expected to interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the President or Secretary, is deemed to have a material relationship with the Company.

(2) A member of the Audit Committee is financially literate if he 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 Company's financial statements.

Because the Company's shares are listed on the TSXV, it is categorized as a venture issuer. As a result, *National Instrument 52-110 Audit Committees* ("**NI 52-110**") exempts the members of the Company's Audit Committee from being independent.

### *Relevant Education and Experience*

The financially literate members of the Audit Committee have gained that literacy through their years of experience and their involvement with various businesses.

#### Mark Billings

Mark Billings, is presently the President and CEO of Orex Exploration Inc. (OX: TSX-V), a junior gold exploration company. He is also the Chief Financial Officer of Argex Silver Capital Inc. (RGX: TSX-V) a junior exploration company in Québec. Mr. Billings also served as Chief Financial Officer for private and public Internet companies from 2000 to 2006, as well as running his own financial consultancy, Gestion Marengo Management Inc. From 2004 to 2006, Mr. Billings was Vice-President of Corporate Finance with Desjardins Securities Inc., where he led a number of public and private financings and took companies public on the Canadian exchanges. Mr. Billings graduated with a Master of Business Administration degree from the Harvard Business School in 1995. In 2002, he was awarded the Chartered Financial Analyst (CFA) designation from the CFA Institute in Charlottesville, Virginia.

#### Ross Orr

Ross Orr has been the President and CEO of BacTech Environmental Corporation (CNSX: BAC) since 2010. From 2004 to 2010, Mr. Orr was President and CEO of BacTech Mining Corporation, now RebGold Corporation. Mr. Orr is currently a director of RebGold Corporation.

## Lorne Woods

Lorne Woods, is currently the President of Sunset Cove Mining Inc., a company developing gold projects in Peru, whose shares are listed on the TSX-V and the Bolsa de Valores de Lima, in Peru. Prior to this, Mr. Woods was Vice-President Investor Relations of Blue Note Mining. From 2005 to 2009. From 1995 to 2000, Mr. Woods was a Partner and Vice-President of Judson Woods Inc., an investor relations firm he helped found. Lorne Woods received his BA from Concordia University in 1986.

### *Audit Committee Oversight*

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### *Reliance on Certain Exemptions*

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110 or an exemption from MI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

### *Pre-Approval Policies and Procedures*

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, however, as provided for in NI 52-110, the Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries, unless otherwise permitted by NI 52-110.

### *External Auditor Service Fees (By Category)*

<b>Financial Year Ending</b>	<b>Audit Fees (1)</b>	<b>Audit Related Fees (2)</b>	<b>Tax Fees (3)</b>	<b>All Other Fees (4)</b>
December 31, 2010	\$35,000	nil	\$5,000	\$5,000
December 31, 2009	\$35,000	nil	nil	nil
December 31, 2008	\$20,000	nil	nil	nil

(1) The aggregate fees billed by the Company's auditor for audit fees.

(2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.

(3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning.

(4) The aggregate fees billed for products and services provided by the Company's auditor other than those listed in the other three columns.

### *Venture Issuer Exemption*

Under section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110 because it is a venture issuer.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors or executive officers of the Company or any subsidiary thereof, or any associate or affiliate of the above, is or has been indebted to the Company at any time since the beginning of the last completed financial year of the Company.

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

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors:

- (a) each person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year;
- (b) each proposed nominee for election as a Director; and
- (c) each associate or affiliate of any of the foregoing.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

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Unless otherwise disclosed in this Circular, no informed person or proposed nominee for election as a Director, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Company's most recently completed financial year that has materially affected or will materially affect the Company or any of its subsidiaries, other than as disclosed herein.

#### **Receipt of Motions from Shareholders for the Next Annual General Meeting**

Shareholders with voting rights at the Company's next annual general meeting who wish to submit a motion regarding any issue to be debated during that meeting must submit their motions to the Company's secretary no later than August 28, 2012.

#### **Additional Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year. Shareholders may also contact the Company at 1155 blvd. René-Lévesque, suite 2500, Montreal, Quebec, H3B 2K4, by fax at (514) 221-4386, or by telephone at 514-380-5310, to request copies of the Company's comparative financial statements and MD&A for its most recently completed financial year.

The Company's management knows of no other matters to come before the Meeting other than as set forth above and in the Notice.

