

## PLANET EXPLORATION INC.

### INFORMATION CIRCULAR - PROXY STATEMENT

For the Annual General and Special Meeting  
of Shareholders to be held on February 25, 2010

#### 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 Shareholders of the Corporation (the "Meeting") to be held on the 25<sup>th</sup> day of February, 2010, at 10:00 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 Annual General and Special Meeting of Shareholders.

Instruments of Proxy must reach Computershare Trust Corporation of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding weekends and holidays) 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. The record date for the Meeting is the close of business on January 21, 2010. Only holders of common shares ("Common Shares") of the Corporation ("Shareholders") 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 Common Shares and the transferee, upon producing properly endorsed certificates evidencing such Common Shares or otherwise establishing that he owns such Common Shares, requests not later than the close of business 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 Common Shares at the Meeting.

The Instrument of Proxy must be in writing and must 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.

Unless otherwise specified herein, the information contained in this Information Circular – Proxy Statement is provided as of January 15, 2010 (the "Effective Date").

**THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY ARE DIRECTORS AND/OR 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 COMMON SHARES**

**The information set forth in this section is of significant importance to beneficial holders of Common Shares of the 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 Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder’s name on the records of the Corporation. Such Common 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). Common 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 Common Shares for their clients. The Corporation does not know for whose benefit the Common 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 Common 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 Broadridge Investor Communications Solutions (“Broadridge”), formerly ADP Investor Communications. Broadridge typically mails a voting instruction form and asks Beneficial Shareholders to return the form to Broadridge by mail or facsimile, in accordance with Broadridge’s directions. Alternatively, Beneficial Shareholders can call Broadridge’s toll-free telephone number or use Broadridge’s internet voting procedure to vote their Common Shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A voting instruction form from Broadridge cannot be used as a proxy to vote Common Shares directly at the Meeting. Instead, the form must be returned to Broadridge as directed, well in advance of the Meeting, in order to have the Common Shares voted.**

## **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 Annual General and Special 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 Common 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 Common Shares shall be voted on any ballot in accordance with the specification so made.

**IN THE ABSENCE OF SUCH SPECIFICATION, COMMON SHARES WILL BE VOTED IN FAVOUR OF ALL OF THE PROPOSED ITEMS OF BUSINESS. 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 FORM OF PROXY AND NOTICE OF ANNUAL GENERAL AND SPECIAL 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 SECURITIES AND PRINCIPAL HOLDERS THEREOF**

As of the Effective Date, 25,319,190 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 matter at the Meeting.

As of the Effective Date, to the knowledge of management of the Corporation, no person or Corporation beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the voting rights attached to all of the issued and outstanding 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 and outstanding Common Shares; Madalena Ventures Inc., which holds, indirectly or directly, 3,367,000 Common Shares representing 13.3% of the issued and outstanding Common Shares; and MMCAP International Inc., a fund which beneficially owns 2,611,000 Common Shares representing 10.31% of the issued and outstanding Common Shares.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **(a) Compensation Discussion and Analysis**

This discussion describes the Corporation's compensation program for each person who acted as Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three most highly compensated executive officers (or three most highly compensated individuals acting in a similar capacity), other than the CEO and the CFO, whose compensation was more than \$150,000 during the financial year ended March 31, 2009 (each a "Named Executive Officer" or "NEO" and collectively the "Named Executive Officers" or "NEOs"). This section will address the Corporation's executive compensation philosophy and objectives and provide a review of the process the Corporation's Corporate Governance, Compensation and Compliance Committee (the "CGCC Committee") undertakes in deciding how to compensate the Corporation's Named Executive Officers. This section will also provide discussion and analysis of the Board's specific decisions about the compensation of the Named Executive Officers for the financial year ended March 31, 2009.

During the year ended March 31, 2009, the Corporation had two (2) Named Executive Officers, namely Ranjeet Sundher, the President and Salim Jivraj, a Director. There were no other Named Executive Officers as no other officers received compensation in excess of \$150,000 during the year ended March 31, 2009.

