

U308 CORP.
8 King Street East, Suite 710
Toronto, Ontario
M5C 1B5

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual and Special Meeting of Shareholders (the “**Meeting**”) of U308 Corp. (the “**Corporation**”) will be held at The Toronto Board of Trade, Ketchum-Osgoode Room, 1 First Canadian Place, 77 Adelaide Street West, 3rd Floor, Toronto, Ontario M5X 1C1, on Tuesday, June 30, 2009, at 4:30 p.m. (Toronto time) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2008 together with the report of the auditors thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to appoint KPMG LLP, Chartered Accountants, as auditors of the Corporation and to authorize the directors to fix their remuneration;
4. to consider, and, if deemed appropriate, to pass with or without variation a resolution terminating all existing stock option plans of the Corporation and approving a new stock option plan for the Corporation, as more particularly described in the accompanying management information circular;
5. to consider, and, if deemed appropriate, to pass with or without variation a resolution to confirm a new by-law for the Corporation, as more particularly described in the accompanying management information circular; and
6. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

This notice is accompanied by a management information circular, form of proxy, supplemental mailing list request form, and the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2008 together with the report of the auditors thereon.

The board of directors of the Corporation has by resolution fixed the close of business on May 29, 2009 as the record date, being the date for the determination of the registered holders of common shares entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting. A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his/her/its duly completed and executed form of proxy with the Corporation’s registrar and transfer agent, Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, not later than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting or adjournment(s) thereof at which the proxy is to be used.

DATED at Toronto, Ontario as of the 29th day of May, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

“Richard Spencer”

Richard Spencer, President and Chief Executive Officer

U308 CORP.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of the U308 Corp. (the “Corporation”) for use at the Annual and Special Meeting of Shareholders (the “Meeting”) of the Corporation referred to in the accompanying Notice of Annual and Special Meeting of Shareholders (the “Notice”) to be held on Tuesday, June 30, 2009, at the time and place and for the purposes set forth in the Notice. References in this Circular to the Meeting include any adjournment(s) thereof. It is expected that the solicitation will be primarily by mail; however, proxies may also be solicited personally or by telephone by employees or agents of the Corporation, including pursuant to an agreement dated November 27, 2008 (the “**Kingsdale Agreement**”) between the Corporation and Kingsdale Shareholder Services Inc. (“**Kingsdale**”). Pursuant to the Kingsdale Agreement, Kingsdale has agreed to provide proxy solicitation and information agent services at a cost of \$35,000. The cost of such solicitation has been borne by the Corporation.

The board of directors of the Corporation (the “**Board**”) has by resolution fixed the close of business on May 29, 2009 as the record date, being the date for the determination of the registered holders of common shares entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

Unless otherwise stated, the information contained in this Circular is given as of May 29, 2009 and, all dollar amount references are expressed in Canadian dollars. All references herein to the Corporation shall include its subsidiaries as the context may require.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. Each shareholder has the right to appoint a person or company, who need not be a shareholder of the Corporation, other than the persons named in the enclosed form of proxy, to represent such shareholder at the Meeting or any adjournment(s) thereof. Such right may be exercised by inserting such person’s name in the blank space provided and striking out the names of management’s nominees in the enclosed form of proxy or by completing another proper form of proxy. All proxies must be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a company, by an officer or attorney thereof duly authorized. The completed form of proxy must be deposited at the office of the Corporation’s transfer agent, Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment(s) thereof.

A shareholder forwarding the enclosed form of proxy may indicate the manner in which the appropriate appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either: by depositing an instrument in writing revoking the proxy executed by him or her with Equity Transfer & Trust Company at the address noted above at any time up to and including 4:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment thereof, or in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy will be either voted or withheld from voting, as applicable, in accordance with the instructions given by the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **Where shareholders have properly executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Corporation knows of no such amendments, variations or others matters to come before the Meeting. However, if any other matters which at present are not known to management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the named proxies.

NON-REGISTERED SHAREHOLDERS

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

Distribution to NOBOs

In accordance with the requirements of the Canadian Securities Administrators and National Instrument 54-101, “Communication with Beneficial Owners of Securities of a Reporting Issuer” (“**NI-54-101**”), the Corporation will have caused its agent to distribute copies of the Notice and this Circular (collectively, the “**meeting materials**”) as well as a proxy directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner (“**Non-Objecting Beneficial Owner**” or “**NOBO**”).

These securityholder materials are being sent to both registered holders of the securities and Non-Registered Holders of the securities. If you are a Non-Registered Holder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

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

The meeting materials distributed by the Corporation's agent to NOBOs include a proxy. Please carefully review the instructions on the proxy for completion and deposit.

Distribution to OBOs

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

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

1. be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Equity Transfer & Trust Corporation in the manner set out above in this Circular, with respect to the Common Shares beneficially owned by such OBO; OR
2. more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a "**Voting Instruction Form**") which the Intermediary must follow. Typically, the Voting Instruction Form will consist of a one page pre-printed form. The purpose of this procedure is to permit the OBO to direct the voting of the shares he or she beneficially owns.

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

INTEREST OF CERTAIN PERSON IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation who has held such position since January 1, 2008, or proposed nominee for election as a director of the Corporation, or any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter of special business to be acted upon at the Meeting, other than the termination of the current stock option plan of the Corporation (the "**Option Plan**") and the approval of a new stock option plan for the Corporation, in connection with which the directors and executive officers of the Corporation may have been granted stock options and/or may be entitled to receive stock option grants in the future. See "Particulars of Matters to be Acted Upon – Approval of New Option Plan".

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Each holder of Common Shares of record at the close of business on May 29, 2009 (the “**Record Date**”) is entitled to receive notice of and to vote at the Meeting or at any adjournment(s) thereof. In accordance with the provisions of the *Business Corporations Act* (Ontario), the Corporation will prepare a list of holders of Common Shares as of such Record Date. Each holder of Common Shares named in the list will be entitled to vote the Common Shares shown opposite his/her name on the list at the Meeting, subject to compliance with the procedures specified herein. All such holders of record of Common Shares are entitled to either attend and vote thereat in person the Common Shares held by them or, provided a completed and duly executed form of proxy shall have been delivered to the Corporation’s transfer agent within the time specified in the attached Notice, to attend and vote thereat by proxy the Common Shares held by them, all in accordance with the procedures specified herein. The list of Common Shares of the Corporation created as of the Record Date is final and no new persons who become shareholders of the Corporation following such Record Date will be entitled to notice of or vote at the Meeting.

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As of May 29, 2009, the Corporation had an aggregate of 23,057,700 Common Shares issued and outstanding. Each Common Share carries the right to one vote on all matters to be acted upon at the Meeting. The outstanding Common Shares are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “**UWE**”.

To the knowledge of the directors and executive officers of the Corporation, as of May 29, 2009, no persons or companies own, or exercise control or direction over, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation, other than as set forth below.

Name and Municipality of Residence	Type of Ownership	Approximate Number of Voting Shares Owned, Controlled or Directed	Percentage of Voting Shares
Aberdeen International Inc. Toronto, Canada	Direct/Beneficial	2,550,100	11.0%

STATEMENT OF EXECUTIVE COMPENSATION

The following table provides information for the most recently completed financial year of the Corporation regarding all compensation paid to or earned by the individuals who served as Chief Executive Officer and Chief Financial Officer of the Corporation during such fiscal year, as well as other executive officers of the Corporation whose total salary and bonus during such fiscal year exceeded \$150,000 (collectively, the “**Named Executive Officers**”).

Summary Compensation Table – Year Ended December 31, 2008

Name and Principal Position	Salary	Share-based awards	Option-based awards ⁽²⁾	Non-equity incentive plan compensation		Pension value	All other compensation	Total compensation
				Annual incentive plans	Long-term incentive plans			
Richard Spencer, President and Chief Executive Officer ⁽¹⁾	\$242,642	\$Nil	\$241,500	\$Nil	\$Nil	\$Nil	\$Nil	\$484,142
Allan Ibbitson, Former Chairman, Chief Executive Officer and President ⁽¹⁾	\$93,000	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$93,000
Carmelo Marrelli, Chief Financial Officer	\$42,000	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$42,000
Richard Cleath, Vice President	\$141,176	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$9,150 ⁽³⁾	\$150,326

Notes:

⁽¹⁾ Allan Ibbitson resigned as President, Chief Executive Officer and a director of the Corporation and Richard Spencer was appointed as President and Chief Executive Officer and as a director effective January 31, 2008.