DATED at Montreal, Quebec on November 28, 2011.

BY ORDER OF THE BOARD

*(signed) Vasilios Mavridis*

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Name: Vasilios (Bill) Mavridis

Title: President and Chief Executive Officer

## SCHEDULE "A"

### CALDERA RESOURCES INC.

#### STOCK OPTION PLAN RE-AMENDED AND RESTATED

November 28, 2011

#### 1. INTERPRETATION:

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **"Board"** means the board of directors of the Corporation;
- (b) **"Corporation"** means Caldera Resources Inc.;
- (c) **"Consultant"** means an individual, other than an employee or an executive of the issuer, that:
  - (i) is engaged on an ongoing basis to provide *bona fide* consulting, technical, management or other services to the issuer or to an affiliated entity of the issuer under a written contract between the issuer or the affiliated entity and the individual or a Consultant Company or Consultant Partnership of the individual; and
  - (ii) in the reasonable opinion of the issuer, spends or will spend a significant amount of time and attention on the affairs and business of the issuer or an affiliated entity of the issuer;
- (d) **"Consultant Company"** means, for an individual Consultant, a company of which the individual Consultant is an employee or shareholder;
- (e) **"Consultant Partnership"** means, for an individual Consultant, a partnership of which the individual Consultant is an employee or partner;
- (f) **"Effective Date"** means the date of adoption of this Plan by the Board, namely October 1, 1999;
- (g) **"Eligible Person"** means, subject to all applicable laws, any employee, Executive Officer, director, Consultant, Consultant Company or Consultant Partnership of the Corporation or any Subsidiary or any personal holding corporation controlled by an Executive Officer or director of the Corporation or any Subsidiary or any registered retirement savings plans established for the sole benefit of an employee, Executive Officer or director of the Corporation or any Subsidiary;
- (h) **"Exchange"** means the TSX Venture Exchange Inc., and any successors thereto;
- (i) **"Exchange Policies"** means the rules and policies of the Exchange as amended from time to time;
- (j) **"Executive Officer"** has the meaning ascribed thereto in section 1.1 of National Instrument 51-102 – Continuous Disclosure Obligations;
- (k) **"Insider"** means:
  - (i) an insider as defined under Section 1(1) of the *Securities Act* (Ontario), other than a person who falls within that definition solely by virtue of being a director or Executive Officer of a Subsidiary, and
  - (ii) an associate, as defined under Section 1(1) of the *Securities Act* (Ontario), of any person who is an insider by virtue of clause l(h)(i) above;
- (l) **"Option"** means an option to purchase Shares granted to an Eligible Person pursuant to the terms of the Plan;

- (m) **“Outstanding Issue”** shall mean the number of Shares that are outstanding immediately prior to the share issuance in question, excluding Shares issued pursuant to Share Compensation Arrangements over the preceding one-year period;
- (n) **“Outstanding Shares”** means at the relevant time, the number of issued and outstanding Shares of the Company from time to time
- (o) **“Participant”** means Eligible Persons to whom Options have been granted;
- (p) **“Plan”** means this stock option plan of the Corporation;
- (q) **“Shares”** means the common shares of the Corporation;
- (r) **“Share Compensation Arrangement”** means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise;
- (s) **“Subsidiary”** means any company that is a subsidiary of the Corporation as defined under Section 1(4) of the *Securities Act* (Ontario); and
- (t) **“Termination Date”** means the date on which a Participant ceases to be an Eligible Person.

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**2. PURPOSE:** The purpose of this Plan is to:

- (a) encourage ownership of the Shares by directors, Executive Officers and employees of the Corporation and its Subsidiaries and Consultants, Consultant Companies and Consultant Partnerships, who are primarily responsible for the management and profitable growth of its business;
- (b) advance the interests of the Corporation by providing additional incentive for superior performance by such persons; and
- (c) attract and retain valued directors, Executive Officers, employees, Consultants, Consultant Companies and Consultant Partnerships.