### **(i) Objective and Purpose**

The Corporation's executive compensation philosophy and program objectives are directed primarily by two guiding principles. First, the program is intended to provide competitive levels of compensation, at expected levels of performance, in order to attract, motivate and retain talented executives. Second, the program is intended to create an alignment of interests between the Corporation's executives and Shareholders so that a significant portion of each executive's compensation is linked to maximizing shareholder value. In support of this philosophy, the executive compensation program is designed to reward performance that is directly relevant to the Corporation's short-term and long-term success. The

Corporation attempts to provide both short-term and long-term incentive compensation that varies based on corporate and individual performance.

The Corporation's executive compensation program has been designed to accomplish the following long-term objectives:

- create a proper balance between building shareholder wealth and competitive executive compensation while maintaining good corporate governance;
- produce long-term, positive results for the Corporation's Shareholders;
- align executive compensation with performance and appropriate peer group comparisons; and
- provide market-competitive compensation and benefits that will enable the Corporation to recruit, retain and motivate the executive talent necessary to be successful.

#### **(ii) Compensation Committee**

Compensation of the Named Executive Officers of the Corporation is reviewed annually by CGCC Committee and is subsequently approved by the Board of Directors (the "Board"). During the most recently completed financial year, the members of the CGCC Committee were Darold H. Parken and Salim Jivraj. The CGCC Committee is responsible for assisting the Board by reviewing and approving compensation and benefit proposal of the Corporation's officers as well as undertaking an annual performance review of the officers.

#### **(iii) Components of Compensation**

The following discussion describes the Corporation's plans by component of compensation and discusses how each component relates to the Corporation's overall executive compensation objective. Due to the size and current stage of development of the Corporation, the Corporation's executive compensation program is currently primarily based on long-term incentives in the form of stock options granted pursuant to the Corporation's stock option plan (the "Option Plan") and director's fees. Previous grants of stock options under the Option Plan are taken into account when considering new grants.

#### **(iv) Variable Cash Incentives - Bonuses**

The CGCC Committee's philosophy with respect to bonuses is to align the issuances of bonuses with the performance of the Corporation, based on predefined goals and objectives. The payment of bonuses does not comprise a significant part of the Corporation's executive compensation program. Although the Corporation does not have a formalized short-term incentive plan, whether bonuses are awarded by the Corporation is dependent upon the level of achievement of these goals and objectives. For the year ended March 31, 2009, no bonuses were awarded to the Named Executive Officers.

#### **(b) Summary of Compensation of Named Executive Officers**

The following table sets forth for the year ended March 31, 2009<sup>(1)</sup>, information concerning the total compensation paid to the Corporation's Named Executive Officers.

Name and Principal Occupation	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation <sup>(3)</sup> (\$)		All other Compensation <sup>(4)</sup> (\$)	Total Compensation (\$)
				Annual Incentive Plans Bonus	Long-Term Incentive Plans		
Ranjeet Sundher President and Director	Nil	Nil	40,000	Nil	Nil	65,000 <sup>(5)</sup>	105,000
Salim Jivraj Director	Nil	Nil	20,000	Nil	Nil	89,000 <sup>(6)</sup>	109,000

**Notes:**

- (1) In accordance with applicable securities laws, the Corporation is not required to disclose comparative period disclosure in respect of a financial year ending before March 31, 2009.
- (2) Comprised of options granted pursuant to the Corporation's Option Plan. Value based on the grant date fair value of the options calculated using the Black-Sholes-Merton Method using the following assumptions: risk free interest rate – 4%; expected dividend rate – 0%; expected stock price volatility – 64.63%; and expected option life – 4.95 years.
- (3) The Corporation does not currently award any long-term non-equity compensation.
- (4) The value of perquisites received by the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officers' total salary for the financial year.
- (5) Consists of director's fees in the amount of \$65,000 paid to Mr. Sundher in his capacity as a Director of the Corporation.
- (6) Consists of director's fees in the amount of \$89,000 paid to Mr. Jivraj in his capacity as a Director of the Corporation.

**(c) Outstanding Share-Based Awards and Option-Based Awards**

The following table outlines for the Named Executive Officers all share-based or option-based awards outstanding for the year ended March 31, 2009.

Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)
Ranjeet Sundher President and Director	400,000	0.17	December 18, 2013	2,000
	250,000	0.37	October 4, 2011	Nil
Salim Jivraj Director	200,000	0.17	December 18, 2013	1,000
	250,000	0.37	October 4, 2011	Nil
	150,000	0.38	May 26, 2010	Nil

**Note:**

- (1) Calculated based on the difference between the closing price of \$0.175 per Common Share on the TSX Venture Exchange (the "Exchange") on March 31, 2009, and the exercise price of the options, multiplied by the number of Common Shares under option.

**(d) Incentive Plan Awards – Value Vested or Earned - during the Year**

The following table sets forth for the Named Executive Officers, the value of option-based awards which vested during the year ended March 31, 2009.

Name	Option-Based Awards - Value Vested During the Year <sup>(1)</sup> (\$)
Ranjeet Sundher President and Director	4,000
Salim Jivraj Director	2,000

**Note:**

- (1) Calculated based on the difference between the market price of the Common Shares on the Exchange underlying the options at the vesting date and the exercise price of the option on the vesting date. Options granted to the Named Executive Officer vested immediately upon grant. Options were granted and vested on December 19, 2008, having an exercise price of \$0.17 per Option and the closing market price of the Common Shares on December 19, 2008 was \$0.16.

**(e) Employment Agreement and Termination and Change of Control Benefits**

The Corporation does not have any employment contracts with the Named Executive Officer. In addition, there are no compensatory plans, contracts or arrangements in place with the Named Executive Officer for payments resulting from the resignation, retirement or other termination of employment of the Named Executive Officer with the Corporation or from a change in control of the Corporation or a change in the Named Executive Officer's responsibilities following a change in control.

**DIRECTOR COMPENSATION**

**(a) Summary of Director Compensation**

The following table outlines for the year ended March 31, 2009, information concerning the compensation paid to the Corporation's directors other than Messrs. Sundher and Jivraj, who are also Named Executive Officers.

Name <sup>(3)</sup>	Director Fees Earned (\$)	Option-Based Awards <sup>(2)</sup> (\$)	All Other Compensation (\$)	Total (\$)
Darold H. Parken	65,000	35,000	Nil	100,000
Dr. Adrian G. Mann	Nil	20,000	70,944 <sup>(5)</sup>	90,944

**Notes:**

- (1) Directors are not awarded any other share-based compensation other than options.

- (2) Based on the grant date fair value of the options, calculated using the Black-Scholes-Merton Method using the following assumptions: risk free interest rate – 4%; expected dividend rate – 0%; expected stock price volatility – 64.63%; and expected option life – 4.95 years.
- (3) The disclosure relating to the compensation of Messrs. Sundher and Jivraj for their duties as directors of the Corporation is disclosed in the Named Executive Officer summary compensation table previously in this Information Circular - Proxy Statement.
- (4) Dr. Mann is also the Vice President Exploration and Corporate Secretary of the Corporation. His compensation as an officer of the Corporation did not exceed \$150,000 for the financial year ended March 31, 2009.
- (5) \$70,944 in geological consulting fees was paid to a company in which Dr. Mann is the principal shareholder. Of these fees \$63,240 relates to professional fees, and \$7,974 relates to disbursements.

**(i) Director Compensation Policy**

Except as disclosed below, the Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, except for the granting from time to time of incentive stock options in accordance with the policies of the Exchange. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align the personal interests of such person to that of the Shareholders.

**(b) Directors' Outstanding Option-Based Awards**

The following table sets forth for each of the directors of the Corporation, other than Messrs. Sundher and Jivraj, who are also Named Executive Officers, all option-based awards outstanding at the end of the year ended March 31, 2009.

Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)
Darold H. Parken	350,000 250,000	0.17 0.37	December 18, 2013 October 4, 2011	1,750 Nil
Dr. Adrian G. Mann	200,000 150,000	0.17 0.37	December 18, 2013 October 4, 2011	1,000 Nil

**Note:**

- (1) Calculated based on the difference between the closing price of \$0.175 per Common Share on the Exchange on March 31, 2009 and the exercise price of the options, multiplied by the number of Common Shares under option.

**(c) Directors' Incentive Plan Awards – Value Vested or Earned -during the Year**

The following table sets forth for each director of the Corporation, other than Messrs. Sundher and Jivraj, who are also Named Executive Officers, the value of option-based awards and share-based awards which vested during the year ended March 31, 2009 and the value of non-equity incentive plan compensation earned during the year ended March 31, 2009.