⁽²⁾ The estimated grant date fair value of these stock options has been calculated using the Black-Scholes model. The Black-Scholes model is a mathematical valuation model that ascribes a value to a stock option based on a number of factors, including the exercise price of the option, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security, the expected life of the option, forfeitures, dividend yield and the risk-free rate of return. The assumptions used in the pricing model are highly subjective and can materially affect the estimated fair value. Calculating the value of stock options using this methodology is very different from a simple “in-the money” value calculation. In fact, stock options that are well out-of-the-money can still have a significant estimated “grant date fair value” based on a Black-Scholes valuation, especially where, as in the case of the Corporation, the price of the Common Share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

⁽³⁾ This amount is comprised of compensation in respect of Mr. Cleath’s annual cash bonus.

Incentive Plan Awards

The Option Plan has been adopted by the Corporation for the purpose of attracting and motivating directors, officers, employees and consultants of the Corporation. For further details concerning the Option Plan, please see “Summary of Stock Option Plan” below. As at May 29, 2009, the Corporation does not have any share-based awards in place.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out all option and share-based awards held by the Named Executive Officers as at December 31, 2008.

Option-Based Awards					Share-Based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested
Richard Spencer	300,000	\$1.05	December 20, 2012	\$Nil	Nil	N/A
Allan Ibbitson	Nil	N/A	N/A	N/A	Nil	N/A
Carmelo Marrelli	160,000	\$2.50	December 15, 2009	\$Nil	Nil	N/A
Richard Cleath	200,000	\$2.50	December 15, 2009	\$Nil	Nil	N/A

Notes:

⁽¹⁾ Based upon the closing price of the Common Shares as at December 31, 2008, which was \$0.28 per share.

Incentive Plan Awards – Value Vested During the Year

The following table sets forth the value vested during the financial year ended December 31, 2008 of all options and share-based awards held by the Named Executive Officers.

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
Richard Spencer	\$Nil	\$Nil	\$Nil
Allan Ibbitson	\$Nil	\$Nil	\$Nil
Carmelo Marrelli	\$44,880	\$Nil	\$Nil
Richard Cleath	\$56,100	\$Nil	\$Nil

For further details concerning the incentive plans of the Corporation, please see “Summary of Stock Option Plan” below.

COMPENSATION DISCUSSION AND ANALYSIS

The Corporation’s approach to executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Corporation attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Corporation.

The Corporation’s compensation arrangements for the Named Executive Officers may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of stock options. Given the stage of development of the Corporation, compensation of the Named Executive Officers to date has emphasized salary and meaningful stock option awards to attract and retain Named Executive Officers and, to a certain extent, to conserve cash. This policy may be re-evaluated in the future to instead emphasize cash bonuses with a reduced reliance on option awards, depending upon the future development of the Corporation and other factors which may be considered relevant by the Board from time to time.

In 2008, there were changes to the Chief Executive Officer position of the Corporation. In particular, Mr. Allan Ibbitson resigned as President, Chief Executive Officer and a director of the Corporation and Richard Spencer was appointed President and Chief Executive Officer and as a director effective January 31, 2008. In fiscal 2008, the process for determining executive compensation for the Chief Executive Officer of the Corporation was principally based upon discussions at the Board level concerning the accomplishments of the individual in question, principally in terms of operational performance, as well as performance in increasing the value of the Corporation. In fiscal 2008, Dr. Richard Spencer was paid a salary of \$242,642 in consideration of his duties as President and Chief Executive Officer together with stock option based awards valued at \$241,500 (see “Summary Compensation Table” above), and Mr. Allan Ibbitson was paid a salary of \$93,000 in consideration of his duties as President and Chief Executive Officer until January 31, 2008.

The process for determining executive compensation for the Chief Financial Officer of the Corporation during fiscal 2008 was based principally upon discussions at the Board level concerning the appropriate consideration for the fulfillment of the duties of a Chief Financial Officer in a timely manner. Mr. Carmelo Marrelli is compensated at a salary of \$42,000 in consideration of his duties as Chief Financial Officer.

The compensation program of the Corporation is designed to reward such matters as exploration success, advancement to the production of uranium, market success, share performance, and the ability to implement strategic plans. The Board reviews the compensation of the Named Executive Officers on a yearly basis, having regard to such matters as what companies at a similar stage of development to the Corporation pay other executives occupying similar offices, the time and effort each officer is required to devote to the Corporation, the officer's success in developing strategic plans for the Corporation and the results of implementing the plans (collectively, the “**Criteria**”). The current overall objective of the Corporation's compensation strategy is to reward management for its efforts, while seeking to conserve cash given current market conditions.

Pursuant to the employment agreement between the Corporation and Dr. Richard Spencer, Dr. Spencer is entitled to receive a lump sum payment in an amount equal to two years' salary in the event that the Corporation commences commercial production of uranium. See “Termination of Employment, Change in Responsibilities and Employment Contracts” below. With respect to any other bonuses or incentive plan grants which may be awarded to executive officers in the future, the Corporation has not currently set any objective criteria and will instead rely upon any recommendations and discussion at the Board level with respect to the Criteria noted above and any other matters which the Board may consider relevant on a going-forward basis, including the cash position of the Corporation.

Existing options held by the Named Executive Officers at the time of subsequent option grants are taken into consideration in determining the quantum or terms of any such subsequent option grants. Options have been granted to directors, management, employees and certain service providers as long-term incentives to align the individual's interests with those of the Corporation. The size of the option awards is in proportion to the deemed ability of the individual to make an impact on the Corporation's success.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

There are currently no employment contracts between the Corporation and any Named Executive Officer, nor any compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive payments from the Corporation in the event of a resignation, retirement or any other termination of the Named Executive Officer's employment with the Corporation, a change of control of the Corporation or a change in the Named Executive Officer's responsibilities following a change of control, other than as set forth below.

The Corporation has entered into employment agreements with each of (i) Richard Spencer, the President and Chief Executive Officer of the Corporation; and (ii) Richard Cleath, the Vice President of the Corporation.

The employment agreement between the Corporation and Dr. Richard Spencer came into effect on November 23, 2007, and sets out the duties and responsibilities of Dr. Spencer as well as his terms of employment including matters such as annual salary, bonus, benefits, stock option incentives and vacation entitlement. This agreement may be terminated as follows: (i) by Dr. Spencer other than for "good reason" (as defined in such agreement) upon provision of a minimum of two months' written notice and up to a maximum of six months' written notice, or by the Corporation for just cause, in either such event Dr. Spencer is not entitled to any termination payments; (ii) by the Corporation without just cause or by Dr. Spencer for "good reason", in either such case Dr. Spencer is entitled to receive a lump sum payment equal to between 12 and 24 months' salary as determined based upon his years of service, payment of any bonus owing to Dr. Spencer in full and continuation of benefits during the severance period; or (iii) by the Corporation within six months of a "change of control" (as defined in such agreement), in which case Dr. Spencer is entitled to a lump sum payment equal to 24 months' salary. In addition, in the event of termination of Dr. Spencer's employment by the Corporation either without just cause or in the event of a "change of control", all stock options held by Dr. Spencer shall become accelerated, vested and immediately exercisable.