**3. ADMINISTRATION:** The Plan shall be administered by the Board, or if so designated by the Board, by the Corporate Governance Committee. Subject to the limitations of the Plan and the requirements of such regulatory authorities, stock exchanges or over-the-counter markets having jurisdiction over the affairs of the Corporation, the Board shall have the authority to:

- (a) grant options to purchase Shares to Eligible Persons;
- (b) determine the terms, limitations, restrictions and conditions respecting such grants;
- (c) interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable, and
- (d) make all other determinations and to take all other actions in connection with the implementation and administration of the Plan as it may deem necessary or advisable.

The Board's guidelines, rules, regulation, interpretations and determinations shall be conclusive and binding upon the Corporation and all other persons.

**4. SHARES SUBJECT TO THE PLAN:** The maximum aggregate number of Shares which may be reserved and set aside for issue under this Plan at any point in time, is 10% of the Outstanding Shares reserved for issuance as a result of the grant of an Option being, less any Shares reserved for issuance under stock options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the Exchange Policies.

Any Shares subject to an Option which for any reason is cancelled or terminated without having been exercised shall again be available for grants under the Plan.

**5. PARTICIPATION:** Options shall be granted under the Plan only to Eligible Persons designated from time to time by the Board and shall be subject to the approval of such regulatory authorities, stock exchanges or over-the-counter having jurisdiction over the affairs of the Corporation. For stock options granted to Eligible Persons who are Employees, Consultants or Consultant Company Employees, the Corporation represents that the Optionee is a bona fide Employee, Consultant or Consultant Company Employee, as the case may be.

**6. TERMS AND CONDITIONS OF OPTIONS:** The terms and conditions of each Option shall include the following, as well as such other provisions, not inconsistent with the Plan, as may be deemed advisable by the Board including those contained in any stock option agreement entered into between the Corporation and a Participant:

- (a) *Option Price:* The option price of any Shares in respect of which an Option may be granted shall be fixed by the Board but shall be not less than the market price of the Shares at the time the Option is granted. For the purpose of this subparagraph 6(a), "market price" shall be deemed to be the closing price as reported by the TSX Venture Exchange, or, if the Shares are not listed on the TSX Venture Exchange, on such other principal stock exchange or over-the-counter market on which the Shares are listed or quoted, as the case may be, on the last trading day immediately preceding the day upon which the Option is granted. If the Shares are not publicly traded or quoted, then the "market price" shall be the fair market value of the Shares, as determined by the Board, on the day upon which the Option is granted. In the resolution allocating any Option, the Board may determine that (i) the date of grant of the Option shall be a future date determined in the manner specified in such resolution, in which case, for the purpose of this subparagraph 6(a), "market price" shall be deemed to be the weighted average trading price of the Shares as reported by the TSX Venture Exchange, or if the Shares are not listed on the TSX Venture Exchange, on such other principal stock exchange or over-the-counter market on which the Shares are listed or quoted, as the case may be, for the five (5) trading days preceding the date of the grant, or, if the Shares are not publicly traded or quoted, then the "market price" shall be the fair market value of the Shares, as determined by the Board, on the date of grant, and (ii) the date or dates of the vesting of the option shall be a future date or dates determined in the manner specified in such resolution. The Board may also determine that the exercise price per share may escalate at a specified rate dependent upon the date on which any Option may be exercised by the Participant.
- (b) *Payment:* The full purchase price of Shares purchased under an Option shall be paid in cash or certified funds upon the exercise thereof, and upon receipt of payment in full, but subject to the terms of the Plan, the number of Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable. A holder of an Option shall have none of the rights of a shareholder until the Shares are issued to him.
- (c) *Term of Option:* Options may be granted under this Plan exercisable over a period not exceeding five (5) years. Each Option shall be subject to earlier termination as provided in subparagraph 6(e).
- (d) *Exercise of Option:* Subject to the provisions contained in subparagraph 6(e)(ii),(iii) and (iv), no Option may be exercised unless the Participant is then an Eligible Person. This Plan shall not confer upon the Participant any right with respect to continuation of employment by the

Corporation. Absence on leave approved by an officer of the Corporation or of any Subsidiary authorized to give such approval shall not be considered an interruption of employment for any purpose of the Plan. Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the transfer agent of the Corporation in Toronto of written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Shares then being purchased.

