

**SKYHARBOUR RESOURCES LTD.  
NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that an Annual General Meeting (the "Meeting") of the shareholders of SKYHARBOUR RESOURCES LTD. (the "Company") will be held at 1710 – 1177 West Hastings Street, Vancouver, B.C. on Tuesday, the 25th day of August, 2010 at 10:00 a.m. (Vancouver Time) for the purposes set forth in the following.

1. To receive the report of the directors.
2. To receive the audited financial statements of the Company for the fiscal year ending March 31, 2010, together with the auditor's report thereon.
3. To appoint the auditor for the Company.
4. To fix the number of directors and to elect directors for the ensuing year.
5. To consider and, if thought fit, to approve a resolution of the shareholders to renew the Company's Stock Option Plan.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxyholder to attend and vote in his stead. If you are unable to attend the Meeting in person, please read the notes accompanying the instrument of proxy enclosed and then complete and return the proxy within the time set out in the notes. The persons named in the accompanying instrument of proxy are directors or officers of the Company. A shareholder has the right to appoint a person to attend and act on his behalf at the Meeting other than the persons named in the enclosed instrument of proxy. To exercise this right, a shareholder shall strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided, or complete another instrument of proxy.

**DATED** at Vancouver, British Columbia, this 19th day of July, 2010.

**BY ORDER OF THE BOARD  
"DONALD C. HUSTON"  
PRESIDENT**

**SKYHARBOUR RESOURCES LTD.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**FOR THE 2010 ANNUAL**  
**GENERAL MEETING OF SHAREHOLDERS**

This information is given as of **July 19, 2010**

**I. SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the management of **SKYHARBOUR RESOURCES LTD.** (the "Company") for use at the Annual General Meeting (the "Meeting") of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

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

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

The Company has retained Georgeson Shareholder Communications Canada Inc. ("Georgeson") in connection with the solicitation of proxies. For this service, and other advisory services, Georgeson will be paid a fee of up to \$18,000 plus out-of-pocket expenses.

**II. PERSONS OR COMPANIES MAKING THE SOLICITATION**

**The enclosed instrument of proxy is solicited by management.** Solicitations will be made 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. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the instrument of proxy. As stated above, the Company has retained Georgeson to assist in respect of the solicitation of proxies. The cost of solicitation will be borne by the Company. None of the directors of the Company has advised management in writing that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

**III. APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the accompanying instrument of proxy are directors or officers of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed instrument of proxy. To exercise this right, a shareholder shall strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided, or complete another instrument of proxy.**

**The completed instrument of proxy must be dated and signed and the duly completed instrument of proxy must be deposited at the Company's transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 at least 48 hours (August 23, 2010 at 10:00 a.m. (Vancouver Time)) before the time of the Meeting or any adjournment thereof,**

**excluding Saturdays, Sundays and holidays.**

The instrument of proxy must be signed by the shareholder or by his duly authorized attorney. If signed by a duly authorized attorney, the instrument of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the shareholder is a corporation, the instrument of proxy must be signed by a duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof. The Chairman of the Meeting has discretionary authority to accept proxies which do not strictly conform to the foregoing requirements.

**In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked.**

#### **IV. VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

**In the absence of any direction in the instrument of proxy, it is intended that such shares will be voted in favour of the resolutions placed before the Meeting by management and for the election of the management nominees for directors and auditor, as stated under the headings in this Information Circular.** The instrument of proxy enclosed, when properly completed and deposited, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters which may be properly brought before the Meeting. At the time of printing of this Information Circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any such amendments, variations or other matters should properly come before the Meeting, the proxies hereby solicited will be voted thereon in accordance with the best judgement of the nominee. **If you have any questions or require additional information with regards to the voting of your Shares, please contact our proxy solicitation agent, Georgeson, toll-free within North America at 1-888-605-8408.**

#### **V. ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES**

Only registered holders of common shares of the Company or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, common shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

*Distribution to NOBOs*

In accordance with the requirements of the Canadian Securities Administrators and National Instrument 54-101, “Communication with Beneficial Owners of Securities of a Reporting Issuer” (“**NI-54-101**”), the Company will

have caused its agent to distribute copies of the Notice of Meeting and this Circular (collectively, the “**meeting materials**”) as well as a Voting Instruction Form directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner (“**Non-Objecting Beneficial Owner**” or “**NOBO**”).

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

*By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for Voting Instruction Form enclosed with mailings to NOBOs.*

The meeting materials distributed by the Company’s agent to NOBOs include a Voting Instruction Form. Please carefully review the instructions on the Voting Instruction Form for completion and deposit.

#### *Distribution to OBOs*

In addition, the Company will have caused its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Shareholders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner (“**Objecting Beneficial Owner**” or “**OBO**”).

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use service companies such as Broadridge Proxy Services to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

- (a) be given a form of proxy **which has already been signed by the intermediary** (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services Inc. in the manner set out above in this circular, with respect to the common shares beneficially owned by such OBO; **OR**
- (b) more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a “**proxy authorization form**”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code or other information. In order for the form of proxy to validly constitute a proxy authorization form, the OBO must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit the OBO to direct the voting of the shares he or she beneficially owns.

**Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

## **VI. VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

### **A. Voting Securities**

On **July 19, 2010, 117,686,750** common shares without par value were issued and outstanding, each share carrying the right to one vote. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he is the holder.

### **B. Record Date**

Only shareholders of record at the close of business on the 19th day of July, 2010, who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

### **C. Principal Holders**

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

## **VII. INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as disclosed elsewhere in this Information Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

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

For the purposes of this Information Circular, "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and

- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

The Company was a party to the following material transactions with informed persons:

- (a) certain of the directors and executive officers of the Company may be paid pursuant to written management agreements or, consulting agreements, or receive directors fees or wages. See "Employment Contracts" and "Director Compensation" under IX Statement of Executive Compensation and the heading, XII Management Contracts;
- (b) directors and officers of the Company have been granted stock options under the Company's Stock Option Plan and all directors and officers will be eligible to be granted stock options under the Stock Option Plan in the future. See "Incentive Stock Option Plan" under XVI Particulars of Matters to be Acted Upon.
- (c) The Company closed a 2,310,000 flow-through private placement on December 30, 2009. Donald G. Myers, a Director of the Company, acquired 400,000 flow-through units ("Units") at a price of \$0.05 per Unit. Each Unit consisted of one flow-through common share of the Company and one non-transferable share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase a non-flow-through common share of the Company at a price of \$0.10 per share until December 30, 2011.

Other than as disclosed elsewhere in this Information Circular, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

## **IX. STATEMENT OF EXECUTIVE COMPENSATION**

### **A. General Provisions**

For the purposes of this Information Circular:

"CEO" of the Company means an individual who acted as Chief Executive Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"CFO" of the Company means an individual who acted as Chief Financial Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"equity incentive plan" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Canadian Institute of Chartered Accountants Handbook;

"executive officer" of the Company means an individual who is the Chairman or Vice-Chairman of the Board, the President, a Vice-President in charge of a principal business unit, division or function including sales, finance or production, an officer of the Company or any of its subsidiaries who performed a policy-making function in respect of the Company, or any other individual who performed a policy-making function in respect of the Company;

"incentive plan" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“incentive plan award” means compensation awarded, earned, paid or payable under an incentive plan;

"NEO" or “named executive officer” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year;

“non-equity incentive plan” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“option-based award” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“plan” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“replacement grant” means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

“re-pricing” means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

“share-based award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **B. Compensation Discussion and Analysis**

### Compensation Program Objectives

The Company’s compensation policies and programs are designed to be competitive with similar junior mineral exploration companies and to recognize and reward executive performance consistent with the success of the Company. These policies and programs are intended to attract and retain capable and experienced people. The Compensation Committee’s role and philosophy is to ensure that the Company’s goals and objectives, as applied to the actual compensation paid to the Company’s President and Chief Executive Officer are aligned with the Company’s overall business objectives and with shareholders’ interests. The Company’s Compensation Committee is comprised of two directors, Donald G. Myers and Amanda Chow. Each of the members of the Compensation Committee is independent of management of the Company.

In addition to informal industry comparables from publicly available information, the Compensation Committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Company and its stockholders, overall financial and operating performance of the Company, and the Compensation Committee's assessment of each executive's individual performance and contribution toward meeting corporate objectives. Superior performance is recognized through the Company's incentive policy and programs.

### **Role of Executive Officers in Determining Compensation**

The Compensation Committee reviews and recommends compensation policies and programs to the Board, as well as salary and benefit levels for our executives. Our President and Chief Executive Officer and acting Chief Financial Officer may not be present during meetings of the Compensation Committee at which their compensation is being discussed. The Board of Directors makes the final determination regarding the Company's compensation programs and practice.

### **Elements of the Compensation Program for Fiscal Year 2010**

The total compensation plan for executive officers is comprised of two components: base salary or consulting fees and incentive stock options. There is no policy or target regarding cash and non-cash elements of the Company's compensation program. The Compensation Committee annually reviews the total compensation of each of the Company's executives on an individual basis, against the backdrop of the compensation goals and objectives described above and make recommendations to the Board of Directors concerning the individual components of their compensation. The Company does not currently provide the executive officers with personal benefits nor does the Company provide any additional compensation to the named executive officers for serving as directors or as members of other committees.

#### **Base Salary**

As a general rule for establishing base salaries or consulting fees, the Compensation Committee reviews competitive market data for each of the executive positions and determines placement at an appropriate level within a range. Compensation levels are typically negotiated with the candidate for the position prior to his or her selection as an executive officer or consultant. Salaries or consulting fees for the executive officers are reviewed annually to reflect external factors such as inflation as well as the overall corporate performance and the results of internal performance reviews.

#### **Consulting Fees**

As a general rule for establishing consulting fees, the Compensation Committee reviews competitive market data for each of the executive positions and determines placement at an appropriate level within a range. Consulting fees for the executive officers are reviewed annually to reflect external factors such as inflation as well as overall corporate performance and the results of internal performance reviews.

#### **Stock Options**

The Company has a Stock Option Plan (the Plan) for the granting of stock options to the directors, officers, employees and consultants of the Company. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating such persons and to closely align the personal interest of such persons to that of the Company's shareholders. The allocation of options under the Plan is determined by the Compensation Committee which, in determining such allocations, considers such factors as previous grants to individuals, overall company performance, peer company performance, share price performance, the business environment and labour market, the role and performance of the individual in

question and, in the case of grants to non-executive directors, the amount of time directed to the Company's affairs and time expended for serving on the Company's audit and compensation committees.