The agreement between the Corporation and Mr. Richard Cleath came into effect on July 1, 2006, as amended July 1, 2008, and sets out the duties and responsibilities of Mr. Cleath as well as his terms of employment including matters such as annual salary, bonus, benefits, stock option incentives and vacation entitlement. This agreement may be terminated as follows: (i) by Mr. Cleath other than for "good reason" (as defined in such agreement) upon the provision of one month written notice in which event Mr. Cleath is not entitled to any termination payments; (ii) by the Corporation for just cause, in which case Mr. Cleath is entitled to receive his base salary and benefit continuation for one month from the date of termination, and all unvested stock options shall immediately lapse; (iii) by the Corporation without just cause or by Mr. Cleath for "good reason", in either such case Mr. Cleath is entitled to receive a lump sum payment equal to between two and 12 months' salary as determined based upon his years of service, payment of any bonus owing to Mr. Cleath on a pro-rata basis, and continuation of benefits during the severance period, and all unvested stock options shall immediately lapse; or (iii) by the Corporation within 12 months of a "change of control" (as defined in such agreement), in which case Mr. Cleath is entitled to receive a lump sum payment equal to between six and 12 months' salary as determined based upon his years of service, payment of any bonus owing to Mr. Cleath on a pro-rata basis, and continuation of benefits for the applicable period. In addition, in the event of termination of Mr. Cleath's employment by the Corporation in the event of a "change of control", all stock options held by Mr. Cleath shall become accelerated, vested and immediately exercisable, and shall remain exercisable for the length of their respective terms.

The following table sets forth the estimated incremental payments which would be owing to each of Mr. Cleath and Dr. Spencer pursuant to the above noted employment agreements in the event that the employment of such executive officers had been terminated effective December 31, 2008, in each of the circumstances set forth below.

Name	Termination Event	Estimated Incremental Payment			
		Severance	Option-Based Awards	Other	Total
Richard Spencer	By Corporation for just cause	Nil	Nil	Nil	Nil
	By Corporation without just cause or by Dr. Spencer for “good reason”	\$250,000 ⁽¹⁾	Nil	\$75,000 ⁽¹⁾	\$325,000
	By Dr. Spencer other than for “good reason” upon two months’ notice	Nil	Nil	Nil	Nil
	By Corporation following “change of control”	\$500,000 ⁽²⁾	Nil	Nil	\$500,000
Richard Cleath	By Corporation for just cause	\$13,420 ⁽³⁾	Nil	Nil	\$13,420
	By Corporation without just cause or by Mr. Cleath for “good reason”	\$53,680 ⁽⁴⁾	Nil	\$64,416 ⁽⁴⁾	\$118,096
	By Mr. Cleath other than for “good reason” upon one month notice	Nil	Nil	Nil	Nil
	By Corporation following “change of control”	\$80,520 ⁽⁵⁾	Nil	\$64,416 ⁽⁵⁾	\$144,936

Notes:

- (1) Comprised of a severance payment equal to 12 months’ salary and a full bonus based on 30% of annual base salary.
- (2) Comprised of a severance payment equal to 24 months’ salary.
- (3) Comprised of a severance payment equal to one month salary.
- (4) Comprised of a severance payment equal to four months’ salary and bonus based on 40% of annual base salary.
- (5) Comprised of a severance payment equal to six months’ salary and a bonus based on 40% of annual base salary

COMPENSATION OF DIRECTORS

Directors of the Corporation are currently paid fees equal to \$10,000 per annum for their services as directors, with the Chairman receiving an additional \$12,000 per annum and the Chairman of the Audit Committee receiving an additional \$6,000 per annum. Directors are also reimbursed for travel and other out-of-pocket expenses incurred in attending directors’ and shareholders’ meetings. Directors are entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such directors for such services to arm’s length parties. During the year ending December 31, 2008, no such service fees were paid to any director of the Corporation. Directors are entitled to participate in the Option Plan.

Director Compensation

The following table sets forth all compensation earned by each director of the Corporation who is not also a Named Executive Officer, during the financial year ended December 31, 2008.

Name	Fees Earned	Share-based awards	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
Keith Barron	\$10,000	Nil	\$28,050	Nil	Nil	Nil	\$38,050
Patrick Anderson	\$10,000	Nil	\$28,050	Nil	Nil	Nil	\$38,050
Bryan Coates	\$16,000	Nil	\$42,075	Nil	Nil	Nil	\$58,075
David Constable	\$22,000	Nil	\$42,075	Nil	Nil	Nil	\$64,075

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out all option and share-based awards held by the directors of the Corporation who are not also Named Executive Officers, as at December 31, 2008.

Option-Based Awards					Share-Based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Keith Barron	100,000	\$2.50	December 15, 2009	\$Nil	Nil	N/A
Patrick Anderson	100,000	\$2.50	December 15, 2009	\$Nil	Nil	N/A
Bryan Coates	150,000	\$2.50	December 15, 2009	\$Nil	Nil	N/A
David Constable	150,000	\$2.50	December 15, 2009	\$Nil	Nil	N/A

Incentive Plan Awards – Value Vested During the Year

The following table sets forth the value vested during the financial year ended December 31, 2008 of all options and share-based awards held by the directors of the Corporation who are not also Named Executive Officers.

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 (\$)
Keith Barron	\$28,050	Nil	Nil
Patrick Anderson	\$28,050	Nil	Nil
Bryan Coates	\$42,075	Nil	Nil
David Constable	\$42,075	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Corporation as at December 31, 2008. As at December 31, 2008, the Option Plan was the only equity compensation plan of the Corporation. See also “Summary of Stock Option Plan”.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by securityholders	1,845,000	\$2.04	460,770 ⁽¹⁾
Equity compensation plans not approved by securityholders	Nil	Nil	Nil/Nil
Total	1,845,000	N/A	460,770 ⁽¹⁾

⁽¹⁾ Calculated based upon 10% of the number of issued and outstanding Common Shares as at December 31, 2008, less the number of stock options outstanding as at such date.

SUMMARY OF STOCK OPTION PLAN

The Shareholders approved the Option Plan on October 2, 2006. The number of Common Shares reserved for issuance under the Option Plan may not exceed 10% of the number of Common Shares issued and outstanding from time to time. As at May 29, 2009, an aggregate of 2,660,000 options have been granted by the Corporation of which no options have been exercised, and 830,000 options have been cancelled or expired. The number of Common Shares currently reserved for issuance pursuant to options granted is 1,830,000.

The purpose of the Option Plan is to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through share options, to acquire a proprietary interest in the Corporation and benefit from its growth. The options are non-assignable and may be granted for a term not exceeding five years.

Options may be granted under the Option Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The exercise price of options issued may not be less than the fair market value of the Common Shares at the time the option is granted, subject to any discounts permitted by applicable legislative and regulatory requirements. Notwithstanding the provisions of the Option Plan or applicable regulations, it is the policy of the Board not to re-price any previously granted options.

The Option Plan provides that options may be vested and also provides that the exercise price of any option shall be determined at the time of grant and shall not be less than the market price of the Common Shares, or such other price as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the TSXV. Options granted under the Option Plan will be for a term not to exceed five years from the date of grant. The Board may amend or discontinue the Option Plan at any time, provided that no such amendment may, without the consent of an optionee, alter or impair any option previously granted to an optionee under the Option Plan, and provided further that any amendment to the Option Plan will require the prior consent of the TSXV.

At the Meeting, shareholders will be asked to consider and, if deemed fit, pass a resolution terminating the Option Plan and approving a new stock option plan for the Corporation. See “Particulars of Matters to be Acted Upon – Approval of New Option Plan”.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 of the Canadian Securities Administrators has set out best practice guidelines for effective corporate governance (the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 (“**NI 58-101**”) of the Canadian Securities Administrators requires that if management solicits proxies from its securityholders for the purposes of electing directors, specified disclosure of the corporate governance practices must be included in its management information circular.

Set out below is a description of the Corporation’s corporate governance practices in accordance with NI 58-101, based on the Guidelines.

The Board of Directors

For the purposes of NI 58-101, a director is considered to be “independent” if he or she does not have any direct or indirect material relationship with the Corporation. A material relationship is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgement. The Board is currently comprised of five members: Richard Spencer, Keith Barron, Patrick Anderson, Bryan Coates and David Constable. The Board has determined that a majority of the directors of the Corporation are “independent” within the meaning of NI 58-101.

Dr. Spencer is not considered to be “independent” as the result of his role as President and Chief Executive Officer of the Corporation. Dr. Barron is also not considered to be “independent” as the result of his previous roles as an officer of both the Corporation and Prometheus Resources (Guyana) Inc. (a wholly-owned subsidiary of the Corporation).