- (e) *Termination of Options:* Unless otherwise determined by the Board, in its sole discretion, and as may be permitted by any regulatory authorities, stock exchanges or over-the-counter markets having jurisdiction over the affairs of the Corporation any Option granted pursuant hereto, to the extent not validly exercised, will terminate on the earliest of the following dates:
- (i) the date of expiration specified in the Option agreement or in the resolution of the Board granting such Option, as the case may be, being not more than five (5) years after the date upon which the Option was granted;
  - (ii) immediately upon the termination of the Participant's employment with the Corporation or a Subsidiary, where termination is for cause;
  - (iii) ninety (90) days after the Participant ceases to be an Eligible Person, other than by reason of retirement, permanent disability or death during which ninety (90) day period the Participant may exercise the Option to the extent he was entitled to exercise it at the date the Participant ceased to be an Eligible Person. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant;
  - (iv) one hundred and eighty (180) days after the date of the death of the Participant during which one hundred and eighty (180) day period the Option may be exercised by the Participant's legal representative or the person or persons to whom the deceased Participant's rights under the Option shall pass by will or the applicable laws of decent and distribution, and only to the extent the Participant would have been entitled to exercise the Option on the date of death; and
  - (v) ninety (90) days after termination of the Participant's employment by reason of permanent disability or retirement under any retirement plan of the Corporation or any Subsidiary, during which ninety (90) day period the Participant may exercise the Option to the extent he was entitled to exercise it at the time of such termination, provided that if the Participant shall die within such ninety (90) day period, then such right shall be extended to ninety (90) days following the date of death of the Participant and shall be exercisable only by the persons described in clause 6(e)(iv) hereof and only to the extent therein set forth.
- (f) *Non-transferability of Option:* No Option shall be transferable or assignable by the Participant other than by will or the laws of decent and distribution and such Option shall be exercisable during his lifetime only by the Participant.
- (g) *Applicable Laws or Regulations:* The Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell and deliver Shares upon exercise of the Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any stock exchange or over-the-counter market on which the Shares are listed or quoted for trading, as the case may be, and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by any provision of the Plan or the granting of any Option hereunder to issue or sell Shares in violation of such laws, rules and regulations or any condition of such approvals. No Option shall be granted and no Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or the Shares under the securities laws of any jurisdiction and any purported grant of any Option or issue or sale of Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to issue any Shares

pursuant to the Plan unless such Shares shall have been duly listed or quoted, upon official notice of issuance, with all stock exchanges or over-the-counter markets, as the case may be, on which the Shares are listed or quoted for trading. Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

**7. ADJUSTMENTS IN SHARES SUBJECT TO THE PLAN:**

- (a) *Subdivisions and Redivisions:* In the event of any subdivision or redivision of the Shares at any time while any Option is outstanding into a greater number of Shares, the Corporation shall thereafter deliver at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such greater number of Shares as would result from said subdivision or redivision had such Option been exercised before such subdivision or redivision without the Participant making any additional payment or giving any other consideration therefore.
- (b) *Consolidations:* In the event of any consolidation of the Shares at any time while any Option is outstanding into a lesser number of Shares, the Corporation shall thereafter deliver, and the Participant shall accept, at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such lesser number of Shares as would result from such consolidation had such Option been exercised before such consolidation.
- (c) *Reclassifications/Changes:* In the event of any reclassification or change of the Shares at any time while any Option is outstanding, the Corporation shall thereafter deliver at the time of exercise of any Option hereunder the number of securities of the Corporation of the appropriate class or classes resulting from said reclassification or change as the Participant would have been entitled to receive in respect of the number of Shares in respect of which such Option is then being exercised had such Option been exercised before such reclassification or change.
- (d) *Other Capital Reorganizations:* In the event of any capital reorganization of the Corporation at any time while any Option is outstanding, not otherwise covered in this paragraph 7 or a consolidation, amalgamation or merger with or into any other entity or the sale of the properties and assets as or substantially as an entirety to any other entity, the Participant if he has not exercised his Option prior to the effective date of such capital reorganization, consolidation, amalgamation, merger or sale, upon the exercise of such Option thereafter, shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for by him but for the same aggregate consideration payable therefore, the number of other securities or property of the entity resulting from such capital reorganization, consolidation, amalgamation, merger or sale, as the case may be, that the Participant would have been entitled to receive on such capital reorganization, consolidation, amalgamation, merger or sale if, on the record date or the effective date thereof, he had been the registered holder of the number of Shares so subscribed for.
- (e) *Other Changes:* In the event that the Corporation takes any action affecting the Shares at any time, other than any action described above, which in the opinion of the board of directors of the Corporation would materially affect the rights of the Participant, the exercise price or number of Shares issuable upon exercise of any Option will be adjusted in such manner, if any, and at such time, as the board of directors of the Corporation may determine, but subject in all cases to any necessary regulatory and, if required, shareholder approval. Failure to take such action by the directors of the Corporation so as to provide for an adjustment on or prior to the effective date of any action by the Corporation affecting the Shares will be conclusive evidence that the board of directors of the Corporation has determined that it is equitable to make no adjustment in the circumstances.
- (f) The Corporation shall not be obligated to issue fractional Shares in satisfaction of its obligations under the Plan or any Option and the Participant will not be entitled to receive any form of compensation in lieu thereof.

