



**MANAGEMENT INFORMATION CIRCULAR**  
**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON OCTOBER 20, 2011**  
**SOLICITATION OF PROXIES**

This management information circular ("Management Information Circular") is furnished in connection with the solicitation of proxies by the management of **SOUTHEAST ASIA MINING CORP.** (the "Corporation") for use at the Annual and Special Meeting of Shareholders (the "Meeting") of the Corporation to be held at the Corporation's head office located at 130 Adelaide Street West, Suite 1010, Toronto, Ontario, on Thursday, October 20, 2011 at the hour of 10 a.m., for the purposes set out in the Notice of Meeting, and at any adjournment or adjournments thereof. Except to the extent herein stated, all information set forth herein is given as of September 26, 2011.

**Shareholders who are unable to be present at the Meeting in person are requested to fill in, sign, date and return the enclosed proxy instrument to the Corporation's transfer agent and registrar, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 or to the head office of the Corporation at 130 Adelaide Street West, Suite 1010, Toronto, Ontario M5H 3P5, not later than the close of business on October 19, 2011 or if the meeting is adjourned, not later than the close of business on the business day immediately preceding the day fixed for any adjournment thereof.** An addressed envelope accompanies this Management Information Circular and may be used for such purpose. The solicitation will be primarily by mail, however, proxies may be solicited by telephone or in writing by employees or designated agents of the Corporation. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation ("Common Shares") in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Management Information Circular to beneficial owners of Common Shares and obtaining proxies therefrom. The Corporation will bear the cost of solicitation on behalf of management of proxies in the form furnished herewith.

**Appointment and Revocation of Proxies**

The persons named in the enclosed proxy instrument shall represent management of the Corporation at the Meeting. **A shareholder desiring to appoint another person (who need not be a shareholder) to represent him at the Meeting may do so either by inserting such person's name in the blank space provided in the proxy instrument and striking out the names of the two specified persons or by completing another proxy instrument and in either case delivering the completed proxy instrument by mail or personal delivery to the Corporation's registrar and transfer agent at the meeting on October 20, 2011, at the hour of 10 a.m. or to the head office of the Corporation, 130 Adelaide Street West, Suite 1010, Toronto, ON M5H 3P5, not later than the close of business on October 19, 2011 or, if the Meeting is adjourned, not later than the close of business on the business day immediately preceding the day fixed for any adjournment thereof.**

A shareholder who has given a proxy instrument may revoke it:

- (a) by signing a proxy instrument bearing a later date and depositing it with the Secretary of the Corporation; or
- (b) as to any matter on which a vote shall not have already been cast pursuant to the authority conferred by such proxy instrument, by signing a written notice of revocation and delivering it to the Secretary or the Chairman of the Meeting; or
- (c) by attending the Meeting in person and personally voting the shares represented by the proxy instrument; or
- (d) in addition to the revocation in any other manner permitted by law, a proxy may be revoked under subsection 148(4) of the *Canada Business Corporations Act* (the "Act") by an instrument in writing executed by the shareholder or by his attorney authorized in writing (or if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof authorized in writing), deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the proxy instrument is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof and upon either of such deposits the proxy shall be revoked.

## Exercise of Discretion by Proxies

The Common Shares represented by the enclosed form of proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions of the shareholder executing the proxy and, if such shareholder has specified a choice with respect to any matter to be acted on at the Meeting, the shares will be voted accordingly. **IN THE ABSENCE OF SUCH INSTRUCTIONS SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER IDENTIFIED IN THE FORM OF PROXY TO BE VOTED UPON AT THE MEETING.**

The enclosed proxy instrument confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting. At the time of printing this Management Information Circular, management knows of no such amendments or other matters to come before the Meeting other than matters referred to in the Notice of Meeting. However, if other matters not known to management should properly come before the meeting, the accompanying Proxy will be voted on such matters in accordance with the judgement of the person voting the Proxy.

## Non-Registered Shareholders

The information set forth in this section is of significant importance to those shareholders of the Corporation who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Management Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions, Canada (formerly ADP Investor Communications) ("Broadridge"). Broadridge typically applies a special sticker to proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Voting instructions may also be given by telephone or online at [www.proxyvotecanada.com](http://www.proxyvotecanada.com) by following the instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxy holder for the registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the Instrument of Proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

### Share Capital

As at September 23, 2011, the Corporation had 160,629,762 fully paid and non-assessable Common Shares outstanding. Each Common Share carries the right to one (1) vote per share. Each holder of record of Common Shares at the time of the close of business on September 23, 2011 (the "record date") will be given notice of the Meeting and will be entitled to vote at the Meeting the number of Common Shares of record held by him on the record date except if such shareholder subsequently transfers the ownership of his Common Shares and the transferee demands not later than 10 days before the Meeting that the transferee's name be included on the list of shareholders entitled to vote at the Meeting and establishes to the Corporation that he owns such shares in which case the transferee is entitled to vote his Common Shares at the Meeting.

The directors of the Corporation have fixed September 23, 2011 as the record date for the determination of the shareholders of the Corporation entitled to receive Notice of the Meeting. Shareholders of the Corporation of record at the close of business will be entitled to vote at the Meeting and all adjournments thereof except to the extent that a shareholder has transferred any Common Shares after the record date and the transferee of such Common Shares produces a properly endorsed share certificate or otherwise establishes that the transferee

owns the Common Shares and requests, not later than ten days before the Meeting, in which case the transferee will be entitled to vote such Common Shares at the Meeting and at all adjournments thereof.

### **Ownership of Securities of the Corporation**

As of the record date, to the knowledge of the directors and officers of the Corporation, there is no person or corporation who beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation.

The directors and officers of the Corporation own or control directly or indirectly, in the aggregate, 6,654,000 Common Shares representing 4.1% of the outstanding Common Shares as at September 23, 2011.

### **COMPENSATION OF EXECUTIVE OFFICERS**

For the purposes of this Addendum, a Named Executive Officer of the Corporation means each of the following:

- (a) an executive chairman ("Chairman") of the Corporation;
- (b) a chief executive officer ("CEO") of the Corporation;
- (c) a chief financial officer ("CFO") of the Corporation;
- (d) a vice-president ("VP") of the Corporation;
- (e) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chairman, President, CEO, VP and CFO at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (f) each individual who would be a Named Executive Officer under paragraph (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

The Corporation currently has the following three Named Executive Officers: Kerry Smith, Executive Chairman, President and CEO, Colin Grant, CFO and Geoffrey McIntyre, VP.

### **Compensation Discussion and Analysis**

The compensation committee (the "Compensation Committee") of the board of directors of the Corporation (the "Board of Directors") is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation and for making recommendations to the Board of Directors with respect to the compensation of the Corporation's executive officers. The Compensation Committee ensures that total compensation paid to all Named Executive Officers is fair and reasonable and is consistent with the Corporation's compensation philosophy.

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Corporation's compensation philosophy is to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options, a significant component of executive compensation. This approach is based on the assumption that the performance of the Corporation's common share price over the long term is an important indicator of long term performance.

