Dear Fellow Shareholder:

On behalf of the Board of Directors, I am pleased to provide you with a review of Rathdowney’s activities over the past year. Additional information can be found in our year-end financial materials and on our website at www.rathdowneyresources.com.

If you have any questions regarding the proxy materials, please feel free to contact our Investor Services department at 604-684-6365 or toll-free 1-800-667-2114.

The past year has been a volatile and challenging one for the mineral exploration industry. Market conditions in 2012 caused Rathdowney management to develop a strategy to focus on more advanced stage projects, in particular its flagship project in Poland. Programs at Project Olza continue to provide excellent results.

In September 2012, Rathdowney released an initial estimate for a portion of the extensive zinc-lead deposits at Olza. This estimate, comprising 21.2 million tonnes of 7.42% zinc-lead inferred mineral resources (at a 2.0% zinc cutoff), also established a critical mass for moving forward with data collecting and technical studies to support a permitting process as outlined for mining projects in Poland.

The initial resource is located on the Zawiercie and Rokitno exploration concessions, within a 9-square kilometer area of the large and prospective Olza property. More recent infill and step-out drilling in this area has confirmed the continuity of the mineralization and the potential to expand the mineral resource. Rathdowney also drilled two holes on the Chechlo concession, an area where only widely-spaced drilling had taken place in the past. The Chechlo prospect is located approximately 15 kilometer southeast of the initial resource area. Zinc, lead and silver mineralization of significant grades and thicknesses were intersected within underlying older dolomite units. These results are particularly compelling, as a new style of mineralization has been identified.

As part of its broader data collecting efforts, preliminary metallurgical testing has been done on samples of the Project Olza mineralization. Initial results include excellent recoveries for zinc and lead using standard flotation conditions. Furthermore, appreciable silver values were reported in the zinc concentrate, indicating the potential for additional revenue to be derived from silver in any future production from Olza.

Concurrently, Rathdowney has broadened its community engagement activities that began in 2010 and formalized a process to consider all financing and partnership options available to advance the project.

In response to global economic conditions, Rathdowney has focused on rebalancing the risk profile of its project portfolio.
A portfolio of early stage zinc-lead properties in the Midlands Ore Field of Ireland were optioned out in September 2012. Rathdowney can benefit from future exploration success at these properties through retained minority interests or royalties.

The Company also made a €3.5 million ($4.4 million) investment in common shares of Heatherdale Resources Ltd. in July 2012 to gain an approximately 18% interest in Heatherdale’s 100%-owned Niblack copper-gold-zinc-silver project located in southeastern Alaska. Rathdowney believes that its investment in Heatherdale provides shareholders with a low cost opportunity to participate in a project with excellent potential.

The outlook for the zinc and lead markets is influenced by China, which comprised an estimated 44 percent of global demand in 2011. Current demand, particularly for zinc, in combination with the expected closure due to ore exhaustion of some major zinc mines in the world over the next few years, is expected to widen the gap in the medium term between mine supply and the demand for zinc, as well as drawing down the large stocks of zinc. With the Olza zinc-lead project, Rathdowney is among a short list of junior exploration companies that are well placed to benefit from this looming squeeze in the supply of zinc concentrates.

The Annual General and Special Meeting will be held on June 27, 2013, at 2:00 PM (Pacific Time) at Rathdowney’s head office on the 15th Floor, 1040 West Georgia Street, Vancouver, BC, Canada. The meeting will give us the opportunity to discuss our plans for the year ahead and to respond to your questions. I look forward to seeing you at the meeting.

Yours sincerely,

/s/ John P. Barry

President & CEO

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\(^1\) Individual grades are 5.8% zinc and 1.54% lead. Estimate by independent qualified person Robert Sandefur, PE, of Chlumsky Armbrust & Meyer, LLC., is based on drilling to May 2012.
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Take notice that the Annual General and Special Meeting (the "Meeting") of Shareholders of Rathdowney Resources Ltd. (the "Company") will be held at Suite 1500 – 1040 West Georgia Street, Vancouver, British Columbia, on Thursday, June 27, 2013 at 2:00 PM (Pacific Time) for the following purposes:

1. To receive the annual financial statements of the Company for its fiscal year ended December 31, 2012, the report of the auditor thereon and related management discussion and analysis (the "Financial Statements");

2. To fix the number of directors of the Company at nine;

3. To elect directors of the Company for the ensuing year;

4. To appoint the auditor of the Company for the ensuing year;

5. To ratify and approve the continuation of the Company's Share Option Plan; and

6. To consider, and if thought advisable, to approve a special resolution authorizing an alteration of the Company's Articles to include "advance notice" provisions to establish certain requirements described in the accompanying Information Circular for the valid nomination for election as a director of the Company of any person who is proposed to be nominated other than by the Board of the Company.

An Information Circular accompanies this Notice. The Information Circular contains further particulars of matters to be considered at the Meeting. The Meeting will also consider any permitted amendment to or variation of any matter identified in this Notice, and will transact such other business as may properly come before the Meeting or any adjournment thereof. Copies of the Financial Statements will be made available at the Meeting and are available on SEDAR at www.sedar.com.

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.

Non-registered (beneficial) shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form and in the Information Circular to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account you are not a registered shareholder.


BY ORDER OF THE BOARD

/s/ John P. Barry

John P. Barry
President and Chief Executive Officer
INFORMATION CIRCULAR

as at May 16, 2013, except as otherwise indicated

This Information Circular is furnished in connection with the solicitation of proxies by the management of Rathdowney Resources Ltd. (the "Company") for use at the annual general and special meeting (the "Meeting") of its shareholders to be held on June 27, 2013 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to the "Company", "we" and "our" refer to Rathdowney Resources Ltd. "Common Shares" means common shares without par value in the capital of the Company. "Beneficial Shareholders" means shareholders who do not hold Common Shares in their own name and "intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the "Proxy") are officers and/or directors of the Company. If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:
(a) each matter or group of matters identified therein for which a choice is not specified;
(b) any amendment to or variation of any matter identified therein; and
(c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

**Registered Shareholders**

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. A registered shareholder may submit a proxy using one of the following methods:

(a) complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services, Inc. ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or

(b) use a touch-tone phone to transmit voting choices to the toll free number given in the Proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll free number, the holder's account number and the proxy access number; or

(c) log on to Computershare's website at [www.investorvote.com](http://www.investorvote.com). Registered shareholders must follow the instructions provided and refer to the enclosed Proxy for the holder's account number and the proxy access number.