- (g) If at any time the Corporation grants to its shareholders the right to subscribe for and purchase pro rata additional securities of any other corporation or entity, there shall be no adjustments made to the number of Shares or other securities subject to the Options in consequence thereof and the Options shall remain unaffected.
- (h) The adjustment in the number of Shares issuable pursuant to Options provided for in this paragraph 7 shall be cumulative.
- (i) On the happening of each and every of the foregoing events, the applicable provisions of the Plan and each of them shall, ipso facto, be deemed to be amended accordingly and the Board shall take all necessary action so as to make all necessary adjustments in the number and kind of securities subject to any outstanding Option (and the Plan) and the exercise price thereof.

**8. LIMITS WITH RESPECT TO INSIDERS AND CONSULTANTS:**

- a. The maximum number of securities issuable to Insiders at any time, under the Plan or other Share Compensation Arrangement cannot exceed 10% of the issued and outstanding Shares.
- b. The maximum number of securities issued to Insiders, within any one year period, under the Plan or other Share Compensation Arrangement cannot exceed 10% of the issued and outstanding Shares.
- c. The maximum number of Shares which may be issued to anyone Insider under the Plan or other Share Compensation Arrangement within a one-year period shall be 5% of the issued and outstanding Shares.
- d. The maximum number of Shares which may be reserved for issuance to any one Consultant, or Employee conducting Investor Relations Activities, within any 12-month period, under the Plan shall be 2% of the Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Shares reserved for issuance to such person under any other option to purchase Shares from treasury granted as a compensation or incentive mechanism.
- e. Options issued to persons conducting Investor Relations Activities must vest in stages over 12 months with no more than 1/4 of the options vesting in any three month period.
- f. In the event that the Corporation decides to reduce the exercise price of stock options already granted to Insiders, disinterested shareholder approval shall be obtained.

**9. FINANCIAL ASSISTANCE FOR PURCHASE OF SHARES:** Subject to applicable law, the Corporation may, in its sole discretion, arrange for the Corporation or any Subsidiary to make loans or provide guarantees for loans by financial institutions to assist Participants to purchase Shares upon the exercise of the Options so granted. Any loans granted by the Corporation or any Subsidiary to assist Participants to purchase Shares upon the exercise of Options shall be full recourse to the Participant and secured by the Shares purchased with the proceeds of the loan, and shall be at such rates of interest, if any, and on such other terms as may be determined by the Corporation.

The Shares may be sold by the Participant at any time provided that an amount equivalent to the option price per Share sold, or the balance of the loan, whichever is the lesser, is applied in repayment of the loan.

**10. AMENDMENT AND TERMINATION OF PLAN AND OPTIONS:** Subject in all cases to the approval of all regulatory authorities, stock exchanges or over-the-counter markets having jurisdiction over the affairs of the Corporation, the Board may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such right may, without the consent of the Participant, in any manner adversely affect his rights under any Option theretofore granted under the Plan. The following amendments to the Plan may be made by the Board without the approval of shareholders: (i) any amendments necessary to ensure that the Plan is in compliance with the rules of the Toronto Stock Exchange and any other applicable regulatory authority; (ii) amendments that are of an administrative or general housekeeping nature; (iii) amendments to the definitions of Eligible Participants under the Plan unless such changes would expand the class of

Eligible Participants; (iv) amendments to the manner in which the Plan is administered; (v) amendments to the maximum term of Options granted pursuant to the Plan, vesting provisions and the termination provisions found in paragraph 6(e) of the Plan; and (vi) amendments to the anti-dilution provisions set out in paragraph 7 of the Plan. For further clarity, the following amendments to the Plan will require shareholder approval: (i) amendments to the number of Options that may be granted pursuant to the Plan; (ii) amendments to the maximum number of securities or Options that may be granted to Insiders or to any one Eligible Participant; (iii) amendments to the manner in which the exercise price of Options is determined; (iv) amendments to the provisions with respect to the transferability of Options; (v) amendments to the provisions with respect to financial assistance; and (vi) amendments to the amending provisions of the Plan.