The Corporation's compensation philosophy is based on the following fundamental principles:

- (1) *Compensation programs align with shareholder interests* – the Corporation aligns the goals of executives with maximizing long term shareholder value;
- (2) *Performance sensitive* - compensation for executive officers should be linked to operating and market performance of the Corporation and fluctuate with the performance; and
- (3) *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest caliber.
- (4) The objectives of the compensation program in compensating all Named Executive Officers were developed based on the above-mentioned compensation philosophy and are as follows:
  - (a) to attract and retain highly qualified executive officers;

- (b) to align the interests of executive officers with shareholders' interests and with the execution of the Corporation business strategy;
- (c) to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- (d) to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

### ***Competitive Compensation***

The Compensation Committee reviews compensation practices of similarly situated companies in determining compensation policy. Although the Compensation Committee reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role within the Corporation, it is primarily focused on remaining competitive in the market with respect to total compensation.

The Compensation Committee reviews data related to compensation levels and programs of various companies that are similar in size to the Corporation and operate within the mining exploration and development industry, prior to making its decisions. These companies are used as the Corporation's primary peer group because they have similar business characteristics or because they compete with the Corporation for employees and investors. The Compensation Committee also relies on the experience of its members as officers and/or Directors at other companies in similar lines of business as the Corporation in assessing compensation levels. These other companies are identified under the heading "Corporate Governance – Directorships".

The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish as a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

### ***Aligning the Interests of the Named Executive Officers with the Corporation's Shareholders***

The Corporation believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the NEO's.

A combination of fixed variable compensation has been used to motivate executives to achieve overall corporate goals. For the financial year ended December 31, 2010, the three basic components of the executive officer compensation program were fixed consulting fees, annual incentive payments in the form of cash bonuses and option based compensation.

Fixed consulting fees comprises a portion of the total cash-based compensation; however, annual incentives and option based compensation represent compensation that is "at risk" and thus are determined in accordance with the subjective factors set out below. To date, no specific formula has been developed to assign a specific weighting to each of these components. Instead, the Board of Directors considers each performance target and the Corporation's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

### ***Base Salary/Consulting Fees***

The Compensation Committee and the Board of Directors approve the compensation for the Named Executive Officers. The review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the Peer Companies and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Corporation believes the type, mix and quantum of compensation paid to its Named Executive Officers is consistent with that of the Peer Companies based on its assessment of the compensation provided to similar executives at the Peer Companies and taking into account the fact that the Corporation is in the development stage and currently has no revenues. For the financial year ended December 31, 2010, all Named Executive Officers were paid consulting fees.

### ***Annual Incentives***

The Corporation did not during the financial year ended December 31, 2010 award any annual incentives by way of cash bonuses. However, the Corporation, in its discretion, may award such incentives in the form of options in order to motivate executives to achieve short term corporate goals. The Compensation Committee and the Board of Directors approve annual incentives.

The determination of annual incentives for each of the NEO's is subjective, however the Compensation Committee assesses each NEO's performance on the basis of his respective contribution to the achievement of corporate objectives, as well as to needs of the Corporation that arise on a day to day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board of Directors with respect to the determination of annual incentives for the NEO's. Where the

Compensation Committee cannot unanimously agree, the matter is referred to the Board of Directors for decision. The Board of Directors relies heavily on the recommendations of the Compensation Committee in granting annual incentives.

### **Long Term Compensation**

The Corporation currently has no long term incentive plans, other than stock options granted from time to time by the Board of Directors under the provisions of the Corporation's stock option plan. For a discussion of the significant terms of the Corporation's stock option plan, please see discussion under "Item 3 - Stock Option Plan" in the Circular.

### **Option-Based Awards (Equity Incentive Plan)**

In addition to previous option grants, the Compensation Committee assesses each Named Executive Officer's performance on the basis of his respective contribution to the achievement of any corporate objectives, as well as to needs of the Corporation that arise on a day to day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board of Directors with respect to the determination of option grants for the Named Executive Officers. Where the Compensation Committee cannot unanimously agree, the matter is referred to the Board of Directors for decision.

### **Summary Compensation Table for Named Executive Officers**

The following table sets out the compensation for services in all capacities to the Corporation in respect of (a) the Corporation's CEO, VP and CFO, and (b) the most highly compensated individuals, other than the CEO, CFO and VP and whose total compensation for the financial year ended December 31, 2010 exceeded \$150,000. The compensation paid to such individuals (collectively, the "Named Executive Officers") is set out, in each case, for services rendered during the financial year ended December 31, 2010.

Unless otherwise noted, none of the persons depicted in the table received any share-based awards, non-equity long-term incentive plan compensation or deferred compensation earnings during the financial year ended December 31, 2010.

At any time during the financial year ended December 31, 2010, none of the options that are included in the following table, were adjusted, amended, cancelled, replaced or significantly modified as determined in accordance with section 3870 of the CICA Handbook that did not equally affect all holders of the class of securities underlying the options and that did not occur through a pre-existing formula or mechanism in the plan or award that results in periodic adjustment of the option exercise or base price, an anti-dilution provision in a plan or award, or a recapitalization or other similar transaction.

During the financial year ended December 31, 2010, none of the Named Executive Officers in the table elected to exchange any compensation awarded to, earned by, paid to, or payable to the Named Executive Officer under a program that would allow the Named Executive Officer to receive awards, earnings, payments, or payables in another form.

The Corporation confirms that there was no re-pricing or other significant changes to the terms of any share-based or option-based award program during the most recently completed financial year or in any prior years.

There were no bonuses earned for the year ended December 31, 2010 and there are no bonuses payable in 2011.

The following table sets forth the annual and long term compensation for services rendered to the Corporation paid and payable for the financial year of the Corporation ended December 31, 2010, in respect of the Named Executive Officers.

Name and Principal Position	Fiscal Year Ending	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
Kerry Smith Executive Chairman, President and CEO	2010	Nil	Nil	Nil	Nil	Nil	Nil	120,000	120,000
Geoffrey McIntyre <sup>(1)</sup> VP	2010	Nil	Nil	Nil	Nil	Nil	Nil	70,000	70,000
Colin Grant CFO	2010	Nil	Nil	Nil	Nil	Nil	Nil	57,000	57,000

## Named Executive Officers Employment Agreements

The Corporation does not have any employment agreements with its Named Executive Officers

## Incentive Plan Awards

The following table sets forth certain information, in relation to the Named Executive Officers, regarding option-based awards outstanding as of the end of the financial year of the Corporation ended December 31, 2010.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Kerry Smith Executive Chairman, President and CEO	600,000	0.70	March 17, 2013	Nil	Nil	Nil
Geoffrey McIntyre VP	Nil	Nil	Nil	Nil	Nil	Nil
Colin Grant CFO	200,000	0.70	March 17, 2013	Nil	Nil	Nil

Note: (1) The Corporation's shares do not trade.