Whatever method a registered shareholder uses to submit their Proxy, they must ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof.

**Beneficial Shareholders (Unregistered Shareholders)**

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.
There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "OBOs" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of National Instrument 54-101 "Communication with Beneficial Owners of Securities of a Reporting Issuer" that permit it to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

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

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

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.

**Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and are being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the corporate and securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the corporate and
securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the Business Corporations Act (British Columbia) ("BCA"), as amended, most of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

(a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to the Company's transfer agent, Computershare, by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

(b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, except as otherwise set out in this Information Circular.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "Board") of the Company has fixed May 16, 2013 as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting. A quorum for the Meeting
is one or more persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares. As of the Record Date, there were 82,674,881 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares of the Company.

To the knowledge of the directors and executive officers of the Company, as at May 16, 2013, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares.

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the fiscal year ended December 31, 2012, report of the auditor, and related management discussion and analysis will be placed before the Meeting. These documents have been filed with the securities commissions or similar regulatory authorities in Alberta and British Columbia. Copies of the documents may be obtained upon request without charge from Investor Relations, Rathdowney Resources Ltd., 15th Floor, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1, telephone: (604) 684-6365 or fax: (604) 684-8092. These documents are also available through the Internet on SEDAR under the Company's profile at www.sedar.com

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein, except for the resolution to approve the adoption of an advance notice provision, and the corresponding amendment to the Company's Articles, which requires approval by special resolution. A special resolution is a resolution passed by at least two-thirds (66.67%) of the votes cast on the resolution. See "Particulars of Matters to be Acted Upon". If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the BCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The Company currently has nine directors. The Board proposes that the number of directors remain at nine and the shareholders will be asked to approve an ordinary resolution that the number of directors to be elected be fixed at nine. The following table sets out the names of management's nine nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the
Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at May 16, 2013.

<table>
<thead>
<tr>
<th>Name of Nominee; Current Position with the Company and Province and Country of Residence (1)</th>
<th>Period as a Director of the Company</th>
<th>Common Shares Beneficially Owned or Controlled (1)</th>
</tr>
</thead>
</table>
| John P. Barry  
Director  
President and Chief Executive Officer  
Leinster, Ireland | Since March 15, 2011 | 2,000,000 Common Shares  
550,000 Options |
| Lena K. Brommeland  
Director  
British Columbia, Canada | Since November 4, 2011 | 74,200 Common Shares  
119,100 Options |
| Rene G. Carrier (3)(4)(5)  
Director  
British Columbia, Canada | Since March 15, 2011 | 125,000 Common Shares (2)  
108,900 Options |
| David J. Copeland  
Director and Chairman of the Board  
British Columbia, Canada | Since December 5, 2011 | 1,671,429 Common Shares  
99,900 Options |
| T. Barry Coughlan (3)(4)(5)  
Director  
British Columbia, Canada | Since March 15, 2011 | 50,000 Common Shares  
99,900 Options |
| Scott D. Cousens (4)  
Director  
British Columbia, Canada | Since June 28, 2011 | 1,726,429 Common Shares (6)  
99,900 Options |
| Stephen Hodgson  
Director  
British Columbia, Canada | Since November 4, 2011 | 215,400 Common Shares  
119,100 Options |
| Michael H. Nolan (3)  
Director  
Leinster, Ireland | Since March 15, 2011 | 1,950,000 Common Shares  
550,000 Options |
| Robert W. Schafer (5)  
Director  
Utah, United States | Since March 15, 2011 | 115,000 Common Shares  
185,000 Options |

Notes:
1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the Company's management and has been provided by the respective nominees.
2. 100,000 of these Common Shares controlled by Mr. Carrier are held through Euro American Capital Corporation, a private company controlled by Mr. Carrier.
3. Member of the Audit Committee
4. Member of the Compensation Committee
5. Member of the Nominating and Governance Committee
6. 17,000 of these Common Shares are held in Mr. Cousens' RRSP account.
None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

**Biographical Information**

The following information as to principal occupation, business or employment is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

*John P. Barry - President, Chief Executive Officer and Director*

Mr. Barry is an economic geologist who holds a Master's Degree in Geology from Pennsylvania State University and a Master's Degree in Business Administration from the Edinburgh School of Business, Heriot-Watt University, Scotland. He has worked in the exploration and mining industry since 1988 and has consulted to the industry as an associate of the CSA Group in Ireland and Australia, and Chlumsky Armbrust & Meyer in Denver, on a range of major gold and base metal deposits in Europe, Africa, Australia, South America and Southeast Asia. He has extensive experience as a Qualified Person in mineral exploration, project management and the technical and financial appraisal of mineral exploration and mining projects. He is a director of Sovereign Mines of Africa plc, a junior gold exploration company listed on the AIM market in London and non-executive Chairman of Orogen Gold Limited, an AIM-listed gold exploration company focused on Serbia.

*Lena K. Brommeland – Senior Vice-President, Country Manager of Poland, and Director*

Ms. Brommeland has a BSc in geology and more than 20 years of experience in mineral project evaluation and on-site management of large-scale mineral projects, including the Pebble, Delta and Niblack projects both located in Alaska and the Prosperity project in British Columbia. Ms. Brommeland is Executive Vice President of Project Services with Hunter Dickinson Inc. ("HDI") where she manages on-site drill programs, co-ordinates environmental planning and permitting, and develops community relations activities for exploration and feasibility-level projects associated to the HDI group of companies. A longstanding member with the Association for Mineral Exploration BC, Ms. Brommeland dedicates a substantial amount of time to industry outreach and development and is a past Chair of the organization.

*Rene G. Carrier – Director*

Mr. Carrier has been the President of Euro-American Capital Corporation, a private investment company, since May 1991. He served as Vice-President of Pacific International Securities Inc. where he worked for ten years until 1991. He served as Lead Director of International Royalty Corp. ("IRC") from 2003 to 2010. IRC was a global mineral royalty company engaged in the acquisition and creation of natural resource royalties which was acquired by Royal Gold Inc. for approximately $700 million in 2010. He also served as an independent director of Chartwell Technology Inc. from July 1991 to April 2007.

Mr. Carrier has been and is an officer and/or director of various public companies involved in the mining sector.