### **Employment Contracts**

#### *Donald C. Huston*

Pursuant to a written Agreement dated March 13, 2003 as amended March 1, 2005 and renewed annually, Mr. Donald C. Huston, the President, Chief Executive Officer and a Director of the Company was paid management fees in the amount of \$3000 per month plus G.S.T. During the year ended March 31, 2010, Mr. Huston received the sum of \$36,000.

#### *James G. Pettit*

Pursuant to a written Agreement dated May 13, 2003, as renewed annually, Mr. James G. Pettit, the acting Chief Financial Officer and a Director of the Company was paid consulting fees in the amount of \$1000 per month plus G.S.T. During the year ended March 31, 2010, Mr. Pettit received the sum of \$12,000.

### **C. Summary Compensation Table**

Donald C. Huston, the Company's CEO and James G. Pettit, the Company's acting CFO are the NEOs of the Company for the purposes of the following disclosure. The compensation for the NEOs, directly or indirectly, for the Company's most recently-completed financial year is as follows:

Name and Principal Position  (a)	Year  (b)	Salary (\$)  (c)	Share based awards (\$)  (d)	Option-based awards (\$)  (e)  (1)	Non-equity incentive plan compensation \$		Pension value (\$)  (g)	All other compensation (\$)  (h)	Total compensation (\$)  (i)
					Annual incentive plans	Long-term incentive plans			
					(f1)	(f2)			
Donald C. Huston (CEO)	March 31, 2010	Nil	Nil	\$6,064 <sup>(1)</sup> <sub>(2)</sub>	Nil	Nil	Nil	\$36,000 <sup>(4)</sup>	\$42,064
James G. Pettit (acting CFO)	March 31, 2010	Nil	Nil	\$5,186 <sub>(1) (3)</sub>	Nil	Nil	Nil	\$12,000 <sup>(4)</sup>	\$17,186

- (1) The figures thus shown are based on the fair value estimated at the date of option grant using the Black-Scholes pricing model under the following assumptions: (i) risk free interest rate of 2.41% (ii) dividend yields of nil; (iii) expected life of five (5) years; (iv) expected volatility is 95% . The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (2) Representing a total of 140,310 incentive stock options exercisable at a price of \$0.10 per common share until January 11, 2010.
- (3) Representing a total of 120,000 incentive stock options exercisable at a price of \$0.10 per common share until January 11, 2015.
- (4) Refer to "Employment Contracts" above.

## D. Incentive Plan Awards

The Company has in place a Stock Option Plan for the purpose of attracting and motivating Directors, Officers, Employees and Consultants of the Company and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through rights granted under the Plan to purchase shares of the Company. See “C. Incentive Stock Option Plan” under “XVI. Particulars of Matters to be Acted Upon” below for details relating to the Company's existing Stock Option Plan.

### OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table discloses the particulars of all awards for each NEO outstanding at the end of the Company's financial year ended **March 31, 2010**, including awards granted before this most recently completed financial year:

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 (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Donald C. Huston	150,000	\$0.10	14-Oct-2010	Nil	N/A	N/A
	330,496	\$0.10	11-Jan-2011	Nil	N/A	N/A
	129,000	\$0.12	01-Feb-2011	Nil	N/A	N/A
	135,000	\$0.10	05-Jul-2011	Nil	N/A	N/A
	350,000	\$0.125	12-Dec-2011	Nil	N/A	N/A
	80,250	\$0.165	15-Mar-2012	Nil	N/A	N/A
	400,000	\$0.135	03-Oct-2012	Nil	N/A	N/A
	100,000	\$0.13	05-Sept-2013	Nil	N/A	N/A
	95,000	\$0.10	03-Feb-2014	Nil	N/A	N/A
140,310	\$0.10	11-Jan-2015	Nil	N/A	N/A	
James G. Pettit	129,000	\$0.12	01-Feb-2011	Nil	N/A	N/A
	135,000	\$0.10	05-Jul-2011	Nil	N/A	N/A
	309,913	\$0.125	12-Dec-2011	Nil	N/A	N/A
	80,000	\$0.165	15-Mar-2012	Nil	N/A	N/A
	400,000	\$0.135	03-Oct-2012	Nil	N/A	N/A
	100,000	\$0.13	05-Sept-2013	Nil	N/A	N/A
	95,000	\$0.10	03-Feb-2014	Nil	N/A	N/A
	120,000	\$0.10	11-Jan-2015	Nil	N/A	N/A

<sup>(1)</sup> “In-the-money options” means the excess of the market value of the Company's shares on March 31, 2010 over the exercise price of the options. The last trading price of the Company's shares at its fiscal year ended March 31, 2010 was \$0.05.

### INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended **March 31, 2010**:

Name  (a)	Option-based awards – Value vested during the year (\$)  (b)	Share-based awards – Value vested during the year (\$)  (c)	Non-equity incentive plan compensation – Value earned during the year (\$)  (d)
Donald C. Huston	Nil	Nil	Nil
James G. Pettit	Nil	Nil	Ni

#### OPTION REPRICINGS

There were no re-pricings of Stock Options under the Stock Option Plan or otherwise during the Company's completed financial year ended **March 31, 2010**

#### **E. Pension Plan Benefits**

The Company has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement.