**11. EFFECTIVE DATE AND DURATION OF PLAN:** Subject to section 12, the Plan becomes effective on the Effective Date and Options may be granted immediately thereafter. Any Options granted subsequent to the Effective Date but prior to the approval of the Plan by the shareholders of the Corporation as contemplated in section 12 shall not be exercisable until such approval is obtained and, if such approval is not obtained, such Options shall be immediately cancelled. The Plan shall remain in full force and effect until such time as the Board shall terminate the Plan, and for so long thereafter as Options remain outstanding in favour of any Participant.

**12. APPROVAL OF PLAN:** The establishment of the Plan shall be subject to approval of the shareholders of the Corporation. All Options granted subsequent to such approval shall not require approval by the shareholders unless such approval is required by the regulatory authorities, stock exchanges or over-the-counter markets having jurisdiction over the affairs of the Corporation.

## **SCHEDULE "B"**

### **BOARD AND COMMITTEE MANDATES**

#### **BOARD OF DIRECTORS MANDATE**

##### A. Corporate Governance Practices

The Board is responsible for the stewardship of the Company. In executing this role, the Board shall oversee the conduct, direction and results of the business. As part of that process the Board ensures that:

1. The Company has established long term goals, and a strategic and business planning process;
2. The principal risks of the Company's business are identified and appropriate systems are implemented to manage those risks;
3. There is an adequate process for training, monitoring and succession planning of senior management;
4. The Company has a communications policy which reflects the principles of timely, accurate and efficient disclosure of information to all shareholders; and
5. The Company's internal controls and management information systems have sufficient integrity.

##### B. Independence and Composition of the Board

The Board shall be composed of both inside (management) and unrelated outside (independent) directors. The Board shall be relatively small in size, but large enough to enable its members to effectively and responsibly discharge their responsibilities. These responsibilities and accordingly the size of the Board will evolve over time.

##### C. Committees of the Board

The Board discharges its stewardship responsibilities in part through two committees of the Board, namely the Corporate Governance Committee and the Audit Committee. Details of committee roles are included in the committee mandates. Committee chairmen shall be appointed by the Board of Directors. Committees do not have decision-making authority but the responsibility to make recommendations to the full Board, which retains all decision-making authority. The Chairman of the Board shall be an exofficio member of all committees.

##### D. Decisions Requiring the Prior Approval of the Board

The Board discharges its stewardship responsibilities through its committees and by delegation to management. Without limiting the Board's ultimate overall authority in all matters, the Board will grant final approval with respect to:

Strategic and annual business operating and capital plans;

- Any material contracts, acquisitions or dispositions of the Company's assets;
- The hiring, performance evaluation and succession plans for the Chief Executive Officer and approval of recommendations by the Chief Executive Officer in regards to these issues for the senior executives;
- The Company's debt, major financing and dividend policies; and
- Certain expenditures exceeding specified limits.

##### E. Board Expectations of Management

The Board delegates to management through the President and Chief Executive Officer responsibility for developing, recommending to the Board and implementing Board-approved strategic and annual business operating and capital plans.

## F. Frequency and Conduct of Meetings

The Board will normally meet quarterly to review the interim financial statements and management discussion and analysis and once per year for an annual planning session and for the annual general meeting. The Board may be called to meet to discuss specific items at the call of the Chairman, the Chief Executive Officer or a quorum of the Board. All Board agendas will be approved by the Chairman of the Board. Meetings may be conducted with members present, or by video or conference call.

## **CORPORATE GOVERNANCE COMMITTEE MANDATE**

### A. Overview and Purpose

The Corporate Governance Committee is responsible to the Board for ensuring that an appropriate corporate governance system is in place for the Board's overall stewardship responsibility and the discharge of its obligations to the shareholders of the Company. The Committee is also responsible for senior management performance evaluation, compensation and succession planning; Board nominations, evaluation and compensation and Director Orientation and education. In the event that the committee is not specifically named, the Audit Committee shall take on its responsibilities.