Name	Option-Based Awards - Value Vested During the Year <sup>(1)</sup> (\$)
Darold H. Parken	3,500
Dr. Adrian G. Mann	2,000

**Note:**

- (1) Calculated based on the difference between the market price of the Common Shares on the Exchange underlying the options at the vesting date and the exercise price of the option on the vesting date. Options granted to Dr. Mann vested immediately upon grant and options granted to Mr. Parken vest one fifth per year. Options were granted on December 19, 2008, having an exercise price of \$0.17 per Option and the closing market price of the Common Shares on December 19, 2008 was \$0.16.

**Stock Options**

The Corporation has approved a “rolling” stock option plan (previously defined as the “Option Plan”) for directors, officers, employees and consultants of the Corporation and its subsidiaries. The Option Plan provides that: (i) the total number of Common Shares issuable pursuant to the exercise of stock options at any time shall not exceed 10% of the number of outstanding Common Shares from time to time, (ii) the total number of Common Shares issuable pursuant to the exercise of stock options under the Option Plan and granted to any one person within a 12 month period shall not exceed 5% of the outstanding Common Shares, and (iii) the total number of Common Shares issuable pursuant to the exercise of stock options under the Option Plan granted to any one Consultant or any Employee conducting Investor Relations Activities (as such terms are defined in the Exchange Corporate Finance Manual) within a 12 month period shall not exceed 2% of the outstanding Common Shares. Vesting is at the discretion of the Board and the exercise period of options shall be a period of time fixed by the Board, not to exceed five (5) years.

In the event of a participant ceasing to be a director, officer or employee of the Corporation or ceasing to provide ongoing management or consulting services to the Corporation for any reason other than death prior to the expiry time of an option, such option shall cease and terminate on the ninetieth (90th) day following the effective date of such participant ceasing to be a director, officer or employee of the Corporation or ceasing to provide ongoing management or consulting services to the Corporation, unless such participant was engaged in investor relations activities, in which case any option shall expire on the thirtieth (30th) day. In the event of the death of a participant on or prior to the expiry time of an option, such option may be exercised as to such of the Common Shares in respect of which such option has not previously been exercised at any time up to and including (but not after) a date one (1) year following the date of death of the participant or the expiry time of such option, whichever occurs first.

The exercise price of any option subject to the Option 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 Exchange.

**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 most recent completed fiscal year.

**INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Management of the Corporation is not aware of any material interests, direct or indirect, 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.

## 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 31, 2009.

<b>Plan Category</b>	<b>(a) Number of securities to be issued upon exercise of outstanding options</b>	<b>(b) Weighted-average exercise price of outstanding options</b>	<b>(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by Shareholders <sup>(1)</sup>	2,327,500	\$0.27	204,419
Equity compensation plans not approved by Shareholders	n/a	n/a	n/a
<b>Total</b>	<b>2,327,500</b>	<b>\$0.27</b>	<b>204,419</b>

**Note:**

- (1) The Option Plan reserves 10% of the Common Shares outstanding from time to time for issuance upon exercise of stock options.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES FORM 58-101F2

### General

The Board recognizes that good corporate governance is of fundamental importance to the success of the Corporation. The Corporation's governance practices are the responsibility of the Board and the Board has delegated some of its responsibilities to develop and monitor the Corporation's governance practices to the CGCC Committee.

On June 30, 2005, the Canadian Securities Administrators ("CSA") adopted rules regarding corporate governance best practices and amendments to the rules relating to audit committees, through the implementation of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (NI 58-101), National Policy 58-201 - *Corporate Governance Guidelines* (NP 58-201) and amendments to National Instrument 52-110 - *Audit Committees* (NI 52-110).

This Statement of Corporate Governance Practices sets out the Board's review of the Corporation's governance practices relative to NI 58-101 and NP 58-201.

### Board of Directors

An "independent director" generally is one who has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. The definition of independence in NI 58-101 is the definition set out in NI 52-110.

Two members of the Board of Directors are presently independent within the meaning of NI 58-101, Mr. Salim Jivraj and Mr. Darold H. Parken. Independent directors meet without members of management present on a frequent but unscheduled basis.