The Company also does not have any deferred compensation plans relating to any NEO.

#### **F. Termination and Change of Control Benefits**

Other than as disclosed herein, the Company does not have any pension or retirement plan which is applicable to the NEOs. The Company has not provided compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as an NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company. The Company is not party to any compensation plan or arrangement with an NEO resulting from the resignation, retirement or termination of employment of any such person.

There are no compensatory plans or arrangements between the Company and an NEO with respect to the resignation, retirement or other termination of employment of the NEO, a change of control of the Company or a change in the NEO's responsibilities following a change of control of the Company involving an amount, including all periodic payments or instalments, exceeding \$100,000.

#### **G. Director Compensation**

The Board of Directors of the Company established and adopted compensation guidelines for its independent directors. The guidelines provide for the payment of fees to independent directors who are not otherwise compensated under a formal management agreement. The fees are paid to independent directors for attendance at various directors and/or committee meetings, the consideration of consent resolutions of the directors or audit committee to ratify, confirm and approve certain matters and the review of related documentation. The aggregate fees payable during any one month will not exceed \$1,000 per independent director. The Company may also pay a fee for any additional services rendered by directors at the regular rates for services. In such instances, Board approval will be obtained. The guidelines are reviewed by the Company on an annual basis. All directors are reimbursed by the Company for travel and other out-of-pocket expenses incurred in attending meetings. The directors of the Company participate in the insurance and indemnification arrangements. See "Liability Insurance".

During the year directors fees in the amount of \$6,000 were paid to Amanda Chow, a director of the Company. The amount of \$24,630 was also paid to Donald Myers, a director of the Company, pursuant to an agreement with 98 Corporate Group Resources Ltd. (refer to the heading entitled Management Contracts – 98 Corporate Group).

The Company has no pension plan or other arrangement for non-cash compensation for its directors who are not NEOs, except incentive stock options. The following table discloses the particulars of all awards for its directors who are not NEOs, outstanding at the end of the Company's financial year ended **March 31, 2010**, including awards granted before this most recently completed financial year:

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 (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Donald G. Myers	150,000	\$0.10	14-Oct-2010	Nil	N/A	N/A
	300,000	\$0.10	11-Jan-2011	Nil	N/A	N/A
	100,000	\$0.12	01-Feb-2011	Nil	N/A	N/A
	115,445	\$0.10	05-Jul-2011	Nil	N/A	N/A
	310,000	\$0.125	12-Dec-2011	Nil	N/A	N/A
	80,000	\$0.165	15-Mar-2012	Nil	N/A	N/A
	386,000	\$0.135	03-Oct-2012	Nil	N/A	N/A
	100,000	\$0.13	05-Sept-2013	Nil	N/A	N/A
	95,000	\$0.10	03-Feb-2014	Nil	N/A	N/A
120,000	\$0.10	11-Jan-2015	Nil	N/A	N/A	
Amanda B. Chow	75,000	\$0.10	14-Oct-2010	Nil	N/A	N/A
	75,000	\$0.10	11-Jan-2011	Nil	N/A	N/A
	40,000	\$0.12	01-Feb-2011	Nil	N/A	N/A
	50,000	\$0.10	05-Jul-2011	Nil	N/A	N/A
	110,000	\$0.125	12-Dec-2011	Nil	N/A	N/A
	60,000	\$0.165	15-Mar-2012	Nil	N/A	N/A
	97,000	\$0.135	03-Oct-2012	Nil	N/A	N/A
	35,382	\$0.13	05-Sept-2013	Nil	N/A	N/A
	55,000	\$0.10	03-Feb-2014	Nil	N/A	N/A
50,000	\$0.10	11-Jan-2015	Nil	N/A	N/A	
Carl Huston	70,000	\$0.12	01-Feb-2011	Nil	N/A	N/A
	40,000	\$0.10	05-Jul-2011	Nil	N/A	N/A
	60,000	\$0.165	15-Mar-2012	Nil	N/A	N/A
	85,000	\$0.135	03-Oct-2012	Nil	N/A	N/A

<sup>(1)</sup>"In-the-money options" means the excess of the market value of the Company's shares on March 31, 2010 over the exercise price of the options. The last trading price of the Company's shares at its fiscal year ended March 31, 2010 was \$0.05.

The following table discloses all amounts of compensation provided by the Company to its directors who are not NEOs for the financial year ended **March 31, 2010**:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
(a)	(b)	(c)	(d) <sup>(1)</sup>	(e)	(f)	(g)	(h)
Donald G. Myers	N/A	N/A	\$5,186 <sup>(2)</sup>	N/A	N/A	\$24,630 <sup>(3)</sup>	\$29,816
Amanda B. Chow	\$6,000 <sup>(3)</sup>	N/A	\$2,161 <sup>(4)</sup>	N/A	N/A	N/A	\$8,161
Carl Huston	N/A	N/A	Nil	N/A	N/A	N/A	Nil

- (1) The figures thus shown are based on the fair value estimated at the date of option grant using the Black-Scholes pricing model under the following assumptions: (i) risk free interest rate of 2.41% (ii) dividend yields of nil; (iii) expected life of five (5) years; (iv) expected volatility is 95% . The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (2) Representing a total of 120,000 incentive stock options exercisable at a price of \$0.10 per common share until January 11, 2015.
- (3) Refer to "G. Directors' Compensation" above.
- (4) Representing a total of 50,000 incentive stock options exercisable at a price of \$0.10 per common share until January 11, 2015.