### B. Membership and Attendance at Meetings

- The Committee shall be comprised of three directors, taking into account the applicable rules and regulations of securities regulatory authorities and/or stock exchanges.
- A majority of committee members will constitute a quorum and decisions will be determined by a (simple) majority of votes cast without the Committee Chair having a casting vote in the event of a tied vote.
- Attendance at all or a portion of Committee meetings is determined by the Committee and would normally include the Chief Executive Officer.
- The Committee shall meet as circumstances dictate.

### C. Duties and Responsibilities

#### *Corporate Governance Practices*

1. To review and make recommendations to the Board as required on significant corporate governance issues relating to functional and operational matters pertaining to the Board, including but not limited to: monitoring, reviewing and updating the ongoing development and maintenance of the Company's approach to corporate governance issues, including the statement of corporate governance guidelines.
2. Ensure that each Board Committee annually reviews its scope, duties and responsibilities and recommends to the Board amendments thereto, where advisable.
3. At least annually, or as required, to review and recommend to the Board for approval, the need, composition, Chairmen and members of Board committees, with a view that Board committees be generally composed of unrelated directors and that committee membership should be periodically rotated.
4. To ensure the development of position descriptions for the Board, including the Mandate of The Board of Directors, the Chairman of the Board and the CEO, and to review and update such descriptions periodically for the review and approval of the Board.

#### *Senior Management Performance Evaluation, Compensation and Succession Planning*

1. Recommend to the Board the objectives, performance and compensation of the President and Chief Executive Officer.

2. Review the Chief Executive Officer's annual assessment and compensation recommendations for senior executives.
3. Review the appointment of and providing proper development of senior management.
4. Manage the Succession Plan for the Chief Executive Officer and Review the Chief Executive Officer's Succession Plan for Senior Management.
5. Review the appointment of and provide proper development of senior management.
6. To lead the process, when and as required, to identify a candidate for appointment to the office of Chief Executive Officer.
7. Review annually the Company's compensation policies, including base pay, incentive, pension and benefit plans.

#### *Board Nominations*

1. Develop and recommend to the Board criteria for the selection of new Directors, periodically review the criteria adopted by the Board and recommend changes to such criteria.
2. The Committee shall consult with the Chief Executive Officer in its process of recruiting new directors.
3. The Chair is responsible for approaching Board candidates.
4. Candidates meet with the Chair and the Chief Executive Officer prior to nomination or appointment to review expected contributions and commitment requirements.
5. Invitations to join the Board shall be made by the Chairman of the Board.

#### *Board Evaluation and Compensation*

1. To conduct an annual evaluation of the Board, the Committees and individual members of the Board and to report on such assessment to the full Board.
2. To annually review the adequacy and form of compensation of the directors to ensure the compensation realistically reflects the responsibilities and risk involved in being an effective director and make appropriate recommendations to the Board for approval.

#### *General*

1. To recommend to the Board, when and as required, a candidate for appointment to the office of Chairman of the Board.
2. To review and approve, if appropriate, the request of individual directors to engage outside advisors at the expense of the Company.
3. To manage the Share Option Plan for the Company.
4. To consider any other matter which, in the opinion of the Committee or at the request of the Board, would assist the directors to meet their responsibilities.

#### **D. Committee Chair**

The fundamental responsibility of the Committee Chair is to be responsible for the management and effective performance of the Committee and provide leadership to the Committee in fulfilling its mandate and any other matters delegated to it by the Board. To that end, the Committee Chair's responsibilities shall include:

- Working with the Chairman of the Board and the Chief Executive Officer to establish the frequency of

Committee meetings and the agendas for meetings;

- Providing leadership to the Committee and presiding over Committee meetings;
- Facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions and express their viewpoints;
- Reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee;
- Leading the Committee in annually reviewing and assessing the adequacy of its mandate and evaluating its effectiveness in fulfilling its mandate; and
- Taking such other steps as are reasonably required to ensure that the Committee carries out its mandate.