As at May 29, 2009, Messrs. Anderson, Coates and Constable are considered independent directors since they are all independent of management and free from any material relationship with the Corporation. The basis for this determination is that, since the beginning of the fiscal year ended December 31, 2008, none of the independent directors have worked for the Corporation, received remuneration from the Corporation other than in their capacity as directors of the Corporation or had material contracts with, or material interests in, the Corporation which could interfere with their ability to act with a view to the best interests of the Corporation. It should be noted, for the record, that since the beginning of the fiscal year ended December 31, 2008, Dr. Barron also did not receive remuneration from the Corporation other than in his capacity as a director of the Corporation nor did he have material contracts with, or material interests in, the Corporation which could interfere with his ability to act with a view to the best interests of the Corporation.

The Board believes that it functions independently of management. To enhance its ability to act independent of management, the Board may meet in the absence of members of management and the non-independent directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

Directorships

Certain of the directors of the Corporation are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<u>Name of Director</u>	<u>Other Reporting Issuer (or equivalent in a foreign jurisdiction)</u>
Bryan Coates	Canadian Royalties Inc., Semafo Inc.
David Constable	Aquiline Resources Ltd., Moly Mines Limited
Patrick Anderson	Colossus Minerals Inc., Noront Resources Ltd.

Orientation and Continuing Education

While the Corporation currently has no formal orientation and education program for new Board members, sufficient information (such as recent financial statements, prospectuses, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new Board member to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Corporation also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation.

Ethical Business Conduct

The Board has adopted a formal code of conduct for directors and employees. In order to ensure compliance with the code of conduct and that directors exercise independent judgment, the Board has assumed responsibility for approving transactions involving the Corporation and any "related party" (as that term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*), monitoring the Corporation's compliance with strategic planning matters, implementing a process for assessing the effectiveness of committees of directors and individual directors, and reviewing changes in or additions to compliance policies, standards, codes and programs, as well as applicable legislation.

Nomination of Directors

The Board has established a Compensation, Corporate Governance and Nominating Committee which is responsible for the appointment and assessment of directors. While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Corporation. As such, nominations tend to be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration of the Compensation, Corporate Governance and Nominating Committee and Board as a whole.

Compensation of Directors

The Board has established a Compensation, Corporate Governance and Nominating Committee which reviews on an annual basis the adequacy and form of compensation of directors to ensure that the compensation of the Board reflects the responsibilities, time commitment and risks involved in being an effective director. Currently, as the Corporation has no ongoing revenues from operations, the directors of the Corporation receive directors' fees of \$10,000 per annum for their services as directors, as described under "Compensation of Directors". All directors are eligible to participate in the Option Plan. See also "Compensation of Directors".

Other Board Committees

In addition to the Audit Committee and Compensation, Corporate Governance and Nominating Committee, the Board has a Safety, Health, Environment, Community and Technical Committee. The Safety, Health, Environment, Community and Technical Committee provides support and expertise in the areas of workplace safety and health, environmental issues, corporate social responsibility initiatives and technical issues in connection with the Corporation's day to day operations and exploration activities.

Assessments

The Board assesses, on an annual basis, the contributions of the Board as a whole and each of the individual directors, in order to determine whether each is functioning effectively.

AUDIT COMMITTEE

Multilateral Instrument 52-110 - Audit Committees Administrators ("MI 52-110") requires that the Corporation, if management solicits proxies from the securityholders of the Corporation for the purposes of electing directors to its board of directors, to disclose in its information circular certain specified information, including the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The Audit Committee's Charter

The Corporation has adopted an Audit Committee Charter. Please refer to Exhibit 1 attached to this Circular.

Composition of the Audit Committee

The Audit Committee is comprised of Patrick Anderson, Bryan Coates and David Constable. As defined in MI 52-110, each of the members of the Audit Committee is considered to be "independent" and "financially literate".

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation.

Relevant Education and Experience

Mr. Anderson was formerly engaged as the President and Chief Executive Officer of Aurelian Resources Inc., a publicly listed company and in such capacity was charged with reviewing and approving the quarterly financial statements and the audited annual financial statements. Mr. Anderson has extensive experience in preparing mineral exploration budgets and cost budgets of every aspect of mineral development and processing. Mr. Anderson graduated with a Bachelor of Science in Geology from the University of Toronto.

Mr. Coates, Chairman of the Audit Committee, currently serves as Vice President, Finance and Chief Financial Officer for Osisko Mining Corporation. Prior to joining Osisko Mining Corporation, he was Chief Financial Officer at IAMGOLD Corporation (November 2006 – February 2007) and Vice President Finance and Chief Financial Officer for Cambior Inc. (July 2001 – November 2006), both companies being intermediate international gold producers. Mr. Coates received a Bachelor of Commerce (Honours) degree from Laurentian University and is a member of the Institute of Chartered Accountants of Ontario.

Mr. Constable currently serves as Vice President, Investor Relations of FNX Mining Company Inc., prior to which he served as Vice President Investor Relations and Corporate Affairs for Elko Energy Inc., a private international oil and gas company based in Toronto, Ontario. Mr. Constable also has extensive experience as a director of a number of junior mining companies, including Aquiline Resources Inc. (TSX:AQI) and Moly Mines Ltd. (TSX:MOL). Mr. Constable received his Bachelor of Science (Honours) degree in Geology from Mount Allison University and Masters of Business Administration (Honours) degree from Laurentian University. Mr. Constable also holds an ICD.D designation from the Institute of Corporate Directors.

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditor, with reference to compatibility of the service with the external auditor's independence as prescribed by securities laws.

External Auditor Service Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Corporation for professional services rendered to the Corporation during the fiscal years ended December 31, 2007 and 2008 for audit and non-audit related services:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2007	Fees Paid to Auditor in Year Ended December 31, 2008
Audit Fees ⁽¹⁾	\$60,000	\$89,820
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$60,000	\$89,820

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's 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 Corporation is relying on the exemption provided by section 6.1 of MI 52-110 which provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of MI 52-110.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The by-laws of the Corporation provide that, to the maximum extent permitted by law, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, where the individual (i) acted honestly and in good faith with a view to the best interests of the Corporation or other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request, as the case may be; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful. The by-laws of the Corporation further provide that the Corporation shall advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to above, provided that such individual shall repay the moneys if the individual does not fulfill the conditions set forth in items (i) and (ii) above.

The provisions for indemnification contained in the by-laws of the Corporation are not deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in the individual's official capacity and as to action in another capacity, and continue as to a person who has ceased to be a director, officer, employee or agent, and inure to the benefit of the heirs and legal representatives of such a person.

At the Meeting, shareholders will be asked to confirm the by-law of the Corporation which sets forth the above-noted indemnification provisions. See "Particulars of Matters to be Acted Upon – Confirmation of New By-Law".

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains liability insurance for the directors and officers of the Corporation. The Corporation's policy of insurance is currently in effect until November 7, 2009. An annual premium of approximately \$24,638 has been paid by the Corporation. No portion of the premium is directly paid by any of the directors or officers of the Corporation. The aggregate insurance coverage under the policy for both directors and officers is limited to \$8,000,000 per claim or \$8,000,000 per policy period with a \$25,000 deductible (which is paid by the Corporation) per claim. No claims have been made or paid to date under such policy.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Corporation's directors, executive officers, employees, former executive officers, former directors, former employees, currently or formerly proposed nominees for election as a director, nor any associate of any such individual, is at the date hereof, or has been since the commencement of the financial year of the Corporation ended December 31, 2008, indebted to the Corporation or any subsidiary of the Corporation in connection with the purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Corporation or any of its subsidiaries either as at the date of this Circular or at any time since the commencement of the financial year of the Corporation ended December 31, 2008.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer, significant shareholder (or director or executive officer thereof), or proposed director of the Corporation, or any associate or affiliate thereof, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries, other than as set forth below.