Other than as set forth in the foregoing or elsewhere herein, no director of the Company who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

#### **X. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth details of the Company's compensation plans under which equity securities of the Company were authorized for issuance at the end of the Company's financial year ended **March 31, 2010**:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	10,648,620	\$0.12	785,055
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	10,648,620	\$0.12	785,055

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

No executive officer, director, employee, former executive officer, former director, former employee, proposed nominee for election as a director, or associate of any such person has been indebted to the Company or its subsidiaries at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company or its subsidiaries at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

## **XII. MANAGEMENT CONTRACTS**

1. The Company has engaged 98 Corporate Group Resources Ltd. ("98 Corporate"), a private British Columbia company, to provide office space and support services to the Company pursuant to an office space and support services agreement which is renewed annually. 98 Corporate provides to the Company office space, office furniture, access to the necessary equipment in order to carry on business and various services including but not limited to managerial, administration, SEDAR, SEDI, computer and data base management, reception and secretarial services, bookkeeping and accounting and liaison with transfer agent, auditors, accountants and lawyers. The fee paid by the Company to 98 Corporate is on a cost plus 15% basis. During the financial year ending March 31, 2010, the Company paid \$425,798 (including the 15% fees) to 98 Corporate for the provision of such services. The Agreement is renewed automatically subject to termination by either party on six (6) months written notice of the termination. 98 Corporate is controlled by William A. Trimble of West Vancouver, B.C. Neither Mr. Trimble nor his associates or affiliates was indebted to the Company at any time since the commencement of the last completed financial year. During the year, Mr. Donald G. Myers, a Director of the Company received, for administration purposes through 98 Corporate, the amount of \$24,630.
2. The Company entered into a Consulting Agreement dated June 1, 2010 with David Busch, P. Geo. Mr. Busch is the former Vice President of Exploration for the Company. The Consulting Agreement provides for geological consulting services on an individual project basis, for professional services at the prevailing industry rate. During the Company's financial year ended March 31, 2010, Mr. Busch received through Westshield Consulting Limited ("Westshield"), a geological consulting company beneficially owned by Mr. Busch, geological mineral exploration costs of \$43,884. During the financial year ended March 31, 2010, Mr. Busch was granted 61,000 incentive stock options exercisable at a price of \$0.10 per share until January 11, 2015.
3. Subsequent to the Company's financial year ended March 31, 2010, the Company entered into a Consulting Agreement dated May 1, 2010 with Mr. Robert Marvin, P. Geo. Pursuant to the terms of the Agreement, Mr. Marvin will act as the exploration manager for the Company. The Company will contract Mr. Marvin at the prevailing industry rate for his professional services and will grant him incentive stock options from time to time, in such amounts as to be determined by the board of directors of the Company. On March 13, 2010, Mr. Marvin was granted 200,000 incentive stock options exercisable at a price of \$0.10 per share until May 13, 2012.

## **XIII. LIABILITY INSURANCE**

The Company has purchased, at its expense, directors' and officers' liability insurance in the aggregate amount of \$1,000,000 for the protection of its directors and officers against liability incurred by them in their capacities as directors and officers of the Company and its subsidiaries. During its most recent financial year end, the Company paid a premium of \$6,200 for this insurance coverage.

## **XIV. CORPORATE GOVERNANCE**

Pursuant to National Policy 58-101 *Disclosure of Corporate Governance Practices* the Company is required to and hereby discloses its corporate governance practices as follows.

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

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

Mr. Donald Myers, Mr. Carl Huston and Ms. Amanda Chow, directors of the Company, are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from shareholdings. Mr. Donald C. Huston is the President and Chief Executive Officer of the Company and Mr. James G. Pettit, is the acting Chief Financial Officer and are therefore not independent.

### **2. Directorships**

Please refer to pages 17 and 18 of the information circular under the heading "Election of Directors" which discloses the directorships in other issuers held by the Company's directors.

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

The Board of Directors of the Company briefs all new directors with respect to the policies of the Board of Directors, and other relevant corporate and business information. The board does not provide any continuing education.

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

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

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

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives, and a willingness to serve.

### **6. Compensation**

The Compensation Committee is responsible for setting compensation paid to directors and executive officers, establishing and reviewing incentive plans for directors, officers and management, providing guidance to the Company on corporate governance matters. The Committee is composed of two directors. The current members are Donald G. Myers and Amanda B. Chow. The process determining compensation includes

comparison with compensation in entities comparable to the Company. The Committee meets at least annually to fulfill its mandate.

The steps taken to determine the compensation of the directors and Named Executive Officers of the Company are also set forth above under “Required Annual Disclosure Concerning the Corporation – Executive Compensation – Compensation Disclosure and Analysis”.

## **7. Other Board Committees**

The Board of Directors has no other committees other than the Audit Committee and Compensation Committee.

## **8. Assessments**

The Board of Directors regularly monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and its committees.

