

PLANET EXPLORATION INC.

INFORMATION CIRCULAR - PROXY STATEMENT

For the Annual General and Special Meeting
of Shareholders to be held on September 12, 2006

SOLICITATION OF PROXIES

This Information Circular - Proxy Statement is furnished in connection with the solicitation of proxies by the management of Planet Exploration Inc. (hereinafter referred to as the "Corporation" or "Planet") for use at the Annual General and Special Meeting of the Shareholders of the Corporation (the "Meeting") to be held on the 17th day of April, 2006, at 10:00 o'clock a.m. (Calgary time) at the offices of the Corporation, Suite 400, 750 - 11th Street S.W., Calgary, Alberta, T2P 3N7 and at any adjournment thereof, for the purpose set forth in the Notice of Meeting.

Instruments of Proxy must be addressed to the Secretary of the Corporation and must reach the Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, not less than 48 hours before the time for the holding of the meeting or any adjournment thereof. Proxies may also be delivered by fax to: (416) 263-9524 or 1-866-249-7775. Pursuant to the *Business Corporations Act* (Alberta), the record date for the Meeting is the close of business on July 26, 2006. Only shareholders of the Corporation of record as at that date are entitled to receive notice of and to vote at the Meeting unless after that date a shareholder of record transfers his shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, requests not later than ten (10) days prior to the Meeting that the transferee's name be included in the list of shareholders entitled to vote, in which case, such transferee is entitled to vote such shares at the Meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY ARE DIRECTORS AND OFFICERS OF THE CORPORATION. A SHAREHOLDER SUBMITTING THE PROXY HAS THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM AT THE MEETING (WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION) OTHER THAN THE PERSON OR PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE SUCH RIGHT, THE NAMES OF THE PERSONS DESIGNATED BY MANAGEMENT SHOULD BE CROSSED OUT AND THE NAME OF THE SHAREHOLDER'S APPOINTEE SHOULD BE LEGIBLY PRINTED IN THE BLANK SPACE PROVIDED.

REVOCABILITY OF PROXY

A shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is of significant importance to beneficial holders of Common Shares of Corporation who do not hold their Common Shares in their own name (“Beneficial Shareholders”). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those shares will not be registered in the Beneficial Shareholder’s name on the records of the Corporation. Such shares will more likely be registered under the name of the Beneficial Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are generally prohibited from voting shares for their clients. The Corporation does not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is a voting instruction form or a form which is identical to the form of proxy provided to registered shareholders. In either case, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications (“ADP”). ADP typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to ADP. ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction request or a proxy form cannot use that voting instruction request or proxy form to vote Common Shares directly at the Meeting as the voting instruction request or proxy form must be returned as directed by ADP well in advance of the Meeting in order to have the shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by ADP well in advance of the Meeting.**

PERSONS MAKING THE SOLICITATION

THIS SOLICITATION IS MADE ON BEHALF OF THE MANAGEMENT OF THE CORPORATION. The costs incurred in the preparation and mailing of the Form of Proxy, Notice of Meeting and this Information Circular - Proxy Statement will be borne by the Corporation. In addition to the use of mails, proxies may be solicited by personal interviews, telephone or fax by directors and officers of the Corporation, who will not be remunerated therefor.

EXERCISE OF DISCRETION BY PROXY

The shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and where the shareholder specifies a choice with respect to any matter to be acted upon, the shares shall be voted on any ballot in accordance with the specification so made.

IN THE ABSENCE OF SUCH SPECIFICATION, SHARES WILL BE VOTED IN FAVOUR OF ALL OF THE PROPOSED RESOLUTIONS. THE PERSONS APPOINTED UNDER THE FORM OF PROXY FURNISHED BY THE CORPORATION ARE CONFERRED WITH DISCRETIONARY AUTHORITY WITH RESPECT TO AMENDMENTS OR VARIATIONS OF THOSE MATTERS SPECIFIED IN THE PROXY AND

NOTICE OF MEETING. AT THE TIME OF MAILING OF THIS INFORMATION CIRCULAR - PROXY STATEMENT, MANAGEMENT OF THE CORPORATION KNOWS OF NO SUCH AMENDMENT, VARIATION, OR OTHER MATTER.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of the date hereof, 25,259,190 common shares without nominal or par value of the Corporation are issued and outstanding, each such share carrying the right to one vote on any ballot at the Meeting.