There are potential conflicts of interest to which certain of the directors and officers of the Corporation may be subject in connection with the operations of the Corporation and its subsidiaries. Certain of the directors and officers of the Corporation are engaged and will continue to be engaged in mineral exploration activities on behalf of other corporations, and situations may arise in which such other corporations will be in direct competition with the Corporation.

Conflicts of interest which arise, if any, will be subject to and governed by procedures prescribed by the *Business Corporations Act* (Ontario) (the "OBCA") which require a director or officer of a corporation who is party to or is a director or officer of or has a material interest in any person who is a party to a material contract or proposed material contract of the Corporation, to disclose his interest and refrain from voting on any matter in respect of such contract unless otherwise permitted by the OBCA.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The number of directors to be elected at the Meeting is five (5). **Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of all five nominees whose names are set forth below (the "Nominees").** Management of the Corporation does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the enclosed form of proxy to vote the proxy for the election of any other person or persons in place of any Nominee(s) unable to serve. Each director elected will hold office until the close of the first annual Meeting of shareholders of the Corporation following his election unless his office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets out the name, province and country of residence of each of the Nominees, the year in which each was first elected a director of the Corporation, the principal occupation or employment of each of them for the past five years, and the approximate number of Common Shares beneficially owned, directly or indirectly, or over which director or control is exercised by the Nominees, which is in each instance based on information furnished by the person concerned as of May 29, 2009.

Name and Municipality of Residence	Position with Corporation	Director Since	Present Occupation and Positions Held During Last Five Years	Number of Common Shares Owned, Controlled or Directed⁽¹⁾
Richard Spencer Ontario, Canada	President, Chief Executive Officer and Director	January 2008	<p>President and Chief Executive Officer of the Corporation (January 2008 to present)</p> <p>Vice President of Exploration, Crystallex International Corp., a mining company (September 2004 to January 2008)</p> <p>Exploration Manager for South America, IAMGOLD Corporation, a mining company (July 1997 to September 2004)</p>	52,000
Keith Barron ⁽⁴⁾ Haute-Nendaz, Valais Switzerland	Director	December 2005	<p>Business Executive</p> <p>Director and Secretary, Prometheus Resources (Guyana) Inc., a subsidiary of the Corporation (2005 to present)</p> <p>Director, Prometheus Resources Barbados Ltd., a subsidiary of the Corporation (2005 to 2007)</p> <p>Vice-President, Exploration, Aurelian Resources Inc. (2002 to 2005), a mineral resource company</p>	2,225,000
Patrick Anderson ⁽²⁾⁽³⁾⁽⁴⁾ Ontario, Canada	Director	December 2005	<p>Business Executive</p> <p>President and Chief Executive Officer, Aurelian Resources Inc. (2003 to 2008), a mineral resource company</p>	1,000,000

Name and Municipality of Residence	Position with Corporation	Director Since	Present Occupation and Positions Held During Last Five Years	Number of Common Shares Owned, Controlled or Directed⁽¹⁾
Bryan Coates ⁽²⁾⁽³⁾ Quebec, Canada	Director	June 2006	Vice President, Finance and Chief Financial Officer, Osisko Mining Corporation (May 2007 to present), a mineral resources company Chief Financial Officer, IAMGOLD Corporation, a mining company (November 2006 to February 2007) Vice President, Finance and Chief Financial Officer, Cambior Inc. (July 2001 to November 2006), a mineral resources company	10,000
David Constable ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Ontario, Canada	Director	June 2006	Vice President, Investor Relations, FNX Mining Company Inc. (2006 to present), a mineral resources company Vice President, Investor Relations and Corporate Affairs, Elko Energy Inc. (2005 to 2006), an oil and gas company Vice President, Investor Relations and Corporate Affairs, FNX Mining Company Inc. (2002 to 2005), a mineral resources company	85,000

Notes:

(1) The information as to Common Shares beneficially owned or over which the Nominees exercise control or direction not being within the knowledge of the Corporation has been furnished by the respective directors individually as of May 29, 2009.

(2) Member of the Audit Committee.

(3) Member of the Compensation, Corporate Governance and Nominating Committee.

(4) Member of the Safety, Health, Environment, Community and Technical Committee.

(5) Mr. Constable was a director of Rage Energy Ltd. when a cease trading order was issued in May 2007 for failure to meet applicable filing deadlines. The cease trade order was lifted in October 2007, however Rage Energy Ltd. was halted again in December 2008, which order remains in effect as of May 29, 2009. Mr. Constable was appointed as a director of Direct IT Canada Inc., a predecessor to Rage Energy Ltd., in March 2000, and continued as a director of Rage Energy Ltd. until December, 2008.

Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of KPMG LLP, Chartered Accountants, the current auditors of the Corporation, as auditors of the Corporation until the close of the next annual meeting of shareholders and to authorize the directors to fix their remuneration. KPMG LLP were first appointed auditors of the Corporation on May 23, 2007.

Approval of New Option Plan

The shareholders of the Corporation approved the Option Plan on October 2, 2006. Options may be granted in respect of authorized and unissued Common Shares, provided that the aggregate number of Common Shares reserved for issuance upon the exercise of all options granted under the Option Plan shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time. Underlying Common Shares in respect of which options are not exercised because the relevant options expire or are cancelled, shall be available for issue upon the exercise of subsequent grants of options. An aggregate of 2,660,000 options have been granted under the Option Plan of which no options have been exercised and 830,000 options expired or were cancelled (representing approximately 3.6% of the issued and outstanding Common Shares as of May 29, 2009). Accordingly, 1,830,000 Common Shares (representing approximately 8.0% of the issued and outstanding Common Shares as of May 29, 2009) are currently reserved for issuance pursuant to options granted under the Option Plan and the Corporation may grant an additional 475,770 options under the Option Plan, calculated based on the number of Common Shares issued and outstanding as of May 29, 2009. See also “Summary of Stock Option Plan” above.

Set forth below is a summary of the 1,830,000 outstanding options to purchase Common Shares as at May 29, 2009:

Holder	Number/Type of Shares Under Option	Expiry Date	Exercise Price
All (two) executive officers and past executive officers of the Corporation, as a group	160,000	December 15, 2009	\$2.50
	300,000	December 20, 2012	\$1.05
All (four) directors and past directors (who are not also executive officers) of the Corporation, as a group	500,000	December 15, 2009	\$2.50
All other employees and past employees of the Corporation as a group	410,000	December 15, 2009	\$2.50
	90,000	March 6, 2010	\$3.63
	40,000	April 30, 2013	\$0.65
	250,000	June 26, 2013	\$0.80
All consultants of the Corporation as a group	80,000	December 15, 2009	\$2.50

The Corporation is proposing to approve a new stock option plan for the Corporation (the “**2009 Plan**”), which will authorize for issuance thereunder such number of Common Shares as is equal to 10% of the aggregate number of Common Shares issued and outstanding from time to time. The options granted under the 2009 Plan will be non-assignable and may be granted for a term not exceeding five years from the date of grant.

Options may be granted under the 2009 Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. In the event that any optionee who is a service provider ceases to be a service provider for the Corporation for any reason other than death, the optionee will be entitled to exercise his or her options only within a period of 90 days next succeeding such cessation (or 30 days if such person is providing investor relations services) or such other date as may be determined by the Board subject to regulatory approval, but in no event may any options be exercised following the expiry date thereof. In the event of the death of an optionee during the currency of the optionee's option, such options may only be exercised within a period of one year succeeding the optionee's death or such other date as may be determined by the Board subject to regulatory approval, up to the expiry date thereof.

The total number of Common Shares which may be reserved for issuance to any one individual under the 2009 Plan within any one year period shall not exceed 5% of the outstanding issue. The maximum number of stock options which may be granted to any one consultant under the 2009 Plan, any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of stock options which may be granted to persons performing investor relations services under the 2009 Plan, any other employer stock options plans or options for services, within any 12 month period must not exceed, in the aggregate, 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).