## **XV. AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following.

### **1. The Audit Committee’s Charter**

The Company’s Audit Committee is governed by an audit committee charter, the text of which is attached as Schedule A to this Information Circular.

### **2. Composition of Audit Committee**

The Company’s Audit Committee is comprised of three directors, Donald C. Huston, Donald Myers and Carl Huston. As defined in NI 52-110, Donald C. Huston is not “independent” and Donald Myers and Carl Huston are “independent”. Also as defined in NI 52-110, all of the audit committee members are “financially literate”.

### **3. Relevant Education and Experience**

#### Donald C. Huston

Mr. Donald C. Huston is a director on the boards of six junior resource companies which trade on the TSX Venture Exchange and has fifteen years of experience within the industry. He has significant audit committee experience and has been involved in a variety of matters requiring financial literacy.

#### Donald G. Myers

Mr. Myers has over twenty years of experience in public company management and corporate communications working with companies listed on the TSX Venture Exchange, NASDAQ, and Toronto Stock Exchange. Mr. Myers is currently a director and/or officer and audit committee member of several junior public companies.

### Carl D. Huston

Mr. Carl D. Huston, P.Eng. has been a director of the Company since 2003. Mr. Huston is a self-employed businessman in mining exploration for over the last 40 years. Mr. Huston has been a professional engineer since 1970.

As a result of their education and experience, each member of the audit committee has familiarity with, an understanding of, or experience in:

- (a) the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) reviewing or evaluating financial statements, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, and
- (c) an understanding of internal controls and procedures for financial reporting.

#### **4. Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

#### **5. Reliance on Certain Exemptions**

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

#### **6. Pre-approval of Policies and Procedures**

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable the Audit Committee, on a case-by-case basis.

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

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees billed by the Company's auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees <sup>(1)</sup>	All Other Fees
March 31, 2010	\$23,876	Nil	\$2,650	Nil
March 31, 2009	\$29,210	Nil	\$2,650	Nil

<sup>(1)</sup>Fees related to the preparation of the Company's T-2 corporate income tax return and the General Index of Financial Information required by CCRA.

## **XVI. PARTICULARS OF MATTERS TO BE ACTED UPON**

### **A. Election of Directors**

Management intends to propose for adoption an ordinary resolution that the number of directors of the Company be fixed at **five (5)**.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by proxy will, on a poll, be voted for the nominees herein listed. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Information Circular:

<b>Name of Nominee, Residence and Present Positions Held</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Number of Shares Beneficially Owned or Controlled</b>
<b>Donald C. Huston</b> <sup>(1)</sup> North Vancouver, British Columbia  President, CEO and Director	Director and/or officer of Consolidated Abaddon Resources Inc. (resource, mineral exploration), Bayfield Ventures Corp. (resource, mineral exploration), Cypress Development Corp. (resource, mineral exploration), MPH Ventures Corp. (resource, mineral exploration) and Skyharbour Resources Ltd. (resource, mineral exploration), all reporting companies the shares of which are listed on the TSX Venture Exchange.	Dec. 6, 2001	105,000 common shares

Name of Nominee, Residence and Present Positions Held	Principal Occupation	Director Since	Number of Shares Beneficially Owned of Controlled
<p><b>James G. Pettit</b> North Vancouver, British Columbia</p> <p>Acting CFO Director</p>	<p>Director and/or Officer of Bayfield Ventures Corp. (resource, mineral exploration), Consolidated Abaddon Resources Inc. (resource, mineral exploration), Cypress Development Corp. (resource, mineral exploration), Tosca Mining Corp. (resource, mineral exploration); MPH Ventures Corp. (resource, mineral exploration), and Skyharbour Resources Ltd. (resource, mineral exploration), all reporting companies the shares of which are listed on the TSX Venture Exchange.</p>	<p>June 15, 1999</p>	<p>180,000 common shares</p>
<p><b>Donald G. Myers</b> <sup>(1)(2)</sup> Vancouver, British Columbia</p> <p>Director</p>	<p>Director and/or officer of Bayfield Ventures Corp.; (resource, mineral exploration); Consolidated Abaddon Resources Inc.; Cypress Development Corp., (resource, mineral exploration); MPH Ventures Corp. and Skyharbour Resources Ltd. (resource, mineral exploration); Corporate development 2003 to present, 98 Corporate Group Resources Ltd. (private management services company);</p>	<p>July 5, 2007</p>	<p>400,000 common shares</p>
<p><b>Amanda B. Chow,</b> <b>CMA</b> <sup>(2)</sup> Port Moody, British Columbia</p> <p>Director</p>	<p>Accountant, Director and/or officer of the Company; Director and/or officer of Bayfield Ventures Corp. (resource, mineral exploration), Consolidated Abaddon Resources Inc.; Cypress Development Corp. (resource, mineral exploration), MPH Ventures Corp. (resource, mineral and oil and gas) and Skyharbour Resources Ltd. (resource, mineral exploration), reporting companies the shares of which are listed on the TSX Venture Exchange</p>	<p>October 13, 2005</p>	<p>Nil</p>

<b>Name of Nominee, Residence and Present Positions Held</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Number of Shares Beneficially Owned of Controlled</b>
<b>Carl D. Huston</b> <sup>(1)</sup> Red Lake, Ontario Canada  Director	Self-employed professional engineer; Director of Skyharbour Resources Ltd.	December 30, 2003	159,500

<sup>(1)</sup>Member of the Audit Committee.