The following table sets forth certain information, in relation to the Named Executive Officers, regarding the value vested or earned in connection with incentive plan awards during the financial year of the Corporation ended December 31, 2010. None of the persons included in the table held any share-based awards.

Name	Option-Based Awards Value Vested During the Year (\$)	Share-Based Awards Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation Value Earned During the Year (\$)
Kerry Smith	Nil	Nil	Nil
Geoffrey McIntyre	Nil	Nil	Nil
Colin Grant	Nil	Nil	Nil

## Pension Plan Benefits

There are no pension plan benefits in place for the Named Executive Officers.

## Deferred Compensation Plans

The Corporation has no deferred compensation plan.

## Termination and Change of Control Benefits

The Corporation does not have any agreements for termination and change of control benefits nor does it have any pension or retirement plan and the Corporation has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of a change of control of the Corporation, its subsidiaries or affiliates. If a severance payment triggering event had occurred on December 31, 2010, the severance payments that would have been payable to each of the Named Executive Officers would be \$Nil.

## Director Compensation Table

The following table sets out all amounts of compensation provided to the directors of the Corporation (excluding directors who were also a Named Executive Officer) for the financial year ended December 31, 2010.

Name <sup>(1)</sup>	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Denis Clement	Nil	Nil	Nil	Nil	Nil	Nil	Nil
John Cullen	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stephen McIntyre <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Patterson	Nil	Nil	Nil	Nil	Nil	Nil	Nil
John Steele <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Information for Kerry Smith is included under Summary Compensation Table for Named Executive Officers.

(2) Stephen McIntyre was appointed to the board of directors effective August 23, 2011.

(3) John Steele resigned as a director of the Corporation effective January 25, 2010.

The Corporation does not have any programs in place to make donations to charitable institutions in a director's name, payable currently or upon a designated event such as the retirement or death of the director.

## Director Incentive Plan Awards

The following table sets forth certain information, in relation to the directors, regarding share-based and option-based awards outstanding as of the end of the financial year of the Corporation ended December 31, 2010.

Name <sup>(1)</sup>	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(2)</sup> (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Denis Clement	400,000	0.70	March 17, 2013	Nil	Nil	Nil
John Cullen	400,000	0.70	March 17, 2013	Nil	Nil	Nil
Stephen McIntyre <sup>(3)</sup>	Nil	0.70	Nil	Nil	Nil	Nil
James Patterson	400,000	0.70	March 17, 2013	Nil	Nil	Nil
John Steele <sup>(4)</sup>	1,000,000	0.70	March 17, 2013	Nil	Nil	Nil

Notes:

(1) Information for Kerry Smith is included under Summary Compensation Table for Named Executive Officers.

(2) The Corporation's shares do not trade.

(3) Stephen McIntyre was appointed to the board of directors effective August 23, 2011.

(4) John Steele resigned as a director of the Corporation effective January 25, 2010 and as a result, Mr. Steele's options expired three months after the date of his resignation.

The following table sets forth certain information, in relation to the directors, regarding the value vested or earned in connection with incentive plan awards during the financial year of the Corporation ended December 31, 2010.

<b>Name <sup>(1)</sup></b>	<b>Option-Based Awards Value Vested During the Year <sup>(2)</sup> (\$)</b>	<b>Share-Based Awards Value Vested During the Year (\$)</b>	<b>Non-Equity Incentive Plan Compensation Value Earned During the Year (\$)</b>
Denis Clement	Nil	Nil	Nil
John Cullen	Nil	Nil	Nil
Stephen McIntyre <sup>(3)</sup>	Nil	Nil	Nil
James Patterson	Nil	Nil	Nil
John Steele <sup>(4)</sup>	Nil	Nil	Nil

Notes:

- (1) Information for Kerry Smith is included under Summary Compensation Table for Named Executive Officers.
- (2) The Corporation's shares do not trade.
- (3) Stephen McIntyre was appointed to board of directors effective August 23, 2011.
- (4) John Steele resigned as a director of the Corporation effective January 25, 2010.

#### **SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth, as of December 31, 2010, information concerning securities authorized for issue under equity compensation plans of the Corporation.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options</b>	<b>Weighted Average Exercise Price of Outstanding Options (C\$)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plan<sup>(1)</sup></b>
Equity compensation plans previously approved by security holders	2,300,000	0.70	4,529,584
Equity compensation plans not previously approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>2,300,000</b>	<b>0.70</b>	<b>4,529,584</b>

Note:

- (1) The stock option plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the stock option plan will not exceed 9% of the issued shares of the Corporation at the time of the stock option grant. As at September 23, 2011, 14,456,678 Common Shares may be reserved for issuance pursuant to the stock option plan.

#### **MATTERS TO BE ACTED UPON AT MEETING**

##### **ITEM 1 - ELECTION OF DIRECTORS**

At the Meeting, shareholders of the Corporation will be asked to elect five directors for the ensuing year. The persons named in the form of proxy accompanying this Management Information Circular intend to vote for the election of the nominees whose names are set forth below, unless the shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the election of directors of the Corporation. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director of the Corporation for the ensuing year, however, if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the form of proxy accompanying this Management Information Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Each director elected will hold office until the next special meeting of the shareholders of the Corporation following his election unless his office is earlier vacated in accordance with the by-laws of the Corporation. Each officer of the Corporation serves at the discretion of the directors of the Corporation.



The following table and the notes thereto state the names of all of the persons proposed to be nominated for election as Directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment, their periods of service as Directors of the Corporation and the approximate number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof and indicates those nominees who are members of the Corporation's Audit Committee.

Name and Position and Municipality of Residence	Principal Occupation	Director Since	Number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction has been exercised as of the date hereof <sup>(1)</sup>
Kerry Smith Executive Chairman, President and CEO Etobicoke, ON	President and CEO of the Corporation since 2008; President, Chief Executive Officer and Director of HMZ Metals Inc. since 2003 and Director, Cenit Corporation from 2004 to 2011.	March 17, 2008	Nil
Denis Clement <sup>(2)(3)</sup> Director Oakville, ON	Chairman, DNI Metals Inc. since 1998; Director, CGX Energy Inc. since 1998; Director, Celeste Copper Corporation since December 2010; Director, Anconia Resources Corp. since 2011 to present; Director, Azabache Energy Inc. (formerly Argenta Oil & Gas Inc.) from September 2005 to January 2011 and Director, Vena Resources Inc. from 2004 to 2010.	March 7, 2005	2,200,000
John Cullen <sup>(2)(3)</sup> Director Barrie, ON	Director, CGX Energy Inc. since 1998; Director, Hy Lake Gold Inc. since 2010; Director, Victory Gold Mines since 2009; Director, Mag Copper Limited since 2011; Director, Wamco Technology Group Ltd. since 2011; and Director, Candax Energy Inc. from 2004 to 2010.	March 7, 2005	2,000,000
Stephen McIntyre Director Toronto, ON	Chairman, Trelawney Mining and Exploration Inc. since 2011.	August 23, 2011	1,010,000
James Patterson <sup>(2)</sup> Director Qualicum Beach, BC	Independent Consultant. Director, Merrex Gold Inc. since 2005; Director International Millennium Mining Corp. since 2006; Director Search Minerals Inc. since 2008; Director, Acme Resources Inc. Frontline Gold Corporation since 2009.	September 24, 2006	744,000
<p>Notes:</p> <p>(1) The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by Directors individually.</p> <p>(2) Member of Audit Committee.</p> <p>(3) Member of Compensation Committee.</p>			

Each director elected at the Meeting will hold office until the next annual meeting or until his successor is duly elected or appointed.