*David J. Copeland – Chairman and Director*

Mr. Copeland is a professional engineer and mining executive with over 30 years of experience in a variety of capacities in mine exploration, discovery and development throughout the South Pacific, Africa, South America and North America. He has extensive industry experience and is a director of several public companies. Mr. Copeland has been a key contributor to projects, providing expertise and
leadership on the Mt. Milligan Copper-Gold Project in BC, the South Kemess mine in BC, the Hollister development project in Nevada, USA, the Burnstone mine in South Africa and the Xietongmen project in Tibet, China. As Director of Project Development at Hunter Dickinson Inc., he directs and co-ordinates advanced technical programs of companies for which its subsidiary, Hunter Dickinson Services Inc., provides services.

T. Barry Coughlan – Director

Mr. Coughlan is a self-employed businessman and financier who has been involved in the financing of publicly traded companies for over 25 years. His principal occupation is President and Director of TBC Ventures Ltd., a private investment company.

Scott D. Cousens – Director

Mr. Cousens provides management and financial services to a number of publicly traded companies associated with HDI. His focus for the past 20 years has been the development of relationships within the international investment community. Substantial financings and subsequent corporate success has established strong ties with North American, European and Middle Eastern investors. Mr. Cousens is also the Director of Capital Finance for HDI.

Stephen Hodgson – Director

Mr. Hodgson is a Professional Engineer with over 30 years of experience in mine operations, mine development and project engineering. His most recent position was Director of Engineering for the Pebble Partnership where he led engineering studies for the large scale Pebble project in Alaska. Mr. Hodgson has broad knowledge of zinc mines and projects in previously held positions, including six years at Pine Point in northern Canada which hosts a Mississippi Valley type deposit ranking as one of the largest of its type in the world. Pine Point is considered an analog for the deposits at the Company's Project Olza in the Silesia zinc belt. Mr. Hodgson is also Executive Vice President of Engineering with HDI.

Michael H. Nolan – Director

Mr. Nolan is a Chartered Accountant and has worked in the junior resource sector, in various capacities, for 19 years. He has gained industry knowledge through founding, investment in and serving on the boards of a number of public exploration and mining companies, including Minmet plc, Tiger Resource Finance plc, Lapp Plats plc, MeDaVinci plc, and GoldQuest Mining Corp. In 2009 he was involved in the formation of Cove Energy plc ("Cove") which traded on AIM in London. Cove is an oil and gas exploration and production company with interests in East Africa and was sold to PTTEP of Thailand in 2012. He currently serves as Chief Financial Officer of Discover Exploration plc, a private UK company and is a director and investor in a number of publicly quoted natural resource companies.

Robert W. Schafer – Director

Mr. Schafer is a Registered Professional Geologist with advanced degrees in geology and mineral economics who has worked internationally with major and junior mining companies including Kinross Gold Corporation, BHP World Minerals and Billiton. Mr. Schafer is also Executive Vice President, Business Development, for HDI.
Orders, Bankruptcies, Penalties and Sanctions

Except as disclosed below, within the last 10 years before the date of this Information Circular no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Information Circular is prepared) acted in that capacity for a company that was:

(a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;

(b) 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 the securities legislation, for a period of more than 30 consecutive days;

(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; or has 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) 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) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

In September, 2012, Great Basin Gold Ltd. ("GBG"), a company for which Mr. T. Barry Coughlan is a director, filed for creditor protection under the Companies' Creditors Arrangement Act ("CCAA") in Canada. GBG's principal South African subsidiary, Southgold Exploration (Pty) Ltd. ("Southgold"), filed for protection under the South African Companies Act business rescue procedures. The two insolvency proceedings were primarily caused by production ramp-up shortfalls at GBG's newly opened Burnstone Mine due to unforeseen ground faulting and water control problems, combined with gold production shortfalls at GBG's Nevada Hollister trial mine. These production shortfalls caused a cash-flow deficiency which caused GBG and Southgold to default under certain term loan agreements with an aggregate value of approximately $200 million. The default of these term loan agreements in turn caused GBG to default under the terms of a class of listed debentures with an aggregate value of approximately $126 million in principal. The outcome of the insolvency proceedings insofar as the potential for financial recovery by creditors and shareholders of GBG is not yet ascertainable.

APPOINTMENT OF AUDITOR

KPMG LLP, Chartered Accountants, 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K3, will be nominated at the Meeting for re-appointment as auditor of the Company at a remuneration to be fixed by the directors. KPMG LLP, Chartered Accountants, were first appointed as the Company's auditor on June 28, 2011.
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. Such disclosure is set forth below:

The Audit Committee's Charter

The Audit Committee's charter sets out the Audit Committee's mandate and responsibilities. The charter is contained in the Company's Corporate Governance Policies and Procedures Manual (the "Manual") in Appendix 6, which is available for download from the Company's website under Corporate Governance at http://rathdowneyresources.com.

Composition of the Audit Committee

The members of the Audit Committee are Rene G. Carrier (Chair), Michael H. Nolan and T. Barry Coughlan. Rene G. Carrier and T. Barry Coughlan are independent members of the Audit Committee. Michael Nolan is non-independent as he is the former Chairman of Rathdowney Holdings (Canada) Ltd., a wholly-owned subsidiary of the Company. All members of the Audit Committee are financially literate.

Relevant Education and Experience

By virtue of his education and experience each member of the Audit Committee has:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing 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 issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than KPMG LLP, Chartered Accountants.

Reliance on Certain Exemptions

The Company's auditor KPMG LLP, Chartered Accountants, has not provided any material non-audit services.

Pre-Approval Policies and Procedures

Section 1(a)(iv) of the Audit Committee Charter states that the Audit Committee must review in advance all permitted non-audit services with KPMG LLP and the Audit Committee may delegate the ability to
pre-approve such services to a subcommittee, provided such subcommittee shall present its decision to the full Audit Committee at the following audit committee meeting. Other than the foregoing, the audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

**External Auditor Service Fees**

The audit committee has reviewed the nature and amount of the non-audited services provided by KPMG LLP, Chartered Accountants, for the year ended December 31, 2012 to the Company to ensure auditor independence. Fees incurred with KPMG LLP, Chartered Accountants, for audit and non-audit services in respect of each of the last two fiscal years are outlined in the following table:

<table>
<thead>
<tr>
<th>Nature of Services</th>
<th>Fees Paid to Auditor in Year Ended December 31, 2012</th>
<th>Fees Paid to Auditor in Year Ended December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Fees (1)</td>
<td>$ 51,500</td>
<td>$ 49,500</td>
</tr>
<tr>
<td>Audit—Related Fees (2)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Tax Fees (3)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>All Other Fees (4)</td>
<td>—</td>
<td>$ 28,085</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 51,500</td>
<td>$ 77,585</td>
</tr>
</tbody>
</table>

Notes:
1. "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
2. "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
3. "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
4. "All Other Fees" include all other non-audit services.