<sup>(2)</sup>Member of Compensation Committee.

The terms of office of those nominees who are presently Directors will expire as of the date of the Meeting. All of the Directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting of the Company.

Other than as set forth in the foregoing, no proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director or executive officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of 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; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company has, within the 10 years before the date of this Information 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.

The above information was provided by management of the Company.

#### **B. Appointment of Auditor**

Management proposes that Davidson & Company, Chartered Accountants, of 1270 – 609 Granville Street, Vancouver, British Columbia, be re-appointed auditor of the Company for the ensuing year.

#### **C. Incentive Stock Option Plan**

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution approving the renewal of the Company's Stock Option Plan (the "Plan"). The Plan was initially approved by shareholders at the Company's Special General Meeting held June 4, 2003 and has been approved for renewal at

successive annual meetings thereafter. It is a condition of Exchange approval of the Plan that shareholder approval be obtained annually. The purpose of the Plan is to assist the Company in attracting, retaining and motivating directors, officers and employees of the Company and to closely align the personal interests of such directors, officers and employees with the interests of the Company and its shareholders. Options granted under the Plan are non-assignable and may be granted for a term not exceeding that permitted by the Exchange (currently ten years). A summary of the material aspects of the Plan are as follows:

1. the Plan will be administered by the Company's Board of Directors or, if the Board so designates, a Committee of the Board appointed in accordance with the Plan to administer the Plan;
2. the maximum number of shares in respect of which options may be outstanding under the Plan at any given time is equivalent to 10% of the issued and outstanding shares of the Company at that time, less the number of shares, if any, subject to Prior Options;
3. following termination of an optionee's employment, directorship, consulting agreement or other qualified position, the optionee's option shall terminate upon the expiry of such period of time following termination, not to exceed 90 days (30 days if the optionee is engaged in providing investor relations services), as has been determined by the directors;
4. an option granted under the Plan will terminate one year following the death of the optionee. These provisions do not have the effect of extending the term of an option which would have expired earlier in accordance with its terms, and do not apply to any portion of an option which had not vested at the time of death or other termination;
5. as long as required by Exchange policy, no one individual may receive options on more than 5% of the issued and outstanding shares of the Company (the "Outstanding Shares") in any 12 month period, no one consultant may receive options on more than 2% of the Outstanding Shares in any 12 month period, and options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the Outstanding Shares in any 12 month period;
6. options may not be granted at prices that are less than the Discounted Market Price as defined in Exchange policy which, subject to certain exceptions, generally means the most recent closing price of the Company's shares on the Exchange, less a discount of from 15% to 25%, depending on the trading value of the Company's shares;
7. any amendment of the terms of an option shall be subject to any required regulatory and shareholder approvals; and
8. in the event of a reorganization of the Company or the amalgamation, merger or consolidation of the shares of the Company, the Board of Directors shall make such appropriate provisions for the protection of the rights of the optionee as it may deem advisable.

A copy of the Company's current Plan will be available for review at the meeting. The directors recommend that shareholders approve the renewal of the Company's Option Plan.

## **XVII OTHER MATTERS TO BE ACTED UPON**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. The Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy.

**XVIII ADDITIONAL INFORMATION**

Additional Information concerning the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial Information concerning the Company is provided in the Company's comparative financial statements and Management's Discussion and Analysis for the financial year ended March 31, 2010.

Shareholders wishing to obtain a copy of the Company's financial statements and Management's Discussion and Analysis may contact the Company as follows:

SKYHARBOUR RESOURCES LTD.  
2230-885 West Georgia Street, Vancouver, B.C. V6C 3E8  
Telephone: (604) 687-3376 Fax: (604) 687-3119  
E-mail: [info@skyharbourltd.com](mailto:info@skyharbourltd.com)

**BOARD APPROVAL**

The contents of this Information Circular have been approved and its mailing has been authorized by the directors of the Company.

**DATED** at Vancouver, British Columbia, this 19th day of July, 2010.

**ON BEHALF OF THE BOARD**

*"Donald C. Huston"*

**Donald C. Huston,**  
President

## **SCHEDULE "A"**

### **SKYHARBOUR RESOURCES LTD.** (the "Company")

#### **AUDIT COMMITTEE CHARTER**

##### **PURPOSE OF THE COMMITTEE**

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of the Company is to provide an open avenue of communication between management, the Company's independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- the Company's compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company's independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company's articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles ("GAAP"). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit the Company's financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with GAAP.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

##### **AUTHORITY AND RESPONSIBILITIES**

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.