The following directors are presently directors of other issuers that are reporting issuers or the equivalent:

Name	Names of Other Reporting Issuers
Darold H. Parken	Chartwell Technology Inc. Contact Exploration Inc. Everest Ventures Corp. Challenger Deep Capital Corp.
Salim Jivraj	Contact Exploration Inc. Everest Ventures Corp.
Ranjeet Sundher	Everest Ventures Corp. Red Hill Energy Inc. Challenger Deep Capital Corp.
Adrian Mann	Albury Resources Ltd.

There was one Board meeting held during the fiscal year ended March 31, 2009 which all directors attended. Since that time and prior to the Effective Date, there has been one additional Board meeting held, which was attended by all of the directors other than Mr. Sundher. Due to the smaller size of the issuer, various Board members meet frequently on an informal basis.

### **Board Mandate**

The text of the Mandate of the Board is attached as Schedule "A" to this Information Circular - Proxy Statement.

### **Position Descriptions**

Due to the Corporation's relatively small size, the Board has not yet developed written position descriptions for the Chair of the Board, the Chair of the respective Board committees or the President and Chief Executive Officer. The office of Chair of the Board is presently vacant.

The Board believes management is responsible for the effective, efficient and prudent management of the Corporation's day-to-day operation subject to the Board's stewardship. The President and Chief Executive Officer is responsible to lead and manage the Corporation within parameters established by the Board and relevant committees. The President and Chief Executive Officer also develops and recommends strategic plans to the Board and involves the Board in the early stages of developing strategy. Additionally, the President and Chief Executive Officer is expected to successfully implement capital and operating plans, report regularly to the Board on the overall progress and results against the operating and financial objectives and initiate courses of action for improvement and develop and maintain a sound, effective organizational structure, including progressive employee training and development programs. The President and Chief Executive Officer's objectives are discussed and reviewed at least annually with the Board.

The Chair of the Board is expected to set Board meeting schedules and agendas and oversee the process whereby the Board receives full, timely and relevant information to support the Board's decision making obligations. The Chair of each Board committee is expected to be responsible for ensuring that the written mandate of the committee for which he serves as Chair is adhered to and that the objectives of each committee are accomplished.

### **Orientation and Continuing Education**

Upon appointment, new directors are given copies of the terms of reference of the Board of Directors and all board committees and the Corporation's Code of Conduct (the "Code"). Existing directors provide orientation and education to new members on an informal basis. New directors are also given an opportunity to meet with senior management to discuss the Corporation's business.

No formal continuing education program exists for the directors. The Corporation encourages directors to attend continuing education seminars dealing with financial literacy, corporate governance and related matters. Each director has the responsibility for ensuring that he maintains the skills and knowledge necessary to meet their obligations as a director.

### **Code of Business Conduct**

The Board has adopted the Code which is applicable to directors, officers, employees and consultants of the Corporation. Each of these persons is given a copy of the Code and must provide a certification of their understanding of the contents. A copy of the Code has been filed on SEDAR and is available under the Corporation's profile under [www.sedar.com](http://www.sedar.com) and is also available from the Corporation upon request, at no cost.

Any serious breach of the provisions of the Code is reported by senior management to the Board and reviewed and assessed for appropriate disciplinary action. The Board has delegated to management the day-to-day responsibility for monitoring compliance with and enforcing the provisions of the Code. In cases where a director or officer has a material interest in a transaction or agreement being considered by the Board, this director or officer may not participate in any Board discussion on the subject nor may he vote on resolutions pertaining to this subject matter.

### **Nomination of Directors**

Pursuant to its mandate, the CGCC Committee is responsible for selecting nominees for election or appointment to the Board and recommends to the Board appropriate candidates. As part of the selection process the CGCC Committee seeks input from the Board, management and, at times, executive search firms in respect of the desired qualifications of potential nominees.

### **Compensation**

The CGCC Committee, comprised solely of independent directors, is also responsible for providing recommendations to the Board in respect of (i) compensation policies for senior management and directors of the Corporation, (ii) human resource policies and practices and (iii) incentive and perquisite plans.