**Exemption**

The Company is a "venture issuer" as defined in NI 52-110, and is relying upon the exemption set forth in section 6.1 of NI 52-110 with respect to Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

**CORPORATE GOVERNANCE**

**General**

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of
good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

**Board of Directors**

Applicable governance policies require that a listed issuer's board of directors determine the status of each director as independent or not, based on each director's interest in or other relationship with, the Company. Applicable governance policies recommend that a board of directors be constituted with a majority of directors who qualify as independent directors (as defined below). A board of directors should also examine its size with a view to determining the impact of the number of directors upon the effectiveness of the board of directors, and the board of directors should implement a system which enables an individual director to engage an outside advisor at the expense of the Company in appropriate circumstances. The Company's policies allow for retention of independent advisors for members of the board of directors when they consider it advisable.

Under the policies, an "independent" director is one who "has no direct or indirect material relationship" with the Company. Generally speaking, a director is independent if he or she is free from any employment, business or other relationship which could, or could reasonably be expected to, materially interfere with the exercise of the director's independent judgment. A material relationship includes having been (or having a family member who has been) within the last three years an employee or executive of the Company or having been employed by the Company's external auditor. Any individual (or whose family members or partners) received directly or indirectly, any consulting, advisory, accounting or legal fee or investment banking compensation from the Company (other than compensation for acting as a director or as a part time chairman or vice-chairman) is deemed to have a material relationship with the Company.

The independent members of the Board are Rene G. Carrier and T. Barry Coughlan.

The non-independent directors (and the reason they are not independent) are David J. Copeland (Chairman of the Board), John P. Barry (President and Chief Executive Officer), Robert W. Schafer (provides geological services), Michael H. Nolan (former Chairman of Rathdowney Holdings (Canada) Ltd., and a director of Mayfly Resources Limited, each wholly-owned subsidiaries of the Company), Scott D. Cousens (provides capital finance and investor communications services to the Company), Lena Brommeland (provides management and geological services to the Company) and Stephen Hodgson (provides engineering and management services to the Company).

All directors, independent and non-independent, except Messrs. Nolan and Hodgson and Ms. Brommeland serve on other boards of directors of other publicly traded companies affiliated with a private management company, Hunter Dickinson Services Inc. ("HDSI"). Messrs. Cousens and Copeland are directors of HDSI. HDSI is a private company which provides technical, geological, accounting and administrative services to several publicly traded resource companies. HDSI employs members of the executive management of these companies (of which the Company is one) and HDSI, in turn, invoices the companies for their share of these executive and director services as well as other services, including geological, accounting and administrative services, pursuant to annually set rates.

The Board monitors the activities of the senior management through regular meetings and discussions amongst the Board members and between the Board and senior management. Meetings of the independent directors are not held on a regularly scheduled basis, but communication between the independent directors occurs on an ongoing basis and as needs arise from regularly scheduled meetings of the Board or otherwise. The Board also encourages independent directors to bring up and discuss any issues or concerns and the Board is advised of and addresses any such issues or concerns raised thereby. The Board is of the view that its communication policy between senior management, members of the
The Board and shareholders is good. The Board is satisfied with the integrity of the Company's internal control and financial management information systems.

**Directorships**

The following directors are also directors of the following public companies.

<table>
<thead>
<tr>
<th>Name</th>
<th>Companies and Exchanges</th>
</tr>
</thead>
</table>
| John P. Barry         | Sovereign Mines of Africa plc (AIM)  
                        | Orogen Gold plc (AIM) |
| Rene G. Carrier       | Amarc Resources Ltd. (TSXV, OTCBB)  
                        | Curis Resources Ltd. (TSX)  
                        | Heatherdale Resources Ltd. (TSXV) |
| David J. Copeland     | Amarc Resources Ltd. (TSXV, OTCBB)  
                        | Curis Resources Ltd. (TSX)  
                        | Heatherdale Resources Ltd. (TSXV)  
                        | Northcliff Resources Ltd. (TSX) |
| T. Barry Coughlan     | Amarc Resources Ltd. (TSXV, OTCBB)  
                        | Creso Exploration Inc. (TSXV)  
                        | Great Basin Gold Ltd. (TSX, MKT, JSE)  
                        | Northcliff Resources Ltd. (TSX)  
                        | Quadro Resources Ltd. (TSX)  
                        | Taseko Mines Limited (TSX, NYSE MKT)  
                        | Vatic Ventures Corp. (TSX-V) |
| Scott D. Cousens      | Amarc Resources Ltd. (TSXV, OTCBB)  
                        | Heatherdale Resources Ltd. (TSXV)  
                        | Northern Dynasty Minerals Ltd. (TSX, NYSE MKT)  
                        | Taseko Mines Limited (TSX, NYSE MKT) |
| Michael H. Nolan      | Fastnet Oil and Gas plc (AIM)  
                        | Cove Energy Limited (delisted from AIM in 2012)  
                        | Orogen Gold plc (AIM)  
                        | Tiger Resource Finance plc (AIM) |
| Robert W. Schafer     | Amur Minerals Company (AIM)  
                        | Curis Resources Ltd. (TSX) |
Orientation and Continuing Education

When new directors are appointed, they receive an orientation commensurate with their previous experience on the Company's properties, business, technology and industry and on the responsibilities of directors. The Company will focus on retaining experienced mining candidates as directors and hence the orientation needed should be minimized.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Board has published a Code of Ethics and Trading Restrictions, which deals with issues concerning ethical conduct and insists that all members of management of the Company, and all employees adhere to this code. The Code of Ethics can be viewed as Appendix 4 to the Manual available via the internet at http://rathdowneyresources.com. In addition, the Board has also found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation, 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 also ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Nominating and Governance Committee will consider the size of the Board each year when it considers the number of directors to recommend to the Board and shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The specific duties of the Nominating and Governance Committee are prescribed in the Nominating and Governance Committee Charter, which is set out as Appendix 8 to the Manual available via the internet at http://rathdowneyresources.com.

The members of the Nominating and Governance Committee are T. Barry Coughlan (Chairman), Rene G. Carrier and Robert Schafer.

Compensation

The Compensation Committee determines compensation for the directors and CEO, and its specific duties are prescribed in the Compensation Committee Charter, which is set out as Appendix 7 to the Manual available via the internet at http://rathdowneyresources.com. See Statement of Executive Compensation Discussion and Analysis below for more information concerning the Compensation Committee.