As at the date of this Information Circular, the directors and officers of the Corporation own or control directly or indirectly, in the aggregate, 6,654,000 Common Shares representing 4.1% of the outstanding Common Shares.

The Corporation was subject to cease trade orders (“CTOs”) imposed by the Ontario Securities Commission, Alberta Securities Commission, British Columbia Securities Commission and Manitoba Securities Commission (collectively the “Securities Commissions”) in May 2009 for failure to file and mail to its shareholders audited financial statements and related MD&A for the year ended December 31, 2008. On June 29, 2011, the Corporation filed audited financial statements and related MD&A for the year ended December 31, 2008 on SEDAR as well as all continuous disclosure materials required for the fiscal years ended December 31, 2009 and 2010 and the interim period ended March 31, 2011 in accordance with *National Instrument* 51-102. With the exception of Stephen McIntyre, all of the Corporation’s directors and officers were subject to the CTOs until August 3, 2011 at which date the CTOs were revoked by the Securities Commissions.

Other than the foregoing and as set out below, no proposed director of the Corporation is, as at the date hereof, or has been, within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer, of any company that:

- (a) while that person was acting in the capacity was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, other than:
  - A. Kerry Smith was formerly a director and officer of Biogan International Inc. (“Biogan”), a corporation incorporated under the laws of Delaware and listed on the NASDAQ Bulletin Board, which voluntarily filed a petition for relief under Chapter 11 of the U.S. Bankruptcy code. The petition was done as part of a plan of re-organization to re-organize Biogan into a Canadian company.
  - B. Kerry Smith was formerly a mining analyst with Midland Walwyn. In 1996 he wrote a report on Aurominas Minerals Inc. which report included a Speculative Buy rating. Subsequent to the release of the report the Investment Dealers Association (IDA) received a complaint that questioned whether enough due diligence was carried out and whether or not Mr. Smith had been promotional with respect to my assumptions. In June 1998 Mr. Smith was contacted by the IDA to set up a preliminary meeting to discuss this situation which was held in July 1998. The IDA determined that sufficient due diligence was carried out and closed its investigation into the matter.
  - C. Kerry Smith is currently the President and CEO of HMZ Metals Inc. (“HMZ”), a metals company listed for trading on the Toronto Stock Exchange. HMZ has been operating under a Management Cease Trade Order (“MCTO”) announced on April 18, 2006 which order was sought by the management of HMZ pursuant to the late filing of financial statements and the discovery of unauthorized transfers of funds by HMZ’s Chinese joint venture partner. On March 11, 2008 the MCTO was replaced by a Cease Trade Order which was revoked on March 13, 2008. On May 1, 2009, HMZ received a Cease Trade Order for failure to file the audited annual financial statements for the year ended December 31, 2008 and the MD&A relating to these audited financial statements. The Company is still under the Cease Trade Order.
  - D. John Cullen was formerly a director of Biogan International, Inc. (“Biogan”), a corporation incorporated under the laws of Delaware and listed on the NASDAQ Bulletin Board. Mr. Cullen resigned as a director of Biogan several weeks before Biogan filed for bankruptcy protection. On July 9, 2004 the US Bankruptcy Court confirmed the Biogan liquidation plan and the final decree closing the bankruptcy proceedings occurred in April 2005. There were no conditions to entry of the final decree other than the financing and distribution of proceeds.
  - E. Stephen McIntyre was an officer and director of Timmins Nickel Inc. (“TNI”) which became insolvent in 1991 as a result of losses arising from mining operations and, as a result, TNI was issued a cease trade order and made a proposal in bankruptcy in 1992. The proposal received court approval, but the required issuance of new shares has not yet been completed and TNI remains subject to a cease trade order.
- (b) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of such company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Corporation:

- (a) is at the date hereof, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any corporation that while that person was acting in that capacity, or 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 manager or trustee appointed to hold its assets;
- (b) or has, within 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise

with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Unless a proxy specifies that the shares it represents should be withheld from voting in the election of directors, the proxy holders named in the accompanying proxy intend to use it to vote for the election of nominees as directors of the Corporation.

## ITEM 2 - APPOINTMENT OF AUDITOR

The auditor of the Corporation is parker simone LLP, who was retained on January 19, 2007. Unless authority to do so is withheld, the persons named in the form of proxy accompanying this Management Information Circular intend to vote for the appointment of parker simone LLP as the auditor of the Corporation until the close of the next annual and special meeting of the shareholders of the Corporation or until a successor is appointed and to authorize the directors of the Corporation to fix the remuneration of the auditor of the Corporation.

### External Auditor Disclosure

#### External Auditor Service Fees (by category)

	Year ended December 31, 2010 (\$)	Year ended December 31, 2009 (\$)
Audit Fees <sup>(1)</sup>	64,700	17,900
Audit Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
Notes:		
(1) Aggregate fees billed for services provided in auditing the Corporation's annual financial statements.		
(2) Aggregate fees not included in "audit fees" that are billed by the auditors for the assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's statements or as related to a prospectus.		
(3) Aggregate fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning.		
(4) Aggregate fees billed by the auditors for products and services not included in the foregoing categories.		

## ITEM 3 - CONSOLIDATION OF COMMON SHARES

Shareholders of the Corporation are being asked to consider and, if deemed appropriate, to approve a special resolution, authorizing the Corporation to consolidate each of the issued and outstanding Common Shares without par value of the Corporation by changing eight (8) Common Shares without par value of the Corporation, or such lesser amount as the directors of the Corporation may determine, into one (1) common share without par value of the Corporation (8:1).

In the event that shareholders pass the special resolution to consolidate the Common Shares of the Corporation, the presently issued and outstanding 160,629,762 Common Shares will be consolidated into approximately 20,078,720 Common Shares. If the consolidation will otherwise result in a shareholder holding a fraction of a Common Share, no fraction or fractional certificate will be issued and a shareholder will not receive a whole Common Share for each such fraction held. In all other respects, the post-consolidation Common Shares will have the same attributes as the existing Common Shares.