As at the date hereof, to the knowledge of the directors and senior officers of the Corporation, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting shares carrying more than 10% of the voting rights attached to the common shares, except for Goldcorp Inc., a public company which holds, directly and indirectly, 3,800,000 common shares representing 15.0% of the issued common shares.

BUSINESS OF THE MEETING

A. REGULAR BUSINESS

At the Meeting, shareholders will consider the items of regular business as follows:

Financial Statements

The shareholders will receive and consider the audited financial statements of the Corporation for the fiscal year ended and March 31, 2006 together with the auditor's report thereon.

Election of Directors

At the Meeting, the shareholders will be asked to determine that the number of directors to be elected at the Meeting be fixed at four (4) and will be asked to further elect four (4) directors to succeed the present directors whose terms expire on the day of the Meeting, to serve until the next annual general meeting, or until their respective successors have been elected or appointed.

Unless otherwise directed it is the intention of management to vote proxies in the accompanying form in favour of the election as directors of the four (4) nominees hereinafter set forth, provided that in the event a vacancy among such nominees occurs because of death or for any reason prior to the Meeting, the Proxy shall not be voted with respect to such vacancy:

Adrian G. Mann
Ranjeet Sundher
Darold H. Parken
Salim Jivraj

The names of all the persons nominated for election as directors, all other positions and offices with the Corporation held by them, their principal occupations, dates on which they became directors of the Corporation and the number of common shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of March 31, 2006 are as follows:

Name, Residence and Position with the Company	Principal Occupation During Past Five Years	Director Since	Shares Held
Ranjeet Sundher Singapore President and Director	Director and President of Singapore based, Canrim Ventures, a financial consulting company. Prior thereto, regional Managing Director of PT Bhineka Handal (Indonesia) a mineral exploration company. Prior thereto Mr. Sundher was an equity trader with Wolverton Securities Limited in Vancouver.	November 26/96	1,957,010 ⁽¹⁾
Adrian G. Mann PhD, MBA Calgary, Canada VP, Exploration and Director	President of Ruthrie Enterprises Ltd., a private company involved in mineral exploration and mineral geology since 1991.	April 14/97	265,000 ⁽²⁾
Darold H. Parken, LLB, Calgary, Canada Director	President, Chartwell Technology Inc. (public software development company), Barrister & Solicitor, Parken & Company, since February, 1989 and prior thereto Partner, Burnet Duckworth & Palmer, Barristers & Solicitors.	April 2/03	710,464 ⁽³⁾
Salim Jivraj, CA (UK) Calgary, Canada Secretary and Director	Mr. Jivraj is a member of the Institute of Chartered Accountants in England and Wales, and President of Cityscape Developments Ltd. a private company involved in providing financial and business consulting services.	April 7/05	793,167 ⁽⁴⁾

(1) Mr. Sundher also holds options to purchase 500,000 common shares.

(2) Dr. Mann also holds an option to purchase 100,000 common shares.

(3) Mr. Parken also holds options to purchase 500,000 common shares.

(4) Mr. Jivraj also holds options to purchase 150,000 common shares.

The information as to shares beneficially owned, directly or indirectly, is based upon information furnished to the Corporation by the respective directors.

Appointment of Auditors

Unless otherwise directed, it is management's intention to vote the proxies in favour of a resolution to appoint Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants, of Calgary, Alberta, as auditors of the Corporation, to hold office until the next annual general meeting of the Shareholders or until their successor is elected or appointed and to authorize the directors to fix their remuneration as such. Kenway Mack Slusarchuk Stewart LLP were first appointed auditors of the Corporation on June 18, 2004.

B. SPECIAL BUSINESS

At the Meeting, shareholders will consider the following items of special business:

1. Approval of New Stock Option Plan

The Corporation has a stock option plan made effective April 2, 2003 (the “**Existing Plan**”) for directors, officers, employees and consultants of the Corporation and its subsidiaries. Since the adoption of the Existing Plan in 2003, the policy of the TSX Venture Exchange regarding incentive stock options has undergone certain changes and the Corporation believes it would be in the best interests of shareholders to adopt a new stock option plan (the “**New Plan**”) in the form set out in Schedule “A” to this Information Circular – Proxy Statement.