The Compensation Committee members are T. Barry Coughlan (Chairman), Rene G. Carrier and Scott Cousens. See disclosure under "Biographical Information of Nominees for Director" for relevant education and experience of policies of the Compensation Committee.

Other Board Committees

There are no committees of the Board other than the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee.
Assessments

The Board and the Nominating and Governance Committee monitor 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. Under its charter, the nominating and governance committee oversees an annual formal assessment of the Board and all its committees. The Board is satisfied with the projects and overall corporate achievements of the Company and believes this reflects well on the Board and its practices.

STATEMENT OF EXECUTIVE COMPENSATION

"Named Executive Officer" (an "NEO") means each of the following individuals:

(a) a Chief Executive Officer ("CEO");
(b) a Chief Financial Officer ("CFO");
(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the 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 the most recently completed financial year.

John P. Barry, President and Chief Executive Officer, and Paul Mann, Chief Financial Officer, are each NEO's of the Company for the purposes of the following disclosure.

Compensation Discussion and Analysis

Compensation Committee

The Company has established a Compensation Committee whose function it is to assist the Board in fulfilling its responsibilities relating to the compensation practices pertaining to the Company's executive officers.

The members of the Compensation Committee of the Company are T. Barry Coughlan (Chairman), Rene G. Carrier, and Scott D. Cousens. Mr. Coughlan and Mr. Carrier are independent members of the Board. Mr. Cousens is not an independent member of the Board.

The members of the Compensation Committee possess the skills and experience that enable the Committee to make decisions on the suitability of the Company's compensation policies and practices.

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

(a) reviewing compensation philosophy including base compensation structures & incentive programs;
(b) reviewing specific executive and director compensation;
(c) administering of stock option and other equity based compensation plans and the determination of stock options grants; and,
(d) reviewing performance goals and the assessments of corporate officers

To achieve this purpose, the Compensation Committee's duties, responsibilities and authority include the following:

(a) The Committee recommends to the Board the form and amount of compensation to be paid by the Company to directors for service on the Board and on Board committees. The Committee reviews director compensation at least annually;

(b) The Committee annually reviews the Company's compensation philosophy including base compensation structure, incentive compensation, stock option and other equity-based compensation programs and recommends changes in or additions to such structure and plans to the Board as needed;

(c) The Committee annually reviews and recommends to the Board the annual base compensation of the Company's CEO, executive officers and senior managers (collectively the "Officers");

(d) The committee recommends to the Board the range of increase or decrease in the annual base compensation for non-Officer personnel providing services to the Company;

(e) The Committee recommends to the Board the annual corporate goals and objectives under any incentive compensation plan adopted by the Company for Officers and establishes incentive compensation participation levels for Officers under any such incentive compensation plan. In determining the incentive component of compensation, the Committee will consider the Company's performance and relative shareholder return, the values of similar incentives at comparable companies and the awards given in past years;

(f) The Committee evaluates the performance of Officers generally and in light of annual corporate goals and objectives under any incentive compensation plan and recommends to the Board incentive compensation payable to Officers under any such incentive compensation plan;

(g) The Committee periodically reviews with the Chairman and CEO their assessments of corporate officers and senior managers and succession plans, and makes recommendations to the Board regarding appointment of officers and senior managers;

(h) The Committee administers the Company's stock option and other equity based compensation plans and determines the annual grants of stock options and other equity based compensation;

(i) The Committee recommends to the nominating and governance committee the qualifications and criteria for membership on the compensation committee;

(j) The Committee reviews all proposed material actions with respect to any pension plans adopted by the Company for approval by the Board;

(k) The Committee provides oversight to the preparation of the Company's annual report to shareholders concerning executive compensation for inclusion in the Company's Information Circular;

(l) The Committee retains such outside lawyers, consultants and advisors at the Company's expense, as it deems necessary from time to time to fulfill its duties and responsibilities; and

(m) The Committee annually reviews the adequacy of the Compensation Committee Charter and recommends changes to the Board.

Mr. Coughlan (Chairman of the Compensation Committee) is a director and serves on the Compensation Committees (Chairman) of a number of public companies. Mr. Carrier is a director of a number of public
companies and also serves on the Compensation Committees of Curis Resources Ltd. (Chairman) and Heatherdale Resources Ltd. Mr. Cousens provides management and financial services to a number of publicly traded companies and also serves on the Compensation Committee of Heatherdale Resources Ltd.

**Report on Executive Compensation**

This report on executive compensation has been authorized by the Board and the Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company although the Compensation Committee guides it in this role. As part of its mandate, the Board determines the type and amount of compensation for the Company's executive officers. In addition, the Board will review the methodology utilized by the Company for setting salaries of employees throughout the organization. The Compensation Committee shall review competitive market information on compensation levels for executives. The Company's compensation policies and programs are designed to be competitive with similar junior mining exploration companies, and to recognize and reward executive performance consistent with the success of the Company's business.

**Philosophy and Objectives**

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

(a) attracting and retaining talented, qualified and effective executives;
(b) motivating the short and long-term performance of these executives; and
(c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company expects to employ a combination of base salary, bonus compensation and equity participation through its share option plan.

**Base Salary**

In the Board's view, paying base salaries that are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. The NEO's are paid a salary in order to ensure that the compensation package offered by the Company is in line with that offered by other companies in our industry, and as an immediate means of rewarding the NEO for efforts expended on behalf of the Company.

The salary to be paid to a particular NEO is determined by gathering competitive salary information on comparable companies within the industry from a variety of sources, including surveys conducted by independent consultants and national and international list publications such as the PricewaterhouseCoopers Consulting Mining Industry Salary Survey and the Hays Group Global Mining Compensation Review. Payment of a cash salary fits within the objective of the compensation program since it rewards each NEO for performance of his or her duties and responsibilities. Compensation of the CEO is required to be approved annually by the Board. Base salary and bonus levels are determined taking into account independent market survey data.

Messrs. Copeland and Cousens are directors of HDSI and do not serve the Company solely on a full-time basis. Messrs. Hodgson, Mann, Schafer and Ms. Brommeland are employees of HDSI. The compensation amounts shown in the compensation tables herein reflect the amounts paid directly to HDSI in respect of these individuals. Their compensation from the Company for time spent providing services is allocated based on estimated time incurred (based on timesheets or other reasonable estimates) as follows: 43% for Ms. Brommeland, 20% for Mr. Cousens, 3% for Mr. Hodgson, 41% for Mr. Mann and
2% for Mr. Schafer. The compensation amount shown for Mr. Copeland is that which is paid to a private company controlled by Mr. Copeland for Mr. Copeland’s technical and management services. Mr. Carrier and Coughlan are paid a set fee for their services as directors, and as members of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee.