In order to pass the special resolution at least two-thirds of the votes cast at the meeting of holders of Common Shares must be voted in favour of the resolution. If the resolution does not receive the requisite approval, the Corporation will continue with its present share capital. Accordingly, shareholders will be asked to approve the following special resolution:

“BE IT RESOLVED THAT:

1. the Corporation is hereby authorize to consolidate each of the issued and outstanding common shares without par value by changing each eight (8) common shares without par value of the Corporation, or such lesser amounts as the directors of the Corporation may determine, into one (1) common share without par value of the Corporation (8:1), in the event the consolidation would result in a shareholder of the Corporation holding a fraction of a share a shareholder shall not receive a whole share of the Company for each such fraction; and
2. any director or officer of the Corporation be and he or she is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, including, without limitation, the execution and delivery of articles of amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Ontario), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

**Proxies received in favour of management will be voted for the approval of the special resolution, unless the shareholder has specified in the proxy that the shares are to be voted against such resolution.**

#### **ITEM 4 - STOCK OPTION PLAN**

The Corporation maintains a Stock Option Plan (the “Plan”) for the benefit of directors, officers, employees, consultants and other service providers of the Corporation and its subsidiaries in order to assist the Corporation in attracting, retaining and motivating such persons by providing them with the opportunity, through stock options (“Options”), to acquire an increased proprietary interest in the Corporation. A copy of the Plan is attached as Appendix A.

Options may be granted under the Plan to directors, senior officers, employees and consultants of the Corporation and its subsidiaries and other designated persons as designated from time to time by the board of directors. The number of shares which may be reserved for issuance under the Plan is limited to 9% of the issued and outstanding shares of the Corporation as at the date of the grant of Options. The maximum number of common shares which may be reserved for issuance to any one director, senior officer or employee under the Plan is 5% of the common shares outstanding at the time of the grant (calculated on a non-diluted basis) and 2% with respect to any one consultant of the Corporation. Any shares subject to an option which for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Plan. As the Corporation’s shares are not currently listed, the Corporation has granted options at a price equal to the price of the various private placements completed by the Corporation. In the event that the Corporation’s Common Shares become listed on a recognized Canadian stock exchange, the Option price cannot be less than the closing price of the Common Shares on the day immediately preceding the day upon which the Option is granted, less any discount permitted by the policies of the exchange on which the Corporation is listed. Options granted under the Plan may be exercised during a period not exceeding five years, subject to earlier termination upon the termination of the optionee’s employment, upon the optionee ceasing to have a designated relationship with the Corporation, as applicable. The options are non-transferable. The Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the common shares, a merger or other relevant changes in the Corporation’s capitalization. Subject to shareholder approval in certain circumstances, the board directors may from time to time amend or revise the terms of the Plan or may terminate the Plan at any time. The Plan does not contain any provision for financial assistance by the Corporation in respect of Options granted under the Plan.

Shareholders are being asked to approve and confirm the actions of the directors in adopting the Plan. A majority of votes cast at the meeting must be voted in favour of the Plan.

Accordingly, shareholders will be asked to approve the following resolution:

“BE IT RESOLVED THAT the Corporation’s stock option plan as described in the Management Information Circular dated September 26, 2011 be and it is hereby approved including reserving for the issuance under the stock option plan at any time a maximum of 9% of the issued and outstanding shares of the Corporation.”

**Proxies received in favour of management will be voted for the approval of the resolution, unless the shareholder has specified in the proxy that the shares are to be voted against such resolution.**

## INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director, executive officer or other senior officer of the Corporation, or any associate of any such director or officer, is, or has been at any time since the incorporation of the Corporation, indebted to the Corporation or any of its subsidiaries nor is, or at any time since the incorporation of the Corporation has, any indebtedness of any such person to another entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation's board of directors (the "Board") and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation. The Board has confirmed the strategic objectives of the Corporation are to seek out, explore and develop oil and gas reserves.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, certain prescribed disclosure in respect of corporate governance matters be included in its Management Information Circular.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F2 which is attached to NI 58-101 ("Form 58-101F2 – Corporate Governance Disclosure") and which is set out below.

National Policy 58-201- *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. The Corporation will continue to review and implement the corporate governance guidelines as the business of the Corporation progresses and becomes more active in operations.

### Form 58-101F2 – Corporate Governance Disclosure

#### **Board of Directors**

The Board is currently composed of five directors. Form 58-101F2 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under N1 58-101 which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Corporation. "Material relationship" is defined as a relationship which could, in the view of the Corporation's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. Of the proposed nominees, Kerry Smith, current Executive Chairman, President and CEO, is considered to be "inside". Mr. Smith is the management director and accordingly is considered not "independent". Each of the remaining four proposed directors: Denis Clement, John Cullen, Stephen McIntyre and James Patterson are considered by the Board to be "independent", within the meaning of N1 58-101. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

The operation of the Corporation does not support a large Board and the Board has determined that the current constitution of the Board is appropriate for the Corporation's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having independent Board members. In addition, the Board has free access to the Corporation's external auditors, legal counsel and to any of the Corporation's officers.

Further supervision is performed through the audit committee who meet with the Corporation's auditors without management being in attendance.

#### **Directorships**

The adjacent table sets forth the directors of the Corporation who currently hold directorships with other reporting issuers.

Name	Issuer
Denis Clement	Anconia Resources Corp., Celeste Copper Corporation, CGX Energy Inc. and DNI Metals Inc.
John Cullen	CGX Energy Inc., Hy Lake Gold Inc., Mag Copper Limited, Victory Gold Mines, and Wamco Technology Group Ltd.
Stephen McIntyre	Trelawney Mining and Exploration Inc.
James Patterson	Acme Resources Inc., Frontline Gold Corporation, International Millennium Mining Corp., Merrex Gold Inc. and Search Minerals Inc.
Kerry Smith	HMZ Metals Inc.

### ***Participation of Directors in Board Meetings***

In the year ended December 31, 2010, four board meetings were held. With the exception of Stephen McIntyre who was appointed to the board on August 23, 2011, all directors were present at every meeting.

### ***Orientation and Continuing Education***

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Corporation's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. Additionally, historically board members have been nominated who are familiar with the Corporation and the nature of its business.

### ***Ethical Business Conduct***

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having a majority of its board members independent of corporate matters.

### ***Nomination and Assessments***

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board are reviewed by the entire Board.

### ***Compensation***

The directors decide as a Board the compensation for the Corporation's officers, based on industry standards and the Corporation's financial position. No compensation was paid to directors in the fiscal year ended December 31, 2010.

### ***Other Board Committees***

In addition to the Audit Committee, the Corporation has also organized a Compensation Committee which is comprised of two members, Messrs. Denis Clement and John Cullen who are both independent. The mandate of the Compensation Committee is to review and make recommendations to the Board of Directors in respect of the level of remuneration and other compensation to be paid to the executive officers of the Corporation.

The directors of the Corporation, in consultation with the Compensation Committee, determine the level of compensation in respect of the senior executive officers of the Corporation. Other than options to purchase Common Shares granted under the Share Option Plan, there were no long-term incentive awards made to the Named Executive Officers during the most recently completed financial year.

## **AUDIT COMMITTEE DISCLOSURE INFORMATION**

Multilateral Instrument 52-110 ("MI 52-110") requires that certain information regarding the Audit Committee be included in the management information circular sent to shareholders in accordance with the Corporation's annual meeting.