#### E. Powers

1. Governance Committee members and the Chair of the Committee shall be appointed by and serve at the pleasure of the Board.
2. The Committee has direct access to any records of the Company and its subsidiaries, to any employee of the organization.
3. The Committee has the authority to initiate and conduct any investigation appropriate to fulfilling its responsibilities and retain independent counsel and other advisors for that purpose.

#### F. Meetings

The time and place of the meetings of the Committee, the calling of the meetings and the procedure in all things at such meetings shall be determined by the Committee unless otherwise determined by the by-laws of the Company or by resolution of the Board.

## SCHEDULE "C"

### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

#### **I. PURPOSE**

The Audit Committee (the "Committee") is a committee of the board of directors. The primary function of the Committee is to assist the board of directors in fulfilling its financial reporting and controls responsibilities to the shareholders of the Company and the investment community. The external auditors will report directly to the Committee. The Committee's primary duties and responsibilities are:

- overseeing the integrity of the Company's financial statements and reviewing the financial reports and other financial information provided by the Company to any governmental body or the public and other relevant documents;
- recommending the appointment and reviewing and appraising the audit efforts of the Company's external auditors, overseeing the external auditors' qualifications and independence and providing an open avenue of communication among the external auditors, financial and senior management and the board of directors;
- monitoring the Company's financial reporting process and internal controls, its management of business and financial risk, and its compliance with legal, ethical and regulatory requirements.

#### **II. COMPOSITION**

The Committee shall consist of a minimum of three directors of the Company the majority of whom shall not be officers or "control persons", as such term is defined hereunder, of the Company. All members shall, to the satisfaction of the board of directors, be "financially literate" as such term is defined hereunder.

The members of the Committee shall be appointed by the board of directors. The board of directors may remove a member of the Committee at any time in its sole discretion by resolution of the Board.

#### **III. DUTIES AND RESPONSIBILITIES**

1. The Committee shall review and recommend to the Board for approval:

- (a) The Company's financial statements (annual and quarterly), MD&A and earnings releases to be filed with regulatory bodies such as securities commissions prior to filing or prior to the release of earnings.
- (b) Documents referencing, containing or incorporating by reference the annual audited consolidated financial statements or interim financial results (e.g., prospectuses, press releases with financial results) prior to their release.

2. The Committee, in fulfilling its mandate, will:

- (a) Make sure that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required under securities laws.
- (b) Recommend to the board of directors the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor.
- (c) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor, and discussing and resolving any material differences of opinion or disagreements between management and the external auditor.
- (d) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the financial statements.
- (e) Obtain and review annually a report prepared by the external auditors summarizing the auditors' internal quality-control procedures and processes.

- (f) Review the scope of the external audit, including the fees involved.
- (g) Review the report of the external auditor on the annual audited financial statements.
- (h) Review the problems identified during audit, and, if any, the limits and restrictions imposed by management and any significant accounting matter for which management sought a second opinion.
- (i) Review and approve requests for any management consulting engagement to be performed by the external auditor and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter and related fees.
- (j) Review with management, the external auditors and legal counsel, any litigation, claims or other contingency, including tax assessments, which could have a material affect upon the financial position or operating results of the Company, and whether these matters have been appropriately disclosed in the financial statements.
- (k) Review with management their approach with respect to business ethics and corporate conduct.
- (l) Review periodically legal and regulatory requirements that, if breached, could have a significant impact on the Company's published financial reports or reputation. Inquire on the extent of compliance with security policies.
- (m) Review with management the accuracy and timeliness of filings with regulatory authorities.
- (n) Review annually general insurance coverage of the Company to ensure adequate protection of major corporate assets including but not limited to D&O coverage.

3. Annually, the Committee will review its Charter and, where appropriate, recommend changes to the board of directors.

#### **IV. MEETINGS**

1. The Committee shall meet no less than four times per year. At least annually, the Committee shall meet separately with management and with the external auditors.
2. The Board shall be kept informed of the Committee's activities by copies of minutes, at the next board meeting following each Committee meeting or by a verbal report.

#### **V. QUORUM**

Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee.

#### **VI. DEFINITIONS**

In accordance with *National Instrument 52-110 – Audit Committees*,

“**Financially literate**” means “that the director 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 Company’s financial statements.”

“**Control Person**” means “any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company except where there is evidence showing that the holder of those securities does not materially affect the control of the Company.”