**Executive Compensation-Related Fees**

The Company obtained salary and bonus information through its affiliation with HDSI, and the receipt of such information was part of the overall services rendered by HDSI to the Company. No compensation was paid directly to HDSI or any compensation consultants in respect of executive compensation studies for the two most recently completed financial years.

**All Other Fees**

There were no other fees paid to any consultants or advisors relating to executive compensation.

**Bonus Compensation**

There are currently no formal performance goals or milestones set by the Company for executive bonus compensation. Bonus compensation is awarded at the discretion of the Board and the Board considers performance, shareholder benefits, competitive factors and other matters in awarding bonuses, including if sufficient cash resources are available for the granting of bonuses.

For the most recently completed fiscal year, there were no bonuses paid.

**Option-Based Awards**

The Company has a share option plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes share option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants are proposed by the Company's compensation committee and require approval of the plenary Board. The share option plan is administered by the Compensation Committee of the Company and provides that options will be issued to directors, officers, employees or consultants of the Company or its subsidiaries.

Share options are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options generally vest on terms established by the compensation committee.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

The Black-Scholes method is used to value stock options. The share price on the date of grant is used to value share units. Stock options provide employees with the opportunity to participate in the growth of the Company's share price as well as benefit from the favourable tax treatment applicable to this form of compensation.
General

The Compensation Committee considered the implications of the risks associated with the Company's compensation policies and practices and concluded that, given the nature of the Company's business and the role of the Compensation Committee in overseeing the Company's executive compensation practices, the compensation policies and practices do not serve to encourage any NEO or individual at a principal business unit or division to take inappropriate or excessive risks, and no risks were identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

There is a restriction on NEO's or directors regarding the purchase of financial instruments including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. During the year ended December 31, 2012, no NEO or director, directly or indirectly, employed a strategy to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held.

Compensation of Chief Executive Officer

The compensation of the CEO is required to be approved by the Board. Base salary and bonus levels are determined taking into account independent market survey data.

The Compensation Committee reviews the grants of share options to directors, management, employees and consultants. As noted above under the heading "Bonus Compensation", incentives that may be paid to the CEO and any other member of the executive or senior management team are determined in respect of the performance of individuals and management.

Summary Compensation Table

Summary Compensation Table – NEO's

Compensation paid to the NEO's for during the Company's three most recently completed financial years ended December 31, 2010, 2011 and 2012 is set out below and expressed in Canadian dollars unless otherwise noted.
### Incentive Plan Awards

#### Outstanding Share-based Awards and Option-based Awards

The following table sets out all option-based awards and share-based awards outstanding as at December 31, 2012 for each NEO:

<table>
<thead>
<tr>
<th>Name</th>
<th>Option-based Awards</th>
<th>Share-based Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of securities underlying unexercised options (#)</td>
<td>Option exercise price ($)</td>
</tr>
<tr>
<td>John P. Barry CEO</td>
<td>50,000</td>
<td>0.07</td>
</tr>
<tr>
<td></td>
<td>500,000</td>
<td>0.42</td>
</tr>
<tr>
<td>Paul Mann CFO</td>
<td>100,000</td>
<td>0.42</td>
</tr>
<tr>
<td></td>
<td>48,000</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Notes:

1. Mr. Barry works on the Company's activities on substantially a full-time basis. The compensation amount shown is the amount paid directly to a private company controlled by Mr. Barry for the period January 1, 2012 to December 31, 2012. In April 2013 the Company prepaid the remaining amount payable (€164,025) to Mr. Barry in respect of 2013. His compensation is paid in Euro currency – the amount shown in the table is converted at the average exchange rate of 1.2855 during the year.

2. Mr. Mann's compensation shown includes compensation paid for the period January 1, 2012 to December 31, 2012. Mr. Mann does not serve the Company solely on a full-time basis, and his compensation from the Company is calculated based on an estimated percentage of his time spent providing services to the Company. The compensation amount was paid to HDSI in respect of Mr. Mann's services.
1. The value at December 31, 2012 is calculated by determining the difference between the closing price on the TSXV of the Company's common shares at December 31, 2012 (namely, $0.48 per common share) and the exercise price of the options.

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

The following table sets out the value vested or earned under incentive plans during the year ended December 31, 2012, for each NEO:

<table>
<thead>
<tr>
<th>Name</th>
<th>Option-based awards – Value vested during the year ($1)</th>
<th>Share-based awards – Value vested during the year ($)</th>
<th>Non-equity incentive plan compensation – Value earned during the year ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>John P. Barry, CEO</td>
<td>21,000</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Paul Mann, CFO</td>
<td>2,000</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Notes:
1. These amounts represent the aggregate dollar value that would have been realized had the options under the option-based award been exercised on the vesting date. The value of each amount has been determined by taking the difference between the market price of the shares subject to the option at date of vesting and the exercise price of the option.

**Pension Plan Benefits**

The Company has no pension or deferred compensation plans for its directors, officers or employees.

**Termination and Change of Control Benefits**

Except as described herein, there is no written employment contract between the Company and any NEO. Mr. Mann is employed by HDSI and is seconded to the Company. Mr. Barry has a consulting agreement with the Company which contains a notice of termination provision of three months.

There are no compensatory plans or arrangements with respect to any NEO resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of the NEO's responsibilities following a change in control.

**Director Compensation**

**Philosophy and Objectives**

The main objective of director compensation is to attract and retain directors with the relevant skills, knowledge and abilities to carry out the Board's mandate.