The maximum number of Common Shares which may be reserved for issuance to insiders under the 2009 Plan, any other employer stock option plans or options for services, shall be equal to 10% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of options which may be granted to insiders under the 2009 Plan, any other employer stock option plans or options for services, within any 12 month period, shall be equal to 10% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of Common Shares which may be issued to any one optionee, under the 2009 Plan together with any other employer stock option plans or options for services, within a one year period shall be equal to 5% of the Common Shares outstanding at the time of the grant (on a non-diluted basis).

The exercise price of options granted under the 2009 Plan may not be lower than the market price of the Common Shares at the time the option is granted, as calculated based upon the prior trading day closing price of the Common Shares on any stock exchange on which the Common Shares are listed or dealing network where the Common Shares trade, where applicable. In the event that there is no such closing price or trade on the prior trading day, the market price shall be based upon the average of the daily high and low board lot trading prices of the Common Shares on any stock exchange on which the shares are listed or dealing network on which the Common Shares trade for the five immediately preceding trading days.

Options issued under the 2009 Plan vest at the discretion of the Board or committee established for the purpose of administering the 2009 Plan, as applicable, subject to certain specified limitations.

The Board or any committee of the Board appointed to administer the 2009 Plan, as applicable, may at any time amend or terminate the 2009 Plan, but where amended, such amendment is subject to regulatory approval.

At the Meeting, shareholders will be asked to consider, and if thought fit, approve a resolution substantially in the form attached hereto as Exhibit 2, to approve the 2009 Plan, and authorize the issue under the 2009 Plan of up to such number of Common Shares as is equal to 10% of the aggregate number of Common Shares issued and outstanding from time to time (the “**Stock Option Plan Resolutions**”).

If the Stock Option Plan Resolutions are approved, (i) the 1,830,000 options currently outstanding under the Option Plan will remain outstanding under the 2009 Plan, without amendment to their terms; and (ii) the Corporation will be able to issue up to an additional 475,770 options under the 2009 Plan (as calculated based upon 10% of the aggregate number of issued and outstanding Common Shares as of May 29, 2009, less the number of options previously granted which are to remain outstanding under the 2009 Plan). If the Stock Option Plan Resolutions are not approved, (i) the 2009 Plan will not be adopted, and the Option Plan will be converted into a fixed option plan pursuant to which a fixed number of Common Shares may be issued thereunder, which number shall be equal to 10% of the aggregate number of Common Shares issued and outstanding as of the date of the Meeting (the “**Maximum Amount**”); (ii) the 1,830,000 options currently outstanding under the Option Plan will remain outstanding under the Option Plan, without amendment to their terms; and (iii) the Corporation will be able to issue such number of additional options under the Option Plan as is equal to the Maximum Amount, less the 1,830,000 options currently outstanding which will remain outstanding thereunder.

Approval of the Stock Option Plan Resolutions will be obtained if a majority of the votes cast are in favour thereof. The Board has concluded that the 2009 Plan is in the best interest of the Corporation and its shareholders. Accordingly, the Board recommends that shareholders vote in favour of the Stock Option Plan Resolutions.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the approval of the Stock Option Plan Resolutions.

Confirmation of New By-Law

At the Meeting, shareholders will be asked to pass a resolution in substantially in the form of resolution appended as Exhibit 3 to this Circular, confirming a new By-Law No. 2 of the Corporation. The new By-Law No. 2 is being presented for confirmation in order to bring the existing by-laws of the Corporation more in line with the current provisions of the OBCA and present day market expectations, including as follows: (a) By-Law No. 2 provides that the Corporation shall indemnify and advance moneys to such persons in such circumstances as shall be permitted or required by the OBCA; and (b) By-Law No. 2 provides that quorum for any shareholders’ meetings of the Corporation shall consist of two persons entitled to vote thereat holding in the aggregate at least 25% of all issued and outstanding shares entitled to be voted at such meeting, whether present in person or represented by proxy.

A copy of By-Law No. 2 is attached as Appendix “A” to Exhibit 3 hereto and is also available on SEDAR at www.sedar.com. In order to be approved by shareholders, the resolution authorizing the adoption of By-Law No. 2 must be approved by a majority of the votes cast at the Meeting.

The Board recommends that the shareholders of the Corporation vote for the adoption of the By-Law No. 2 as the Board believes that the by-law is in the best interest of the Corporation and its shareholders as it would bring the existing by-laws of the Corporation more in line with the current provisions of the OBCA and expectations of the market.

The management representatives named in the attached form of proxy intend to vote the Common Shares represented by such proxy in favour of the adoption of By-Law No. 2 unless a shareholder specifies in the proxy that his or her Common Shares are to be voted against the approval of By-Law No. 2.

ADDITIONAL INFORMATION

Additional information concerning the Corporation is available on SEDAR at www.sedar.com. Financial information concerning the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for the financial year ended December 31, 2008.

Shareholders wishing to obtain a copy of the Corporation's consolidated financial statements and management's discussion and analysis may contact the Corporation at U3O8 Corp., 8 King Street East, Suite 710, Toronto, Ontario M5C 1B5, telephone (416) 868-1491.

DIRECTORS' APPROVAL OF CIRCULAR

The contents and the sending of this Circular to the shareholders of the Corporation have been approved by the Board.

DATED at Toronto, Ontario this 29th day of May, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

“Richard Spencer”

RICHARD SPENCER
President and Chief Executive Officer

EXHIBIT 1
U308 CORP.
AUDIT COMMITTEE CHARTER

I. PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of U308 Corp. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation's outside auditors (the "**Independent Auditors**"), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties. The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval. In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part III of this Charter.

II. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and

- (c) communicate directly with the internal and external auditors.

III. COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the Toronto Stock Exchange ("TSX"), the *Business Corporations Act* (Ontario), all applicable securities regulatory authorities. Each member of the Committee shall be financially literate.
2. The Committee shall be composed of three or more independent directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. Each member of the Committee shall be "independent" as defined by securities legislation and the requirements of the TSX.
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend meetings of the Committee.

11. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

IV. RESPONSIBILITIES

A) Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with generally accepted accounting principles ("GAAP") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements. With respect to the annual and interim audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.
3. The Committee shall review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
4. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (3), and periodically assess the adequacy of these procedures.
5. The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
6. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.

7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall 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.
10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

B) Independent Auditors

1. The Committee shall be responsible for recommending the appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors.
4. The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.
5. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.
7. The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.

8. The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
10. The Committee shall monitor and assess the relationship between management and the external auditors, and monitor and support the independence and objectivity of the external auditors.

C) **Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

EXHIBIT 2

BE IT HEREBY RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. all previous stock option plans of the Company are hereby terminated;
2. a new stock option plan (the “**2009 Plan**”) substantially in the form tabled at the 2009 annual and special meeting of shareholders of the Corporation and as described in the management information circular of the Corporation dated as of May 29, 2009 be authorized and approved as the stock option plan of the Corporation;
3. the number of common shares of the Corporation issuable pursuant to the 2009 Plan be set at 10% of the aggregate number of common shares of the Corporation issued and outstanding from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies; and
4. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Corporation may be necessary or desirable to carry out the terms of the foregoing resolutions.

EXHIBIT 3

BE IT HEREBY RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. a new By-Law No. 2 in substantially the form attached as Appendix "A" to Exhibit 3 to the management information circular of the Corporation dated as of May 29, 2009 be authorized and confirmed as the new By-Law of the Corporation;
2. the repeal of By-Law No. 1 of the Corporation is hereby authorized and confirmed; and
3. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Corporation may be necessary or desirable to carry out the terms of the foregoing resolutions.

APPENDIX "A"

BY-LAW NO. 2

a by-law relating generally to the transaction of the
business and affairs of
U308 CORP.
(the "Corporation")

BE IT ENACTED as a by-law of the Corporation as follows:

DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

In this by-law:

"Act" means the *Business Corporations Act* (Ontario) and the regulations thereunder, as amended from time to time, or any successor Act or regulations thereto, as the case may be;

"Board" means the board of directors of the Corporation; and

"Meetings of shareholders" includes annual and special meetings.

Unless it is otherwise provided for herein, any other words and expressions used in this by-law have the meaning attributed thereto in the Act.