The most significant feature of the New Plan is that it provides for the reservation of a “rolling maximum” of ten percent (10%) of the Corporation’s issued and outstanding common shares from time to time. Under the Existing Plan, the maximum number of common shares available for issuance to options was fixed at 2,200,000. Based on the number of common shares of the Corporation outstanding on the record date for the Meeting, an aggregate of 2,525,919 options to purchase common shares will be issuable under the New Plan. The Corporation believes that the New Plan is better suited to achieve the purpose of share incentive plans, which is to offer to directors, offices, employees and consultants of the Corporation the opportunity to acquire a proprietary interest in the Corporation, thereby providing an incentive to such parties to promote the best interests of the Corporation and to assist the Corporation in attracting qualified persons.

In all other material respects the provisions of the New Plan are substantially the same as the Existing Plan, except where required by changes to the policy of the TSX Venture Exchange on incentive stock options. Shareholders are urged to review the provisions of the New Plan as set out in Schedule “A” to this Information Circular – Proxy Statement. Subject to receipt of shareholder approval, the New Plan has been approved and adopted by the Corporation effective July 26, 2006. Rolling stock option plans, such as the New Plan, must be approved by the shareholders of the Corporation annually.

The complete text of the ordinary resolution to be considered at the Meeting by shareholders is as follows:

“BE IT RESOLVED as an ordinary resolution of the Corporation that:

- a. the share option plan (the “**Plan**”) of Planet Exploration Inc. (the “**Corporation**”) adopted and approved by the Board of Directors on July 26, 2006 is hereby ratified, confirmed and approved;
- b. the Corporation is hereby authorized to grant stock options pursuant and subject to the terms and conditions of the Plan entitling option holders to purchase up to that number of common shares of the Corporation equal to 10% of the issued and outstanding common shares of the Corporation from time to time;
- c. the Board of Directors of the Corporation is hereby authorized to make such amendments to the Plan from time to time as it may in its discretion consider appropriate, provided always that such amendments be subject to the approval of all applicable regulatory authorities and the approval of the shareholders of the Corporation where required; and
- d. any one director or officer of the Corporation is hereby authorized to take all such action and to execute all such other documentation as may be deemed necessary to give effect to this resolution and the Plan.”

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Except as described herein, or in a previously issued Information Circular, there were no material interests, direct or indirect, of directors or senior officers of the Corporation, any shareholder who beneficially owns more than 10% of the common shares of the Corporation, or any known associate or affiliate of these persons in any transaction since the commencement of the Corporation's last completed fiscal year or in any proposed transaction which has materially affected or would materially affect the Corporation.

Goldcorp Inc. ("Goldcorp") is an insider of the Company by virtue of the ownership of approximately 15% of the issued shares of the Company. Under an Option Agreement with the Company dated April 10, 2003, Goldcorp earned a 50% interest in the Company's principal property, the Sidace Lake gold project in the Red Lake area of Ontario. Goldcorp and the Company are presently exploring the Sidace Lake property under a joint venture relationship with Goldcorp as the operator of the property. Under the terms of the Option Agreement, Goldcorp purchased an additional 10% interest in the Sidace Lake property for \$600,000 (US).

STATEMENT OF EXECUTIVE COMPENSATION

The following sets forth the aggregate remuneration paid or payable by the Corporation since incorporation to the Directors of the Corporation in their capacity as Directors and to the Executive Officers of the Corporation in their capacity as Executive Officers or Employees of the Corporation.

Directors and Officers

e. Cash Compensation

During the year ended March 31, 2006, the Company incurred \$65,000 (2005 – \$70,000) in consulting fees to an officer of the Company.

During the year ended March 31, 2006, the Company incurred \$5,000 (2005 – \$5,000) in consulting fees to a director of the Company. The Company also incurred \$60,000 (2005 – \$60,000) in legal fees to a law firm and \$31,500 (2005 - \$27,000) in consulting and administrative fees to a firm in which the same director of the Company is principal.

During the year ended March 31, 2006, the Company incurred \$4,500 (2005 – Nil) in accounting fees to an officer and director of the Company and \$16,172 (2005 – Nil) in accounting fees and expenses to a firm in which the same director of the Company is principal.

During the year ended March 31, 2006, the Company incurred \$2,000 (2005 – \$2,000) in geological consulting fees to a director of the Company. The Company also incurred \$15,016 (2005 – \$23,370) in geological consulting fees from a company in which the same director of the Company is principal.