**Director Compensation Table (excluding NEO's)**

The compensation provided to the directors, excluding all directors for whom disclosure as an NEO is presented above, for the Company's most recently completed financial year ended December 31, 2012 was:
<table>
<thead>
<tr>
<th>Name</th>
<th>Fees earned ($)</th>
<th>Share-based awards ($)</th>
<th>Option-based awards ($)</th>
<th>Non-equity incentive plan compensation ($)</th>
<th>Pension value ($)</th>
<th>All other compensation ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lena K. Brommeland (4)</td>
<td>104,445</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>104,445</td>
</tr>
<tr>
<td>Rene G. Carrier (1)</td>
<td>26,000</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>26,000</td>
</tr>
<tr>
<td>David J. Copeland (2)</td>
<td>141,230</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>141,230</td>
</tr>
<tr>
<td>T. Barry Coughlan (1)</td>
<td>36,000</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>36,000</td>
</tr>
<tr>
<td>Scott D. Cousens (3)</td>
<td>95,750</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>95,750</td>
</tr>
<tr>
<td>Stephen Hodgson (4)</td>
<td>8,821</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>8,821</td>
</tr>
<tr>
<td>Michael H. Nolan (5)</td>
<td>32,641</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>32,641</td>
</tr>
<tr>
<td>Robert W. Schafer (4)</td>
<td>6,249</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>6,249</td>
</tr>
</tbody>
</table>

Notes:
1. The Board determined that for calendar 2012, each independent director of the Company would receive an annual retainer fee of $15,000 ($1,250 per month) in his or her capacity as a director. A director receives an additional annual fee of $5,000 for work as chairperson of any committee, or $3,000 per annum for work as a member of a committee performed on behalf of the Board. Independent directors are also reimbursed for transportation and other out-of-pocket expenses incurred for attendance at Board meetings and in connection with discharging their functions as director. Mr. Coughlan received a further one-time $8,000 and Mr. Nolan received a further one-time $5,000 for additional committee work during 2012.

2. Mr. Copeland is a director of HDSI and does not serve the Company solely on a full-time basis. Mr. Copeland provides services through CEC Engineering Ltd. The amount disclosed in table above includes compensation paid by Rathdowney Resources Ltd from January 1, 2012 to December 31, 2012. The compensation amount shown is the amount paid to CEC Engineering Ltd. directly.

3. Mr. Cousens is a director of HDSI and does not serve the Company solely on a full-time basis. The amounts disclosed in table above include compensation paid by Rathdowney Resources Ltd. from January 1, 2012 to December 31, 2012. The compensation amount shown is the amount paid to HDSI directly and is calculated based on an estimate of time spent working on the affairs of the Company.

4. Ms. Brommeland and Messrs. Hodgson and Schafer are all employees of HDSI and do not serve the Company solely on a full-time basis. The amounts disclosed in table above include compensation paid by Rathdowney Resources Ltd. from January 1, 2012 to December 31, 2012. The compensation amounts shown are the amounts paid to HDSI directly and is calculated based on an estimate of time spent working on the affairs of the Company.

5. Mr. Nolan's compensation amount includes $23,000 in director's fees compensation paid by Rathdowney Resources Ltd. and €7,500 in director's fees compensation paid by Mayfly Resources Limited, a wholly owned subsidiary of the Company, translated at the average exchange rate for the year of 1.2855.

**Outstanding Share-based Awards and Option-based Awards**

The following table sets out all option-based awards and share-based awards outstanding as at December 31, 2012, for each director, excluding all directors for whom disclosure as an NEO is presented above:
<table>
<thead>
<tr>
<th>Name (1)</th>
<th>Option-based Awards</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of securities underlying unexercised options (###)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lena K. Brommel-</td>
<td>19,200 0.42 October 8, 2013 1,152</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>land</td>
<td>99,900 0.45 December 5, 2016 2,997</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rene G. Carrier</td>
<td>9,000 0.42 October 8, 2013 540</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>David J. Copel-</td>
<td>99,900 1.00 March 15, 2016 Nil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>land</td>
<td>99,900 1.00 March 15, 2016 Nil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T. Barry Cough-</td>
<td>99,900 1.00 March 15, 2016 Nil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>lan</td>
<td>99,900 1.00 March 15, 2016Nil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scott D. Cous-</td>
<td>99,900 1.00 March 15, 2016 Nil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ens</td>
<td>99,900 1.00 March 15, 2016 Nil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stephen Hodgso-</td>
<td>19,200 0.42 October 8, 2013 1,152</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n</td>
<td>99,900 0.45 December 5, 2016 2,997</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michael H. Nol-</td>
<td>50,000 0.07 October 8, 2013 20,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>an</td>
<td>500,000 0.42 October 8, 2013 30,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robert W. Scha-</td>
<td>185,000 0.42 October 8, 2013 11,100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ffer</td>
<td>19,200 0.42 October 8, 2013 1,152</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
1. The value at December 31, 2012 is calculated by determining the difference between the closing price of the TSXV of the Company's common shares at December 31, 2012 (namely, $0.48 per common share) and the exercise price of the options.

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

The following table sets out the value vested or earned under incentive plans during the year ended December 31, 2012, for each director, excluding all directors for whom disclosure as an NEO is presented above:

<table>
<thead>
<tr>
<th>Name</th>
<th>Option-based awards – Value vested during the year ($) (1)</th>
<th>Share-based awards – Value vested during the year ($)</th>
<th>Non-equity incentive plan compensation – Value earned during the year ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lena K. Brommeland</td>
<td>1,383</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Rene G. Carrier</td>
<td>180</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>David J. Copeland</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>T. Barry Coughlan</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Scott D. Cousens</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Stephen Hodgson</td>
<td>1,383</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Michael H. Nolan</td>
<td>21,000</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Robert W. Schafer</td>
<td>3,700</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

**Notes:**
1. These amounts represent the aggregate dollar value that would have been realized had the options under the option-based award been exercised on the vesting date. The value of each amount has been determined by taking the
difference between the market price of the shares subject to the option at the date of vesting and the exercise price of the option.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is the share option plan dated for reference May 25, 2011 (the "Plan") which was previously approved by shareholders on June 28, 2012. The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Compensation Committee of the Company, and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. All options expire on a date not later than 10 years after the date of grant of such option. See "Particulars of Matters to be Acted On" for further information with respect to the terms of the Plan.

The following table sets out equity compensation plan information as at the Company's December 31, 2012 financial year end.

Equity Compensation Plan Information

<table>
<thead>
<tr>
<th>Plan Category</th>
<th>Number of securities to be issued upon exercise of outstanding options, warrants and rights</th>
<th>Weighted-average exercise price of outstanding options, warrants and rights</th>
<th>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity compensation plans approved by security holders – (the Option Plan)</td>
<td>6,046,700</td>
<td>0.54</td>
<td>2,220,488</td>
</tr>
<tr>
<td>Equity compensation plans not approved by security holders</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Total</td>
<td>6,046,700</td>
<td>0.54</td>
<td>2,220,488</td>
</tr>
</tbody>
</table>

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof. In April 2013 the Company prepaid €164,025 payable to Mr. Barry in respect of the remainder of 2013.
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, had any interest in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company except for services provided under a corporate services agreement dated July 2, 2010 between HDSI and the Company. HDSI is a private company which provides geological, corporate development, administrative and management services to, and incurs third party costs on behalf of a group of several public and private mining companies, including Rathdowney, and its subsidiaries.