### **Audit Committee Charter**

The full text of the charter of the Corporation's Audit Committee is attached hereto as Appendix B.

### **Composition of the Audit Committee**

The Corporation's Audit Committee is comprised of three directors: Messrs. James Patterson, Chair of the Audit Committee and Denis Clement and John Cullen.

### **Relevant Education and Experience**

#### ***James Patterson, Director***

James Patterson is a director of the Corporation and the Chairman of the Audit Committee. He is an independent consultant and formerly was a Vice President and Executive Consultant to FNX Mining, a TSX listed company. He is a director of Acme Resources Inc., Frontline Gold Corporation, International Millennium Mining Corp., Merrex Gold Inc. and Search Minerals Inc., all TSXV listed companies. James Patterson is a P. Geo. He has a Bachelor of Arts (Honours) from the University of Dublin and a Ph.D. from Imperial College, University of London. James Patterson is an independent director of the Corporation for the purpose of NI 52-110.

### ***Denis Clement, Director***

Denis Clement is a director of the Corporation and an independent businessman. He is chairman of DNI Metals Inc. (formerly Dumont Nickel Inc.), and a director of Anconia Resources Corp., Celeste Copper Corporation and CGX Energy Inc., all TSXV listed companies. Denis Clement received his B.Comm. from Sir George Williams University, an LL.B. from the University of Ottawa and an LL.M. from the London School of Economics in London, England. Denis Clement is an independent director of the Corporation for the purpose of NI 52-110.

### ***John Cullen, Director***

John Cullen is a director of the Corporation and an independent businessman. Following 15 years of Canadian investment brokerage experience, John Cullen has been the founder / director of a number of junior resources companies. He is currently a director of CGX Energy Inc., Hy Lake Gold Inc., Mag Copper Limited, Victory Gold Mines, and Wamco Technology Group Ltd., all publicly listed companies. John Cullen is an independent director of the Corporation for the purpose of NI 52-110.

### **Audit Committee Oversight**

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's board of directors has adopted all recommendations of the Audit Committee to nominate or compensate an external auditor.

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

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

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

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

Other than as disclosed in this Management Information Circular, no informed person of the Corporation, any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Corporation's most recently completed financial year, which has materially affected or will materially affect the Corporation or any of its subsidiaries.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Further financial information is provided in the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2010 and 2009 and related management's discussion and analysis of results which have been filed on SEDAR. Shareholders may also contact the Corporate Secretary of the Corporation by phone at (416) 364-3353 or by e-mail at [cmay@seasiamining.com](mailto:cmay@seasiamining.com) to request a copy of these documents.

The Corporation will provide any shareholder of the Corporation, without charge, upon request to the Corporate Secretary of the Corporation:

- (a) one copy of the comparative audited consolidated financial statements of the Corporation for the financial years ended December 31, 2010 and 2009 together with the report of the auditor thereon;
- (b) one copy of the management's discussion and analysis for the financial year ended December 31, 2010; and
- (c) one copy of this Management Information Circular.

**APPROVAL**

The contents of this Management Information Circular and the sending thereof to the shareholders of the Corporation have been approved by the directors of the Corporation.

**DATED** at Toronto, this 26<sup>th</sup> day of September, 2011.

**BY ORDER OF THE BOARD**

*"Kerry Smith"*

Kerry Smith  
Executive Chairman, President and CEO



## APPENDIX A

### STOCK OPTION PLAN

#### 1. Purpose

The purpose of this stock option plan (the "Plan") is to authorize the grant to service providers for SOUTHEAST ASIA MINING CORP. (the "Corporation") of options ("Options") to purchase common shares ("Shares") in the capital of the Corporation and thus benefit the Corporation by enabling it to attract, retain and motivate service providers by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

#### 2. Administration

- (a) The Plan will be administered by the board of directors of the Corporation (the "Board") or a committee ("Committee") of the Board duly appointed for this purpose by the Board and consisting of not less than three directors. If a Committee is appointed for this purpose, all references to the term "Board" herein will be deemed to be references to the Committee. Subject to approval of the granting of Options by the Board, the Corporation shall grant Options under the Plan; and
- (b) Subject to the limitations of this Plan, the Board has the authority: (i) to grant Options to purchase Shares to Eligible Persons (as defined below); (ii) to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants; (iii) make such amendments, additions or deletions to the Plan as may be required to bring the Plan into compliance with any and all requirements of any applicable regulatory authority; (iv) to interpret this Plan and to adopt, amend and rescind such administrative guidelines and other rules and Regulations relating to this Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority; and (v) to make all other determinations and to take all other actions in connection with the implementation and administration of this Plan as it may deem necessary or advisable. The Board's guidelines, rules, regulations, interpretations and determinations will be conclusive and binding upon all parties.

#### 3. Shares Subject to Plan

Subject to adjustment under the provisions of paragraph 12 hereof, the aggregate number of shares of the Corporation which may be issued and sold under the Plan will not exceed 9% of the issued and outstanding shares at the time of grant. The total number of Shares which may be reserved for issuance to any one individual under the Plan during any one year period shall not exceed 5% of the Shares issued and outstanding at the time of grant. The Corporation shall not, upon the exercise of any Option, be required to issue or deliver any Shares prior to (a) the acceptance of such Shares for listing on any stock exchange on which the Shares may then be listed, and (b) the completion of such registration or other qualification of such Shares under any law, rules or regulation as the Corporation shall determine to be necessary or advisable. If any Shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any Option exercise price paid to the Corporation shall be returned to the optionee.

#### 4. Limits with Respect to Insiders

- (a) The maximum number of Shares which may be reserved for issuance to insiders under the Plan, any other employer stock option plans or options for services, shall be 9% of the Shares issued and outstanding at the time of the grant (on a non-diluted basis); and
- (b) The maximum number of Shares which may be issued to insiders under the Plan, together with any other previously established or proposed share compensation arrangements, within any one year period shall be 9% of the outstanding issue. The maximum number of Shares which may be issued to any one insider and his or her associates under the Plan, together with any other previously established or proposed share compensation arrangements, within a one year period shall be 5% of the Shares outstanding at the time of the grant (on a non-diluted basis).

#### 5. Eligibility

Options shall be granted only to service providers for the Corporation. The term "service providers for the Corporation" means (a) any full or part-time employee ("Employee") or officer, or insider of the Corporation or any of its subsidiaries; (b) any other person employed by a company or individual providing management services to the Corporation ("Management Company Employee"); (c) any other person or company engaged to provide ongoing consulting services for the Corporation or any entity controlled by the Corporation ("Consultant") or (d) any individual engaged to provide services that promote the purchase or sale of the issued securities ("Investor Relations Employee") (any person in (a) (b), (c) or (d) hereinafter referred to as an "Eligible Person"); and (e) any registered retirement savings plan established by such Eligible Person, or any corporation controlled by such Eligible Person, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Person and/or the spouse, children and/or grandchildren of such Eligible Person. For stock options to Employees, Consultants or Management Company Employees, the Corporation must represent that the optionee is a bonafide Employee, Consultant or Management Company Employee as the case may be. The terms "insider" "controlled" and "subsidiary" shall have the meanings ascribed thereto in the *Securities Act* (Ontario) from time to time. Subject to the foregoing, the board of directors or

Committee, as applicable, shall have full and final authority to determine the persons who are to be granted options under the Plan and the number of shares subject to each option.