No other cash compensation has been paid during the last completed fiscal year to the Executive Officers in their capacities as such.

f. Options

The Corporation has reserved 2,200,000 of its outstanding Common Shares for the granting of stock options pursuant to the terms and conditions of a Stock Option Plan (the "Plan") which was approved by the shareholders. Options to purchase Common Shares may be granted pursuant to the Plan for a maximum term of 5 years, and at discounts to market prices not to exceed the maximum discount allowed by the Rules

and Regulations of the TSX Venture Exchange. The provisions of the Option Plan may be amended in accordance with the proposed changes thereto which are described herein under "Special Business".

The exercise price of any option subject to the Plan shall not be less than the market price of the Common Shares, which shall mean the most recent closing price per share for Common Shares on the last trading day preceding the date of grant on which there was a closing price on the TSX Venture Exchange.

The exercise period of options shall be a period of time fixed by the Board of Directors, not to exceed five (5) years. If a holder shall cease to be a director, officer, employee or consultant for any reason other than death, the options will expire if not exercised within a maximum of 90 days following such cessation. In the event of the death of a holder, the options are exercisable for a period of 12 months following the date of death by the person or persons to whom the holder's rights under the options pass by will or by law.

Options Exercised And Granted During the Fiscal Year Ended March 31, 2006

There were no options granted during the fiscal year ended March 31, 2006.

No options were exercised by directors during fiscal 2006. The following table sets forth the number of unexercised options and the value of in the money options at March 31, 2006.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ⁽¹⁾ (\$)	Unexercised Options at March 31, 2006 Exercisable/Unexercisable (#)	Value of Unexercised in-the-Money Options at March 31, 2006 ⁽²⁾ Exercisable/Unexercisable (\$)
Ranjeet Sundher	nil	n/a	500,000/nil	\$95,000
Adrian Mann	nil	n/a	100,000/nil	\$36,500
Darold H. Parken	nil	n/a	500,000/nil	\$45,000
Salim Jivraj	nil	n/a	150,000/nil	\$61,500

Notes:

- (1) Based on the difference between the closing price of the Common Shares on the TSX Venture Exchange on the date the stock options were exercised and the exercise price of the stock options, multiplied by the number of Common Shares being acquired.
- (2) Based on the difference between the closing price of \$0.79 per Common Share on the TSX Venture Exchange on March 31, 2006 and the exercise price of the stock options, multiplied by the number of Common Shares under option.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or senior officers of the Corporation were indebted to the Corporation at any time during the last completed fiscal year.

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

Except as discussed herein, management of the Corporation is not aware of any material interests of any director or senior officer of the Corporation, any shareholder who beneficially owns more than 10% of the common shares of the Corporation, or any known associate or affiliate of those persons, in any matter to be acted upon at the Meeting other than as described herein.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER STOCK OPTION PLAN

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding options issued pursuant to equity compensation plans, the weighted average exercise price of

such outstanding options and the number of Common Shares remaining available for future issuance under equity compensation plans of the Corporation as at March 13, 2006.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	1,300,000	\$0.61	900,000
Equity compensation plans not approved by shareholders	nil	n/a	nil
Total	1,300,000	\$0.61	900,000

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, however, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation, including financial information, can be found in the consolidated financial statements and MD&A of the Corporation, both of which are available on SEDAR at www.sedar.com.

Shareholders of the Corporation may obtain copies of the foregoing information by contacting the Corporation at Suite 400, 750 - 11th Street SW, Calgary, Alberta, T2P 3N7.

APPROVAL AND CERTIFICATION

The contents and sending of this Information Circular - Proxy Statement have been approved by the directors of the Corporation.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the shareholders.

DATED at Calgary, Alberta, this 26th day of July, 2006.

(Signed) "Darold H. Parken"

Director

(Signed) "Salim Jivraj"

Director

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SCHEDULE "A"

PLANET EXPLORATION INC.

1. Purpose of Plan

The purpose of this share option plan (the "**Plan**") is to develop the interest of officers, directors, employees and key consultants of Planet Exploration Inc. and its subsidiaries (collectively, the "**Corporation**") in the growth and development of the Corporation by providing them with the opportunity through share purchase options to acquire an increased proprietary interest in the Corporation.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation, or if appointed, by a special committee of directors appointed from time to time by the Board of Directors of the Corporation (such committee, or if no such committee is appointed, the Board of Directors of the Corporation is hereinafter referred to as the "**Committee**") pursuant to rules of procedure fixed by the Board of Directors.