2. INTERPRETATION

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

MEETINGS OF SHAREHOLDERS

3. ANNUAL MEETING

If required, the annual meeting of shareholders shall be held at the time and place determined by the Board for the purpose of hearing and receiving the reports and statements required by the Act to be read or laid before the shareholders of the Corporation at an annual meeting, electing directors, appointing auditors, if any, and fixing or authorizing the Board to fix the auditor's remuneration and for the transaction of such other business as may properly be brought before the meeting.

4. SPECIAL MEETING

Subject to the Act, the Board may at any time call a special meeting of shareholders of the Corporation to be held at the time and place determined by the Board.

5. NOTICES

Notice of the time and place of each meeting of shareholders shall be sent not less than 10 nor more than 50 days before the date of the meeting to each director, to the auditor, if any, and to each shareholder entitled to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements, the auditor's report, if any, election of directors and reappointment of the incumbent auditor, if any, shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting.

6. PERSONS ENTITLED TO BE PRESENT

The only persons entitled to attend the meeting of shareholders are those persons entitled to vote thereat, the directors of the Corporation, the auditor of the Corporation, if any, and others who are entitled or required under any provision of the Act or the by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

7. QUORUM

Two persons entitled to vote at a meeting of shareholders, holding in the aggregate at least 25% of all issued and outstanding shares entitled to be voted at such meeting, whether present in person or represented by proxy, shall constitute a quorum. If a quorum is present at the opening of a meeting of shareholders, the shareholders present may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting.

8. PROXIES

(a) A shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders, who are not required to be shareholders, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy.

(b) A proxy shall be executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized.

9. REPRESENTATIVE

If a body corporate or association is a shareholder of the Corporation, the Corporation shall recognize any individual authorized by a resolution of the board of directors or governing body of the body corporate or association to represent it at meetings of shareholders of the Corporation. An individual so authorized may exercise on behalf of the body corporate or association he represents all the powers it could exercise if it were an individual shareholder.

10. SCRUTINEERS

At each meeting of shareholders one or more scrutineers may be appointed to serve at the meeting by a resolution of the meeting or by the chairman with the consent of the meeting. Such scrutineers need not be shareholders of the Corporation.

11. VOTES TO GOVERN

Subject to the Act or the articles of the Corporation or a unanimous shareholder agreement, at all meetings of shareholders, all questions proposed for the consideration of the shareholders shall be determined by a majority of the votes cast on the question. In the case of an equality of votes the Chairman of the meeting shall not be entitled to a second or casting vote.

12. VOTING

(a) Voting at a meeting of shareholders shall be by show of hands except where a ballot is demanded by a shareholder or proxyholder entitled to vote at the meeting. A shareholder or proxyholder may demand a ballot either before or after any vote by show of hands. Upon a show of hands every person present and entitled to vote has one vote. Whenever a vote by show of hands has been taken upon a motion, unless a ballot thereon is demanded, a declaration by the chairman of the meeting that the vote upon the motion has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting is prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the motion, and the result of the vote so taken is the decision of the shareholders of the Corporation upon the motion. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot.

(b) Upon a ballot each shareholder who is present or represented by proxy is entitled, in respect of the shares which he is entitled to vote at the meeting upon the motion, to that number of votes provided by the Act or the articles in respect of those shares and the result of the ballot is the decision of the shareholders of the Corporation upon the motion.

13. CHAIRMAN

In the event that the chairman of the board, if any, the president or any vice president fails to assume the chairmanship of a meeting in accordance with paragraphs 21, 22 and 23 of this by-law within 15 minutes after the time appointed for the holding of the meeting, the persons present at the meeting and entitled to vote thereat shall choose a person from their number to be the chairman of the meeting.

DIRECTORS

14. QUORUM

Subject to the articles of the Corporation, a quorum at any meeting of directors is:

- (a) Where the articles set out the number of directors, a majority of that number; or
- (b) Where the articles set out the minimum and maximum number of directors, a majority of the number of directors which then constitutes the Board.

15. ELECTION AND TERM

Shareholders of the Corporation shall, at the first meeting of shareholders and at each succeeding annual meeting of shareholders, elect directors to hold office for a term expiring at the first annual meeting of shareholders following their election.

16. CALLING OF MEETINGS

The Board, a quorum of the directors, the president or the secretary may at any time call a meeting of the Board to be held at the time and place determined by the Board or by the person calling the meeting. Meetings of the Board may be held at any place within or outside Ontario. In any financial year of the Corporation, a majority of the meetings of the Board need not be held within Canada. Notice of every meeting so called shall be given to each director by sending the notice not less than 2 days before the day on which the meeting is to be held. A director may in any manner and at any time waive notice of a meeting of directors and attendance of a director at a meeting of directors is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. If a quorum of directors is present, each newly elected Board may without notice hold its first meeting for the purposes of its organization and the election and appointment of officers immediately following the meeting of shareholders at which such Board was elected.

17. NOTICES

Notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

18. CHAIRMAN

In the event that the chairman of the board, if any, the president or any vice president fails to assume the chairmanship of a meeting in accordance with paragraphs 21, 22 and 23 of this by-law within 15 minutes after the time appointed for the holding of the meeting, the persons present at the meeting and entitled to vote thereat shall choose a person from their number to be the chairman of the meeting.

19. VOTES TO GOVERN

At all meetings of the Board every question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes the Chairman of the meeting shall not be entitled to a second or casting vote.

OFFICERS

20. APPOINTMENT

Subject to the articles and any unanimous shareholder agreement, the Board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. The Board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Two or more offices of the Corporation may be held by the same person.

21. CHAIRMAN OF THE BOARD

The Board may from time to time appoint a chairman of the board who shall be a director. If appointed, the chairman shall, subject to the provisions of the Act, the articles or any unanimous shareholder agreement, preside at all meetings of the shareholders and of the Board and have such other powers and duties as the Board may specify. During the absence or disability of the chairman of the board, his duties shall be performed and his powers exercised by the managing director, if any, or by the president.

22. PRESIDENT

Subject to any duties imposed upon the chairman of the board, if one is appointed, the president shall preside at all meetings of the shareholders and of the Board and is responsible for the general supervision, subject to the authority of the Board, of the business and affairs of the Corporation.

23. VICE-PRESIDENT

During the absence or inability of the president to act, his duties shall be performed and his powers shall be exercised by the vice-president, if any, or if there is more than one, by the vice-president selected by the Board. A vice president shall also perform such duties and exercise such powers as the president or the Board may from time to time delegate to him,

24. SECRETARY

The secretary shall:

- (a) Give or cause to be given all notices required to be given to shareholders, directors, auditors and members of committees;
- (b) Attend all meetings of directors, shareholders and committees and enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings; and
- (c) Be the custodian of all books, papers, records, documents, corporate seals, if any, and other instruments of the Corporation save those entrusted by resolution of the Board to the custody of the treasurer or other officer or agent of the Corporation. The secretary may delegate his duties to a nominee from time to time.

25. TREASURER

The treasurer shall keep or cause to be kept full and accurate books of account in which shall be recorded all receipts and disbursements of the Corporation; control the deposit of money, the safekeeping of securities and the disbursement of funds; and render to the Board whenever required of him, an account of the financial affairs of the Corporation.

26. POWERS AND DUTIES OF OTHER OFFICERS

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the Board or the president may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant unless the Board or the president otherwise directs.

27. VARIATION OF POWERS AND DUTIES

The Board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

28. TERM OF OFFICE

The terms of employment of the officers shall be settled by the Board. In the absence of written agreement to the contrary, each officer holds office until he resigns, his successor is appointed or he is removed by the Board at its pleasure.

29. FIDELITY BONDS

The Board may at any time require any officer, employee or agent of the Corporation to furnish a bond for the faithful discharge of his duties, in such form and with such surety as the Board determines.

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

30. LIMITATION OF LIABILITY

No director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgement or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

31. INDEMNITY

(a) To the maximum extent permitted by law, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

(b) The Corporation may not indemnify an individual under paragraph (a) unless the individual:

(i) acted honestly and in good faith with a view to the best interests of the Corporation or other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request, as the case may be; and

(ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful.