The CGCC Committee has the ability to engage independent compensation advice in order to fulfil its mandate. The Corporation's compensation package for officers is comprised primarily of consulting fees and the right to participate in the Option Plan. An initial grant of options is made at the time of recruitment and reviewed annually.

## Other Board Committees

Other than the CGCC, Audit and Disclosure Committees, the Board has no other standing committees. See "Election of Directors" herein for a description of the members of each committee.

## Assessments

As part of its mandate, the CGCC Committee is responsible for reviewing annually individual director contribution and the effectiveness of the Board as a whole. The process of assessing Board effectiveness is carried on through an informal process of engagement and dialogue between the Chair of the CGCC Committee and the individual directors. The CGCC Committee considers informal assessments to be appropriate given the current size of the Board. A formalized assessment process may be considered if the size of the Board is expanded.

An informal process of assessing the performance of Board committees and individual directors is conducted by way of engagement and dialogue between the individual directors.

## AUDIT COMMITTEE

Under National Instrument 52-110 Audit Committees, the Corporation is required to include in its information circular the disclosure required under Form 52-110F2. The disclosure required by Form 52-110F2 is set out below.

### The Audit Committee's Charter

The Audit Committee Mandate is attached hereto as Schedule "B".

### Composition of the Audit Committee

During the period ended March 31, 2009, the Audit Committee of the Corporation was composed of the following individuals:

Salim Jivraj	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Darold H. Parken	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Ranjeet Sundher	Not Independent	Financially literate <sup>(2)</sup>

#### Notes:

- (1) A member of an Audit Committee is independent if the member has no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth 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's financial statements.

### Relevant Education and Experience

Mr. Jivraj is a Chartered Accountant (UK) and has 25 years experience in international trade, real estate development and management and business consulting.

Mr. Parken is a senior executive and holds a Bachelor of Laws degree and a Bachelor of Arts degree (Economics) from The University of Calgary. Mr. Parken has practiced corporate securities law for over 20 years and has completed the Canadian Securities Course.

Mr. Sundher has over 13 years of experience working public companies and also previously worked in the brokerage industry for 10 years.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on any exemption from NI 52-110, including Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. The Corporation is, however, relying upon the exemption in section 6.1 of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services as this has not been necessary to date.

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

The aggregate fees billed by the Corporation's external auditors for the period ended March 31, 2009 and the prior fiscal year are as follows:

<b>Financial Period Ended March 31</b>	<b>Audit Fees <sup>(1)</sup></b>	<b>Audit related Fees</b>	<b>Tax Fees <sup>(2)</sup></b>	<b>All Other Fees</b>
2009	\$20,320	Nil	Nil	Nil
2008	\$20,000	Nil	Nil	Nil

**Notes:**

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

## **BUSINESS OF THE MEETING**

### **1. Regular Business**

At the Meeting, Shareholders will consider the following items of regular business:

#### Financial Statements

Shareholders will receive and consider the financial statements of the Corporation for the fiscal year ended March 31, 2009 together with the auditor's report thereon.

## Election of Directors

At the Meeting, Shareholders will be asked to determine that the number of directors to be elected at the Meeting be fixed at four (4) directors and will be asked further to elect four (4) directors to succeed the present directors, whose terms of office expire on the day of the Meeting, to serve until the next annual meeting, or until their respective successors have been elected or appointed. At the Meeting, Shareholders may determine that a greater number of directors is desirable and, if so, additional nominations from Shareholders will be considered for election.

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, proxies 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 during the last five years, dates on which they became directors of the Corporation and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of the Effective Date are as follows:

<b>Name, Municipality of Residence and Position Held</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Number of Common Shares Owned or Subject to Control or Direction as of the Effective Date</b>
Ranjeet Sundher <sup>(7)</sup> Singapore President and Director	Director and President of Singapore based, Canrim Ventures, a financial consulting company and President of Red Hill Energy Inc., a mineral exploration company.	November 26/96	2,445,510 <sup>(1)</sup>
Dr. Adrian G. Mann <sup>(6)</sup> Calgary, Canada VP, Exploration and Director	President of Ruthrie Enterprises Ltd., a private company involved in mineral exploration and mineral geology.	April 14/97	315,000 <sup>(2)</sup>
Darold H. Parken <sup>(5)</sup> Calgary, Canada Director	President and CEO, Chartwell Technology Inc., a public software development company.	April 2/03	710,454 <sup>(3)</sup>
Salim Jivraj <sup>(5)</sup> Calgary, Canada 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	879,467 <sup>(4)</sup>

### Notes:

- (1) Mr. Sundher also holds options to purchase an aggregate of 650,000 Common Shares.
- (2) Dr. Mann also holds options to purchase an aggregate of 350,000 Common Shares.
- (3) Mr. Parken also holds options to purchase an aggregate of 600,000 Common Shares.