3. Granting of Options

The Committee may from time to time designate directors, officers (or in each case their personal holding companies), employees of the Corporation, or any other Insider, Consultant or Management Company Employee to the Corporation (collectively, the "**Optionees**") to whom options ("**Options**") to purchase common shares ("**Common Shares**") of the Corporation may be granted and the number of Common Shares to be optioned to each, provided that:

- (a) if such Optionees are Employees, Consultants or Management Company Employees, they are bona fide considered to be so by the Committee;
- (b) the total number of Common Shares issuable pursuant to the Plan (including Common Shares issuable under any prior share option plans) shall not exceed 10% of the Outstanding Common Shares, subject to adjustment as set forth in Section 8 hereof;
- (c) the number of Common Shares reserved for issuance to any one Optionee shall not exceed 5% of the Outstanding Common Shares in any 12 month period;
- (d) Disinterested Shareholder Approval is obtained for:
 - (i) any reduction in the exercise price if the Optionee is an Insider at the time of grant; and
 - (ii) any grant to Insiders, within a 12 month period, of a number of Options exceeding 10% of the Outstanding Common Shares and if, at any time, the number of Common Shares reserved for issuance under Options granted to Insiders exceeds 10% of the Outstanding Common Shares; and

- (e) the number of Common Shares reserved for issuance to any one Consultant or to any Employee conducting Investor Relations Activities shall not exceed 2% of the Outstanding Common Shares in any 12 month period.

4. Vesting

The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting provided that such vesting will comply with the requirements of the Stock Exchange or other regulatory body having jurisdiction (presently, the TSX Venture Exchange (“**TSX**”), and in the absence of any determination by the Committee, the vesting shall be as to one-third of the number of Options granted on the first anniversary date of the grant and as to one-third on each of the next two succeeding anniversaries of the date of the grant.

5. Exercise Price

The exercise price (the “**Exercise Price**”) of any Option shall be fixed by the Committee when such Option is granted, provided that such price shall not be less than the discounted market price (the “**Discounted Market Price**”) of the Common Shares, which shall mean the most recent closing price per Common Share preceding the date of grant on which there was a closing price on the stock exchange the Common Shares are listed for trading (presently TSX) less the permitted discount pursuant to the rules or policies of such exchange.

6. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, be such period as may be determined by the Committee at the time of grant but subject to the rules of any stock exchange or other regulatory body having jurisdiction (presently restricted to five (5) years). Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable. In addition, each Option shall provide that:

- (a) upon the death of the Optionee, the Option shall terminate on the date determined by the Committee, which date shall not be later than the earlier of the expiry date of the Option and 12 months from the date of death;
- (b) subject to section 6(c) hereof, if the Optionee shall no longer be a director or officer of, be in the employ of or be providing ongoing management or consulting services to the Corporation, the Option shall terminate on the earlier of the expiry date of the Option and the expiry of the period (the “**Termination Date**”) not in excess of 90 days prescribed by the Committee at the time of grant, following the date that the Optionee ceases to be a director, officer or employee of the Corporation, or ceases to provide ongoing management or consulting services to the Corporation, as the case may be; and
- (c) if the Optionee shall no longer be providing Investor Relations Activities to the Corporation, the Option shall terminate on the earlier of the expiry date of the Option and the Termination Date, not in excess of 30 days prescribed by the Committee at the time of grant following the date the Optionee ceases to provide such activities to the Corporation;

provided that the number of Common Shares that the Optionee (or his heirs or successors) shall be entitled to purchase until the Termination Date shall be the number of Common Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be an officer,

director or employee of, or ceased providing ongoing management, consulting services or Investor Relations Activities to the Corporation, as the case may be.

7. Exercise of Options

Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its head office or such other place as may be specified by the Corporation, of a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Common Shares then being purchased.

8. Alterations in Shares

Appropriate adjustments in the number of Common Shares optioned and in the exercise price, as regards Options granted or to be granted, may be made by the Committee in its discretion to give effect to adjustments in the number of Common Shares of the Corporation resulting subsequent to the approval of the Plan by the Committee from subdivisions, consolidations or reclassifications of the Common Shares of the Corporation, the payment of stock dividends by the Corporation or other relevant changes in the capital of the Corporation.

9. Option Agreements

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to Option, the Exercise Price, provisions as to vesting and expiry and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve or authorize the officers of the Corporation to enter into and may contain such terms as may be considered necessary in order that the option will comply with this Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen and the rules of any regulatory body having jurisdiction over the Corporation.