2. Review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.

## **Please direct all inquiries to:**

### **Questions and Further Assistance**

If you have any questions about the information contained in this document or require assistance in completing your proxy form, please contact our proxy solicitation agent at:

# Georgeson

**100 University Avenue  
11th Floor, South Tower  
Toronto, Ontario  
M5J 2Y1**

**North American Toll Free Number: 1-888-605-8408**

**Email: [askus@georgeson.com](mailto:askus@georgeson.com)**

**SKYHARBOUR RESOURCES LTD.**  
**FINANCIAL STATEMENT REQUEST FORM**

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators, we shall deliver our annual and interim financial statements and the Management Discussion & Analysis ("MD&A") related to such financial statements to our shareholders when they request that copies be sent to them. If you wish to receive either our annual financial statements and related MD&A or our interim financial statements and related MD&A, or both, please complete the information below and mail this form or e-mail the information on this form to us at the following address:

SKYHARBOUR RESOURCES LTD.  
P.O. Box 1048  
2230 – 885 West Georgia Street  
Vancouver, BC  
V6C 3E8

Attention: Secretary

e-mail: [info@skyharbourltd.com](mailto:info@skyharbourltd.com)

I wish to receive your:  
(Check one or both, as necessary)

\_\_\_\_\_ Annual financial statements and MD&A

\_\_\_\_\_ Interim financial statements and MD&A

which should be sent to:

\_\_\_\_\_  
NAME (please print)

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
Postal or Zip Code

To use electronic methods for communication with our shareholders, we request that you provide us with your e-mail address. Please insert your e-mail address and initial and date below to indicate your consent to receive information by e-mail instead of in paper form.

**I HEREBY CONSENT** to receipt of information by e-mail at the following address:

\_\_\_\_\_  
e-mail address

Initial: \_\_\_\_\_

Date: \_\_\_\_\_

Security Class

Holder Account Number

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Fold

**Form of Proxy - Annual General Meeting to be held on August 25, 2010**

**This Form of Proxy is solicited by and on behalf of Management.**

**Notes to proxy**

1. Every holder has the right to appoint some other person or company of their choice, who need not be a holder, to attend and act on their behalf at the meeting or any adjournment or postponement thereof. If you wish to appoint a person or company other than the persons whose names are printed herein, please insert the name of your chosen proxyholder in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc.), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you must sign this proxy with signing capacity stated, and you may be required to provide documentation evidencing your power to sign this proxy.
3. This proxy should be signed in the exact manner as the name(s) appear(s) on the proxy.
4. If this proxy is not dated, it will be deemed to bear the date on which it is mailed by Management to the holder.
5. The securities represented by this proxy will be voted as directed by the holder, however, if such a direction is not made in respect of any matter, this proxy will be voted as recommended by Management.
6. The securities represented by this proxy will be voted in favour or withheld from voting or voted against each of the matters described herein, as applicable, in accordance with the instructions of the holder, on any ballot that may be called for and, if the holder has specified a choice with respect to any matter to be acted on, the securities will be voted accordingly.
7. This proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the meeting or any adjournment or postponement thereof.
8. This proxy should be read in conjunction with the accompanying documentation provided by Management.

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Fold

**Proxies submitted must be received by 10:00 am, Pacific Time, on August 23, 2010.**

**VOTE USING THE TELEPHONE OR INTERNET 24 HOURS A DAY 7 DAYS A WEEK!**



**To Vote Using the Telephone**

- Call the number listed BELOW from a touch tone telephone.

**1-866-732-VOTE (8683) Toll Free**



**To Vote Using the Internet**

- Go to the following web site:  
[www.investorvote.com](http://www.investorvote.com)

**If you vote by telephone or the Internet, DO NOT mail back this proxy.**

Voting by mail may be the only method for securities held in the name of a corporation or securities being voted on behalf of another individual.

Voting by mail or by Internet are the only methods by which a holder may appoint a person as proxyholder other than the Management nominees named on the reverse of this proxy. Instead of mailing this proxy, you may choose one of the two voting methods outlined above to vote this proxy.

To vote by telephone or the Internet, you will need to provide your CONTROL NUMBER listed below.

**CONTROL NUMBER**



### Appointment of Proxyholder

I/We, being holder(s) of Skyharbour Resources Ltd. hereby appoint: Donald C. Huston, or failing him, James G. Pettit,

OR

Print the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

as my/our proxyholder with full power of substitution and to attend, act and to vote for and on behalf of the shareholder in accordance with the following direction (or if no directions have been given, as the proxyholder sees fit) and all other matters that may properly come before the Annual General Meeting of shareholders of Skyharbour Resources Ltd. to be held at Suite 1710 – 1177 West Hastings Street, Vancouver, BC, on August 25, 2010 at 10:00 AM Pacific Time, and at any adjournment or postponement thereof.

VOTING RECOMMENDATIONS ARE INDICATED BY **HIGHLIGHTED TEXT** OVER THE BOXES.

**For**      **Against**

#### 1. Number of Directors

To set the number of Directors at five (5).

      

#### 2. Election of Directors

**For**      Withhold

**For**      Withhold

**For**      Withhold

01. Donald C. Huston

      

02. James G. Pettit

      

03. Donald C. Myers

      

04. Amanda B. Chow

      

05. Carl D. Huston

      

**For**      **Withhold**

#### 3. Appointment of Auditors

Appointment of Davidson and Company, as Auditors of the Company for the ensuing year and authorizing the Directors to fix their remuneration.

      

**For**      **Against**

#### 4. Renewal of Stock Option Plan

Resolved that the Company renew its stock option plan.

      

#### Authorized Signature(s) - This section must be completed for your instructions to be executed.

I/We authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any proxy previously given with respect to the Meeting. **If no voting instructions are indicated above, this Proxy will be voted as recommended by Management.**

Signature(s)

Date

DD / MM / YY