## **6. Limits with Respect to Consultants and Investor Relations Employees**

- (a) The maximum number of Shares which may be reserved for issuance to any one Consultant in any 12 month period, under the Plan, any other employer stock option plans or options for services, shall be no more than 2% of the Shares issued and outstanding at the time of the grant (on a non-diluted basis); and
- (b) The maximum number of Shares which may be reserved for issuance to Investor Relations Employees in any twelve month period, under the plan, any other employer stock options plans or options for services, shall be no more than an aggregate of 2% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).

## **7. Price**

The purchase price (the "Price") for the Shares under each Option shall be determined by the Board, on the basis of the market price, where "market price" shall mean the prior trading day closing price of the Shares on any stock exchange on which the shares are listed or last trading price on the prior trading day on any dealing network where the Shares trade, and where there is no such closing price or trade on the prior trading day "market price" shall mean the average of the most recent bid and ask of the Shares on any stock exchange on which the Shares are listed or quotation system on which the Shares trade. In the event the Shares are listed on the TSX Venture Exchange, the price may be the market price less any discounts from the market price allowed by the TSX Venture Exchange, subject to a minimum price of \$0.10.

## **8. Period of Option and Rights to Exercise**

Subject to the provisions of this paragraph 8 and paragraphs 9, 10 and 17 below, Options will be exercisable in whole or in part, and from time to time, during the currency thereof. Options shall not be granted for a term exceeding five years. The Shares to be purchased upon each exercise of any Option (the "optioned shares") shall be paid for in full at the time of such exercise. Except as provided in paragraphs 9, 10 and 17 below, no option which is held by a service provider may be exercised unless the optionee is then a service provider for the Corporation.

## **9. Cessation of Provision of Services**

Subject to paragraph 10 below, if any optionee who is a service provider shall cease to be a service provider for the Corporation for any reason (whether or not for cause) the optionee may, but only within the period of ninety days, or thirty days if the service provider is an Investor Relations Employee, next succeeding such cessation and in no event after the expiry date of the optionee's option, exercise the optionee's option unless such period is extended as provided in paragraph 10 below.

## **10. Death of Optionee**

In the event of the death of an optionee during the currency of the optionee's option, the option theretofore granted to the optionee shall be exercisable within, but only within, the period of one year next succeeding the optionee's death. Before expiry of an option under this paragraph 10, the Board, shall notify the optionee's representative in writing of such expiry.

## **11. Non-Assignability and Non-Transferability of Option**

An option granted under the Plan shall be non-assignable and non-transferrable by an optionee otherwise than by will or by laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee.

## **12. Adjustments in Shares Subject to Plan**

The aggregate number and kind of shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation. The options granted under the Plan may contain such provisions as the board of directors, or Committee, as applicable, may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change. If there is a reduction in the exercise price of the options of an insider of the Corporation, the Corporation will be required to obtain approval from disinterested shareholders.

## **13. Amendment and Termination of the Plan**

The board of directors or Committee, as applicable, may at any time amend or terminate the Plan, but where amended, such amendment is subject to regulatory approval.

#### **14. Effective Date of the Plan**

The Plan becomes effective on the date of its approval by the shareholders of the Corporation.

#### **15. Evidence of Options**

Each option granted under the Plan shall be embodied in a written option agreement between the Corporation and the optionee which shall give effect to the provisions of the Plan.

#### **16. Exercise of Option**

- (a) Subject to the provisions of the Plan and the particular option, an option may be exercised from time to time by delivering to the Corporation at its registered office a written notice of exercise specifying the number of Shares with respect to which the option is being exercised and accompanied by payment in cash or certified cheque for the full amount of the purchase price of the shares then being purchased; and
- (b) Upon receipt of a certificate of an authorized officer directing the issue of shares purchased under the Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the optioned shares in the name of such optionee or the optionee's legal personal representative or as may be directed in writing by the optionee's legal personal representative.

#### **17. Vesting Restrictions**

Options issued under the Plan may vest at the discretion of the Board, provided that (a) the number of Shares which may be acquired pursuant to the Plan shall not exceed a specified number or percentage during the term of the optionee; and (b) options issued to Investor Relations Employees must vest in stages over not less than 12 months with no more than one-quarter ( $\frac{1}{4}$ ) of the options vesting in any three month period.

#### **18. Notice of Sale of All of Substantially All Shares or Assets**

If at any time when an Option granted under this Plan remains unexercised with respect to any optioned shares:

- (a) the Corporation seeks approval from its shareholders for a transaction which, if completed, would constitute an Acceleration Event (as defined below); or
- (b) a third party makes a bona fide formal offer or proposal to the Corporation or its shareholders which, if accepted, would constitute an Acceleration Event;

the Corporation shall notify the optionee in writing of such transaction, offer or proposal as soon as practicable and, provided that the Board has determined that no adjustment shall be made pursuant to section 12 hereof, (i) the Board may permit the optionee to exercise the Option, as to all or any of the optioned shares in respect of which such option has not previously been exercised (regardless of any vesting restrictions), during the period specified in the notice (but in no event later than the expiry date of the option), so that the optionee may participate in such transaction, offer or proposal; and (ii) the Board may require the acceleration of the time for the exercise of the said option and of the time for the fulfillment of any conditions or restrictions on such exercise.

For these purposes, an Acceleration Event means:

- (a) the acquisition by any "offeror" (as defined in Part XX of the *Securities Act* (Ontario) of beneficial ownership or more than 50% of the outstanding voting securities of the Corporation, by means of a takeover bid or otherwise;
- (b) any consolidation or merger of the Corporation in which the Corporation is not the continuing or surviving corporation or pursuant to which shares of the Corporation would be converted into cash, securities or other property, other than a merger of the Corporation in which shareholders immediately prior to the merger have the same proportionate ownership of stock of the surviving corporation immediately after the merger;
- (c) any sale, lease exchange or other transfer (in one transaction or series of related transactions) of all or substantially all of the assets of the Corporation; or
- (d) the approval by the shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

#### **19. Rights Prior to Exercise**

An optionee shall have no rights whatsoever as a shareholder in respect of any of the optioned shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of optioned shares in respect of which the optionee shall have exercised the option to purchase hereunder and which the optionee shall have actually taken up and paid for.

**20. Governing Law**

This Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario and shall be deemed to have been made in said Province, and shall be in accordance with all applicable securities laws.

**21. Expiry of Option**

On the expiry date of any option granted under the Plan, and subject to any extension of such expiry date permitted in accordance with the Plan, such option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the optioned shares in respect of which the option has not been exercised.