10. Regulatory Authorities Approvals

The Plan shall be subject to the approval, if required, of any stock exchange on which the Common Shares are listed for trading (presently the TSX). Any Options granted prior to such approval shall be conditional upon such approval being given and no such Options may be exercised unless such approval, if required, is given.

11. Amendment or Discontinuance of the Plan

The Committee may amend or discontinue the Plan at any time, provided that no such amendment may, without the consent of the Optionee, alter or impair any Option previously granted to an Optionee under the Plan and provided further that any amendment to the Plan will require the prior consent of CDNX.

12. Common Shares Duly Issued

Common Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefore in accordance with the terms of the Option and the issuance of Common Shares thereunder will not require a resolution or approval of the Board of Directors of the Corporation. The Common Shares issued upon the exercise of an Option granted hereunder may be subject to resale restrictions pursuant to applicable securities laws and the rules of TSX.

13. Prior Plans

Upon coming into effect, this Plan entirely replaces and supersedes prior share options plans, if any, enacted by the Board of Directors of the Corporation or its predecessor corporations, including the share option plan adopted as of April 2, 2003.

14. Definitions¹

In this Plan, capitalized terms not otherwise defined in this Plan have the following meanings:

- (a) **"Associate"** has the meaning ascribed thereto by the *Securities Act (Alberta)* as from time to time amended, supplemented or re-enacted;
- (b) **"Consultant"** means, in relation to an Issuer, an individual (or Company wholly-owned by Individuals who:
 - (i) provides ongoing consulting services to the Issuer or an Affiliate of the Issuer under a written contract;
 - (ii) possesses technical, business or management expertise of value to the Issuer or an Affiliate of the Issuer; and
 - (iii) spends a significant amount of time and attention on the business and affairs of the Issuer or an Affiliate of the Issuer; and
 - (iv) has a relationship with the Issuer or an Affiliate of the Issuer that enables the individual to be knowledgeable about the business and affairs of the Issuer.
- (c) **"Directors"** means directors, senior officers and Management Company Employees of an Issuer, or of an unlisted Company seeking a listing on TSX, or directors, senior officers and Management Company Employees or an Issuer's or an unlisted Company's subsidiaries to whom stock options can be granted in reliance on a Prospectus exemption under applicable Securities Laws;
- (d) **"Disinterested Shareholder Approval"** means a majority of the votes cast by all shareholders at a shareholders' meeting excluding votes attaching to Listed Shares beneficially owned by:
 - (i) Insiders to who options may be issued under the stock option plan; and
 - (ii) associates of persons referred to in (i) above.
- (e) **"Employee"** means:
 - (i) an individual who is considered an employee under the Income Tax Act (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

¹ Capitalized Terms not defined herein are defined in the TSX Policy 1.1.

- (ii) an individual who works full-time for an Issuer providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and methods of work as an employee of the issuer, but for who income tax deductions are not made at source; or
 - (iii) an individual who works for an Issuer on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and methods of work as an employee of the Issuer, but for whom income tax deductions are not made at source.
- (f) **"Insider"** of the Corporation means:
- (i) an insider as defined in the *Securities Act* (Alberta) as from time to time amended, supplemented or re-enacted, other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation, and
 - (ii) an Associate of any person who is an insider by virtue of paragraph (i);
- (g) **"Issuer"** means a Company which has any of its securities listed for trading on TSX and, as the context requires, any applicant Company seeking a listing of its securities on TSX;²
- (h) **"Management Company Employee"** means an individual employed by a Person providing management services to the Issuer, which are required for the ongoing successful operation of the business enterprise of the Issuer, but excluding a Person engaged in Investor Relations Activities;
- (i) **"Outstanding Common Shares"** at the time of any share issuance or grant of options means the number of Common Shares that are outstanding immediately prior to the share issuance or grant of Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject;
- (j) **"Service Provider"** means:
- (i) an employee or Insider of the Corporation; and
 - (ii) any other person or company engaged to provide on-going management or consulting services for the Corporation or any entity controlled by the Corporation; and
- (k) **"Subsidiary"** has the meaning assigned thereto under the *Securities Act* (Alberta) as from time to time amended, supplemented or re-enacted.

15. Effective Date

This Plan is effective from July 26, 2006, subject to receipt of shareholder approval in accordance with the applicable rules of the TSX and any other regulatory authority having jurisdiction.

² Planet Exploration Inc. is an Issuer pursuant to this definition.