(c) The Corporation shall advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in paragraph (a), provided that such individual shall repay the moneys if the individual does not fulfill the conditions of paragraph (b).

(d) The provisions for indemnification contained in the by-laws shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in the individual's official capacity and as to action in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.

BANKING ARRANGEMENTS, CONTRACTS, ETC.

32. BANKING ARRANGEMENTS

All funds of the Corporation shall be deposited in its name in such account or accounts as are designated by the Board. Withdrawals from such account or accounts and the making, signing, drawing, accepting, endorsing, negotiating, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money with the institution maintaining such account or accounts shall be made by such person or persons as the Board from time to time determines.

33. EXECUTION OF INSTRUMENTS

Deeds, transfers, assignments, contracts and any other documents of the Corporation, shall be signed by any director or officer. Any director or officer of the Corporation is hereby authorized and directed to sign any articles on behalf of the Corporation. Notwithstanding any provision to the contrary contained in the by-laws of the Corporation, the Board may at any time or times direct the manner in which and the person or persons by whom any particular deed, transfer, assignment, contract or other document, or any class of deeds, transfers, assignments, contracts or other documents, shall be signed.

SHARES

34. SHARE CERTIFICATES

(a) Every shareholder is entitled, at his option, to a share certificate or a nontransferable written acknowledgement of his right to obtain a share certificate from the Corporation in respect of the shares of the Corporation held by him, but the Corporation is not bound to issue more than one share certificate in respect of a share or shares held jointly by several persons, and delivery of a share certificate to one of several joint shareholders is sufficient delivery to all.

(b) A share certificate shall be manually signed by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent, branch transfer agent or other authenticating agent of the Corporation.

(c) Notwithstanding the foregoing, a fractional share certificate need not be manually signed

35. REPLACEMENT OF SHARE CERTIFICATES

Where the registered holder of a share certificate claims that the share certificate has been lost, apparently destroyed or wrongfully taken, the Corporation shall issue a new share certificate in place of the original share certificate if the owner:

(a) so requests before the Corporation has notice that the share certificate has been acquired by a *bona fide* purchaser;

(b) files with the Corporation an indemnity bond sufficient in the Corporation's opinion to protect the Corporation and any transfer agent, registrar or other agent of the Corporation from any loss that it or any of them may suffer by complying with the request to issue a new share certificate; and

(c) satisfies any other reasonable requirements imposed by the Corporation.

36. LIEN ON SHARES

The Corporation has a lien on each share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation.

37. ENFORCEMENT OF LIENS

If any shareholder (the "Defaulting Shareholder") defaults in payment of any monies owing by such shareholder to the Corporation, which default continues for a period of 30 days after notice in writing of such default has been given by the Corporation to such shareholder, the Corporation may sell all or any part of the shares then registered in the name of the Defaulting Shareholder (the "shares") at a *bona fide* public or private sale or auction, at which sale or auction any director, officer or shareholder of the Corporation may purchase the shares or the Corporation may purchase the shares free of any right or equity of redemption, which right or equity is hereby expressly waived. The terms and manner of auction or sale shall be at the sole discretion of the Corporation. The Corporation may accept any offer which it in its absolute discretion considers advisable upon such terms, whether cash or credit or partly cash and partly credit, as it in its discretion considers advisable. Notice of any public or private sale or auction shall be given to the Defaulting Shareholder at least 15 days prior to the date on which such sale is to be held. The proceeds of such sale shall be used and applied firstly to the cost and expense of such sale incurred by the Corporation, including legal fees, secondly to reimburse the Corporation for out-of-pocket expenses incurred in connection with the sale and thirdly, for the payment in full of the monies due to the Corporation from any Defaulting Shareholder. The balance of the proceeds, if any, shall be paid to the Defaulting Shareholder. If the proceeds of the sale are insufficient to pay the amount due to the Corporation, then the Defaulting Shareholder shall remain liable to the Corporation for any such deficiency. The rights of the Corporation hereunder shall be in addition to any rights at law available to the Corporation for the enforcement of its liens or for the collection of the debt of the Defaulting Shareholder.

CORPORATE DISTRIBUTIONS

38. DIVIDENDS

A dividend payable in cash shall be paid by cheque to the order of each registered holder of shares of the class in respect of which such dividend has been declared as at the record date for the determination of shareholders entitled to receive such dividend and delivered to each such holder or mailed by ordinary mail, postage prepaid, to such holder at his last address appearing on the securities register of the Corporation unless such holder otherwise directs in writing. In the case of joint holders the cheque shall, unless such joint holders otherwise direct in writing, be made payable to the order of all of such joint holders and if more than one address appears on the securities register of the Corporation in respect of such joint holding the cheque shall be delivered or mailed to the first address so appearing. The mailing or delivery of such cheque as aforesaid shall satisfy and discharge all liability for the dividend to the extent of the sum represented thereby, unless such cheque is not paid at par in Canadian funds on due presentation at the municipality in which the registered office of the Corporation is situate or at any other place where it is by its terms payable. In the event of non-receipt of any dividend cheque by the person to whom it is mailed or delivered as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount upon being furnished with such indemnity and evidence of non-receipt as the Board may from time to time prescribe, whether generally or in any particular case.

39. JOINT SHAREHOLDERS

If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for the certificates issued in respect thereof and for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

NOTICE

40. METHOD OF GIVING

A notice or document required by the Act, the regulations, the articles or the bylaws to be sent to a shareholder or director of the Corporation may be sent by prepaid mail addressed to, or may be delivered personally to:

- (a) The shareholder at his latest address shown in the records of the Corporation or its transfer agent; and
- (b) The director at his latest address as shown in the records of the Corporation or in the most recent notice filed under the Corporations Information Act, whichever is the more current.

41. WAIVER OF NOTICE

Where a notice or document is required by the Act or the regulations or by any by-law to be sent, the notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

42. OMISSIONS AND ERRORS

The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant or otherwise founded thereon.

43. NOTICE TO JOINT SHAREHOLDERS

All notices with respect to any shares registered in more than one name may, if more than one address appears on the books of the Corporation in respect to such joint holding, be given to such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to all the holders of such shares.

44. PERSONS ENTITLED BY DEATH OR OPERATION OF LAW

Every person who, by operation of law, transfer, death of a shareholder or by any other means whatsoever, becomes entitled to any share or shares shall be bound by every notice in respect of such share or shares which is duly given to the person from whom he derived his title to such share or shares until such time as his name and address are entered on the books of the Corporation (whether it be before or after the event upon which he became so entitled).

45. SIGNATURE OF NOTICE

The signature of any notice to be given by the Corporation may be written or printed or partly written and partly printed.

SHAREHOLDERS' AGREEMENT

46. SHAREHOLDERS' AGREEMENT

Notwithstanding anything contained in this by-law and any amendment or supplement hereto, the provisions of this by-law and any amendment or supplement hereto shall be amended to the extent necessary to give effect to the provisions of any shareholders' agreement in force between the Corporation and its shareholders, and to the extent that there is any conflict between the provisions of this by-law and any amendment or supplement hereto and any such shareholders' agreement, the provisions of such shareholders' agreement shall prevail.

REPEAL

47. REPEAL

Upon this by-law coming into force, by-law number 1 of the Corporation shall be repealed provided that such repeal shall not affect the previous operation of such by-law number 1 so repealed or affect the validity of any act done or right, privilege, obligation, acquired or incurred, or the validity of any contract or agreement made pursuant to such by-law number 1 prior to its repeal. All resolutions of the shareholders and of the board with continuing effect passed under such repealed by-law number 1 shall continue to be good and valid except to the extent that such resolutions are inconsistent with this by-law.

MADE by the Board the 2nd day of March, 2009.

“Richard Spencer”
Richard Spencer, Director

“Dave Constable”
Dave Constable - Director

Any questions and requests for assistance may be directed to the
Proxy Solicitation Agent:



The Exchange Tower
130 King Street West, Suite 2950, P.O. Box 361
Toronto, Ontario
M5X 1E2

North American Toll Free Phone:

1-888-518-6812

Email: contactus@kingsdaleshareholder.com

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272