- (4) Mr. Jivraj also holds options to purchase an aggregate of 600,000 Common Shares.
- (5) Member of each of the Audit, Disclosure and Corporate Governance, Compensation and Compliance Committee.
- (6) Member of the Disclosure Committee.
- (7) Member of the Audit Committee.

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

No nominee for director of the Corporation is, as at the date of this Information Circular - Proxy Statement, or has been, within ten (10) years before the date of this Information Circular - Proxy Statement, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than thirty (30) consecutive days, (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than thirty (30) consecutive days, or (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No nominee for director of the Corporation has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No nominee for director has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director, nor has any nominee for director entered into a settlement agreement with a securities regulatory authority.

#### Appointment of Auditors

Unless otherwise directed, it is management's intention to vote proxies in favour of a resolution to appoint Mackay LLP, Chartered Accountants, of Calgary, Alberta, as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders, at remuneration to be fixed by the Corporation's Audit Committee. Mackay LLP were first appointed auditors of the Corporation on September 11, 2007.

## **2. Special Business**

The only item of special business for consideration at the Meeting is the annual re-approval and ratification of the Option Plan, as described elsewhere herein.

#### Approval of Stock Option Plan

The Board and the Shareholders have previously approved the adoption of the Option Plan which provides for the "rolling" grant of options equal to up to 10% of the issued and outstanding Common Shares from time to time. In accordance with Policy 4.4 of the Exchange which requires annual approval of "rolling" stock option plans by Shareholders, the following ordinary resolution, with or without variation, will be placed before Shareholders of the Corporation in order to re-approve and re-confirm the Option Plan:

"BE IT RESOLVED THAT:

1. the current stock option plan of the Corporation, which provides for the rolling grant of options to acquire up to 10% of the number of issued and outstanding Common Shares of the Corporation from time to time, be and the same is hereby ratified, confirmed and approved; and
2. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

The Board unanimously recommends that Shareholders re-approve and ratify the Option Plan by voting in favour of the resolution to be submitted to the Meeting.

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

Other than as described herein, there have been 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, 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.

### **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 Annual General and Special Meeting of Shareholders. 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 financial statements and MD&A of the Corporation, both of which are available on SEDAR at [www.sedar.com](http://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, attention: Secretary.

### **BOARD APPROVAL**

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

## SCHEDULE A

### MANDATE OF THE BOARD OF DIRECTORS OF PLANET EXPLORATION INC. (THE "CORPORATION")

#### Stewardship of the Corporation

1. The Board of Directors of the Corporation (the "**Board**") is responsible for:
  - (a) the stewardship of the business and affairs of the Corporation;
  - (b) supervising the management of the business and affairs of the Corporation;
  - (c) providing leadership to Corporation by practicing responsible, sustainable and ethical decision making;
  - (d) ensuring that all major issues affecting the Corporation are given proper consideration; and
  - (e) directing management to ensure legal, regulatory and stock exchange requirements applicable to the Corporation have been met.

#### Director Obligations

2. Each Director has the responsibility to:
  - (a) attend all regularly scheduled meetings of the Board and all of the Committees on which they serve and to be prepared for such meetings by reviewing materials provided in advance of meetings;
  - (b) act honestly and in good faith with a view to the best interests of the Corporation; and
  - (c) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

#### Board Composition

3. The Corporation will attempt to achieve the position that a majority of the Board will be independent directors as defined in then current laws applicable to the Corporation.
4. To be considered for nomination and election to the Board, directors must demonstrate integrity and high ethical standards in their business dealings, their personal affairs and in the discharge of their duties to and on behalf of the Corporation.