**22. Approval**

The Plan has been approved by the shareholders of the Corporation on December 19, 2008 and supercedes and replaces all prior plans.

## APPENDIX B

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

#### Overall Purpose and Objective

The audit committee (the "**Committee**") will assist the directors (the "**Directors**") of Southeast Asia Mining Corp. (the "**Corporation**") in fulfilling their responsibilities under applicable legal and regulatory requirements. To the extent considered appropriate by the Committee or as required by applicable legal or regulatory requirements, the Committee will review the financial accounting and reporting process of the Corporation, the system of internal controls and management of the financial risks of the Corporation and the audit process of the financial information of the Corporation. In fulfilling its responsibilities, the Committee should maintain an effective working relationship with the Directors, management of the Corporation and the external auditor of the Corporation as well as monitor the independence of the external auditor.

#### Authority

1. The Committee shall have the authority to:
  - (a) engage independent counsel and other advisors as the Committee determines necessary to carry out its duties;
  - (b) set and pay the compensation for any advisors employed by the Committee;
  - (c) communicate directly with the internal and external auditor of the Corporation and require that the external auditor of the Corporation report directly to the Committee; and
  - (d) seek any information considered appropriate by the Committee from any employee of the Corporation.
2. The Committee shall have unrestricted and unfettered access to all personnel and documents of the Corporation and shall be provided with the resources reasonably necessary to fulfill its responsibilities.

#### Membership and Organization

1. The Committee will be composed of at least three members. The members of the Committee shall be appointed by the Directors to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. Every member of the Committee must be a Director who is independent and financially literate to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules and regulations, and stock exchange requirements ("Applicable Laws"). In this Charter, the terms "independent" and "financially literate" have the meaning ascribed to such terms by Applicable Laws, and include the meanings given to similar terms by Applicable Laws, including in the case of the term "independent" the terms "outside" and "unrelated" to the extent such latter terms are applicable under Applicable Laws.
2. The chairman of the Committee will be appointed by the Committee from time to time and must have such accounting or related financial management expertise as the Directors may determine in their business judgment.
3. The secretary of the Committee will be the Secretary of the Corporation or such other person as is chosen by the Committee.
4. The Committee may invite such persons to meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this Charter or Applicable Laws.
5. The Committee may invite the external auditor of the Corporation to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Corporation.
6. The Committee will meet as considered appropriate or desirable by the Committee. Any member of the Committee or the external auditor of the Corporation may call a meeting of the Committee at any time upon 48 hours prior written notice.
7. All decisions of the Committee shall be by simple majority and the chairman of the Committee shall not have a deciding or casting vote.
8. Minutes shall be kept in respect of the proceedings of all meetings of the Committee.
9. No business shall be transacted by the Committee except at a meeting of the members thereof at which a majority of the members thereof is present.
10. The Committee may transact its business by a resolution in writing signed by all the members of the Committee in lieu of a meeting of the Committee.

## Role and Responsibilities

To the extent considered appropriate or desirable or required by applicable legal or regulatory requirements, the Committee shall:

1. recommend to the Directors:
  - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Corporation or performing other audit, review or attest services for the Corporation, and
  - (b) the compensation to be paid to the external auditor of the Corporation;
2. review the proposed audit scope and approach of the external auditor of the Corporation and ensure no unjustifiable restriction or limitations have been placed on the scope of the proposed audit;
3. meet separately and periodically with the management of the Corporation, the external auditor of the Corporation and the internal auditor (or other personnel responsible for the internal audit function of the Corporation) of the Corporation to discuss any matters that the Committee, the external auditor of the Corporation or the internal auditor of the Corporation, respectively, believes should be discussed privately;
4. be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Corporation or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management of the Corporation and the external auditor of the Corporation regarding any financial reporting matter and review the performance of the external auditor of the Corporation;
5. review judgmental areas, for example those involving a valuation of the assets and liabilities and other commitments and contingencies of the Corporation;
6. review audit issues related to the material associated and affiliated entities of the Corporation that may have a significant impact on the equity investment therein of the Corporation;
7. meet with management and the external auditor of the Corporation to review the annual financial statements of the Corporation and the results of the audit thereof;
8. review and determine if internal control recommendations made by the external auditor of the Corporation have been implemented by management of the Corporation;
9. pre-approve all non-audit services to be provided to the Corporation or any subsidiary entities thereof by the external auditor of the Corporation and, to the extent considered appropriate: (i) adopt specific policies and procedures in accordance with Applicable Laws for the engagement of such non-audit services; and/or (ii) delegate to one or more independent members of the Committee the authority to pre-approve all non-audit services to be provided to the Corporation or any subsidiary entities thereof by the external auditor of the Corporation provided that the other members of the Committee are informed of each such non-audit service;
10. consider the qualification and independence of the external auditor of the Corporation, including reviewing the range of services provided by the external auditor of the Corporation in the context of all consulting services obtained by the Corporation;
11. consider the fairness of the interim financial statements and financial disclosure of the Corporation and review with management of the Corporation whether,
  - (a) actual financial results for the interim period varied significantly from budgeted or projected results,
  - (b) generally accepted accounting principles have been consistently applied,
  - (c) there are any actual or proposed changes in accounting or financial reporting practices of the Corporation, and
  - (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure;
12. review the financial statements of the Corporation, management's discussion and analysis and any annual and interim earnings press releases of the Corporation before the Corporation publicly discloses such information and discuss these documents with the external auditor and with management of the Corporation, as appropriate;

13. review and be satisfied that adequate procedures are in place for the review of the public disclosure of the Corporation of financial information extracted or derived from the financial statements of the Corporation, other than the public disclosure referred to in paragraph 4(l) above, and periodically assess the adequacy of those procedures;
14. establish procedures for,
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters relating to the Corporation;
15. review and approve the hiring policies of the Corporation regarding partners, employees and former partners and employees of the present and any former external auditor of the Corporation;
16. review the areas of greatest financial risk to the Corporation and whether management of the Corporation is managing these risks effectively;
17. review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and consider their impact on the financial statements of the Corporation;
18. review any legal matters which could significantly impact the financial statements of the Corporation as reported on by counsel and meet with counsel to the Corporation whenever deemed appropriate;
19. institute special investigations and, if appropriate, hire special counsel or experts to assist in such special investigations;
20. at least annually, obtain and review a report prepared by the external auditor of the Corporation describing: the firm's quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, in respect of one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Corporation;
21. review with the external auditor of the Corporation any audit problems or difficulties and management's response to such problems or difficulties;
22. discuss the Corporation's earnings press releases, as well as financial information and earning guidance provided to analysts and rating agencies, if applicable; and
23. review this charter and recommend changes to this charter to the Directors from time to time.

#### **Communication with Directors**

1. The Committee shall produce and provide the Directors with a written summary of all actions taken at each Committee meeting or by written resolution.
2. The Committee shall produce and provide the Directors with all reports or other information required to be prepared under Applicable Laws.