For the year ended December 31, 2012, the Company paid HDSI and its affiliate approximately $2,588,003 (2011 – $1,778,212) for services rendered by HDSI, $318,033 (2011 – $272,973) for third party costs incurred by HDSI on the Company's behalf and $nil (2011 – $336,000) for Asia-based investor communication services.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Share Option Plan

The Company has a share option plan dated for reference May 25, 2011 (the "Plan"). The Plan was established to provide incentive to directors, management, employees and other key service providers to increase their proprietary interest in the Company and thereby encourage their efforts on behalf of the Company. The Plan is a rolling plan, and a maximum of ten percent (10%) of the issued and outstanding Common Shares of the Company at the time an option is granted, less Common Shares reserved for issuance on exercise of options then outstanding under the Plan, are reserved for options to be granted at the discretion of the Board (or its compensation committee) to eligible optionees (an "Optionee"). Material terms of the Plan can be found in the Information Circular dated May 27, 2011, which is filed on www.sedar.com.

At the date of this Information Circular there were options outstanding to purchase an aggregate of 6,016,400 Common Shares (approximately 7.3% of the current issued and outstanding Common Shares), leaving an aggregate of 2,251,088 Common Shares (approximately 2.3% of the current issued and outstanding Common Shares) available for grant of options.

Under the rules of the TSXV, a listed company with a stock option plan reserving a percentage of the issued and outstanding voting securities in its capital stock on a rolling basis, must obtain Shareholder approval to continuation of the plan once a year, at its annual general meeting of its Shareholders. All previously allocated options will continue unaffected by approval or disapproval of the resolution. If Shareholders do not approve the continuation of the Plan, all previously granted options will not be available for re-allocation if the options are cancelled prior to the exercise.

A copy of the Plan will be available for inspection at the Meeting.
At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to ratify and approve the continuation of the Plan, with or without variation, as follows:

"BE IT RESOLVED that the Company's 10% rolling Share Option Plan dated for reference May 25, 2011, be and is hereby ratified and approved until the next annual general meeting of the Company."

The Board unanimously recommends that shareholders vote in favour of the Plan.

An ordinary resolution is a resolution passed by a simple majority of the votes cast by all the Shareholders who voted in respect of that resolution at the Meeting either in person or by proxy. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the resolution.

B. Alteration to Articles

Introduction

The directors of the Company are proposing that the Articles of the Company be altered to include an advance notice provision (the "Advance Notice Provision"), which will: (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings; (ii) ensure that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. The full text of the proposed alteration of the Articles to include the Advance Notice Provision is set out in Schedule "A" to this Information Circular.

Purpose of the Advance Notice Provision

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. The Advance Notice Provision is the framework by which the Company seeks to fix a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

Effect of the Advance Notice Provision

Subject only to the BCA and the Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the BCA, or a requisition of the shareholders made in accordance with the provisions of the BCA; or (c) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provision and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to
vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made: (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above. Notwithstanding the foregoing, the Board may, in its sole discretion, waive the time periods summarized above.

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth: (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (D) a statement as to whether such person would be "independent" of the Company (within the meaning of applicable securities law) if elected as a director at such meeting and the reasons and basis for such determination; and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined below); and (b) as to the Nominating Shareholder giving the notice, the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined below).

To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in the Advance Notice Provision and the candidate for nomination, whether nominated by the Board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the meeting, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).
No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provision; provided, however, that nothing in the Advance Notice Provision shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the BCA. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

For purposes of the Advance Notice Provision: (a) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and (b) "Applicable Securities Laws" means the Securities Act (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each applicable provinces and territories of Canada.

Notwithstanding any other provision of the Advance Notice Provision, notice or any delivery given to the Corporate Secretary of the Company pursuant to the Advance Notice Provision may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Corporation has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

**Vote Required and Recommendation of the Board**

Under the Articles and the BCA, the alteration of the Company's Articles requires the approval of at least two-thirds of the votes cast in person or represented by proxy at the Meeting by the shareholders of the Company by a special resolution. Accordingly, shareholders will be asked at the Meeting to vote on a special resolution, the text of which is set forth below (the "Advance Notice Provision Resolution"), to approve the alteration of the Articles of the Company to include the Advance Notice Provision.

The Board has concluded that the Advance Notice Provision is in the best interests of the Company and its shareholders. Except where a Shareholder who has given the proxy directs that his or her Common Shares be voted against such resolution, the appointees named in the accompanying Form of Proxy will vote the Common Shares represented by such proxy FOR such resolution.

The Board unanimously recommends that the shareholders ratify, confirm and approve an alteration of the Company's Articles by voting FOR the Advance Notice Provision Resolution at the Meeting.

"BE IT RESOLVED as a special resolution that:

1. The Articles of the Company be altered by adding the text substantially as set forth in Schedule "A" to this Information Circular as and at Article 14.12 of the Articles;
2. The Company be authorized to revoke this special resolution and abandon or terminate the alteration of the Articles if the Board deems it appropriate and in the best interest of the Company to do so without further confirmation, ratification or approval of the shareholders; and

3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions."

ADDITIONAL INFORMATION

Additional information relating to the Company is available from Trevor Thomas, Secretary of the Company, at Suite 1500, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1. Telephone (604) 684-6365 and Fax (604) 684-8092. Copies of documents will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board of the Company.


BY ORDER OF THE BOARD

/s/ John P. Barry

Chief Executive Officer
Schedule "A"

Alteration of Articles

Nomination of Directors

14.12

(a) Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

(i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or

(iii) by any person (a "Nominating Shareholder") (A) who, at the close of business on the date of the giving of the notice provided for below in this §14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this §14.12.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given (i) timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this §14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this §14.12.

(c) To be timely under §14.12(b)(i), a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:

(i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this §14.12(c).

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company, under §14.12(b)(i) must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be "independent" of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

(ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this §14.12 and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this §14.12; provided, however, that nothing in this §14.12 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
(g) For purposes of this §14.12:

(i) "Affiliate", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

(ii) "Applicable Securities Laws" means the Securities Act (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;

(iii) "Associate", when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;

(iv) "Derivatives Contract" shall mean a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "Notional Securities"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

(v) "Meeting of Shareholders" shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;

(vi) "owned beneficially" or "owns beneficially" means, in connection with the ownership of shares in the capital of the Company by a person, (A) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person's
Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

(vii) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

(h) Notwithstanding any other provision to this §14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this §14.12 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(i) In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in §14.12(c) or the delivery of a representation and agreement as described in §14.12(e).