#### Board Meetings

5. The Board is responsible to meet in person, or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board.

#### Committees of the Board

6. The Board discharges its responsibilities directly and through its committees. As such the Board shall attempt to:

- (a) establish such committees of the Board (“**Committees**”) as are required and as are necessary to effectively discharge the duties of the Board, which Committees shall include, at minimum, an audit committee (the “**Audit Committee**”);
- (b) appoint directors to serve as members of each Committee;
- (c) appoint a chair of each Committee to:
  - (i) provide leadership to the Committee;
  - (ii) manage the affairs of the Committee; and
  - (iii) ensure that the Committee functions effectively in fulfilling its duties to the Board and the Corporation;
- (d) develop position descriptions for each Committee chair; and
- (e) regularly receive and consider reports and recommendations of each Committee, in particular, the Audit Committee reports and recommendations, particularly with respect to the Corporation’s annual audit and quarterly reports to shareholders.

Supervision of Management

7. The Board is responsible to:

- (a) select and appoint the CEO, establish CEO goals and objectives and evaluate CEO performance and develop a position description for the CEO which includes delineating management’s responsibilities;
- (b) assist the CEO to select and appoint executive officers, establish executive officers’ goals and objectives and monitor their performance;
- (c) determine the compensation of the CEO, and in conjunction with the CEO set the compensation of the other executive officers of the Corporation; and
- (d) maintain a succession plan for the replacement of the CEO and executive officers.

8. The Board as a whole is responsible to:

- (a) prepare or supervise the preparation of, and annually review and either approve or require revisions to the mandates of the Board and each Committee, position descriptions, the code of business conduct and ethics (the “Code”) and all other policies implemented by the Corporation from time to time (collectively the “Governance Documents”);
- (b) take reasonable steps to satisfy itself that each director, the CEO and the executive officers are:
  - (i) performing their duties ethically;
  - (ii) conducting business on behalf of the Corporation in accordance with the requirements and the spirit of the Governance Documents; and
  - (iii) fostering a culture of integrity throughout the Corporation.
- (c) arrange, for the required Governance Documents to be publicly disclosed when available;

- (d) ensure that all new directors receive a comprehensive orientation and that all new directors should fully understand the role of the Board and its Committees; and
- (e) provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Corporation's business remains current.

#### Communications

9. The Board is responsible to:

- (a) approve and implement a communications policy which provides for disclosure and communications practices governing the Corporation; and
- (b) approve and maintain a process for the Corporation's stakeholders to contact the independent directors directly with concerns and questions regarding the Corporation.

#### Waivers and Conflicts

10. The Board is responsible, for:

- (a) reviewing departures from the Code;
- (b) providing or denying waivers from the Code; and
- (c) disclosing departures from the Code including by filing required material change reports for material departures from the Code containing:
  - (i) the date of the departure;
  - (ii) the parties involved;
  - (iii) the reason why the Board has or has not sanctioned the departure; and
  - (iv) any measures taken to address or remedy the departure.

#### Strategic Planning

11. The Board has the duty to:

- (a) adopt a strategic planning process, annually approve a strategic plan for increasing shareholder value, taking into account, among other things, the opportunities and risks of the Corporation's business, and regularly monitor the Corporation's performance against its strategic plan;
- (b) approve capital and operating budgets to implement the strategic plan;
- (c) conduct periodic reviews of the Corporation's resources, risks, and regulatory constraints and opportunities to facilitate the strategic plan; and
- (d) evaluate management's analysis of the strategies of existing and potential competitors and their impact, if any, on the Corporation's strategic plan.

## Risk Management

12. The Board has the duty to:
- (a) adopt a process to identify business risks and ensure appropriate systems to manage risks; and
  - (b) together with the Audit Committee, ensure policies and procedures are in place and are effective to maintain the integrity of the Corporation's:
    - (i) disclosure controls and procedures;
    - (ii) internal control over financial reporting; and
    - (iii) management information systems.

## Financial Management

13. The Board has the duty to:
- (a) review and on the advice of the Audit Committee, approve, prior to their public dissemination:
    - (i) interim and annual financial statements and notes thereto;
    - (ii) management's discussion and analysis of financial condition and results of operations;
    - (iii) relevant sections of annual reports, information circulars and proxy statements containing financial information;
    - (iv) forecasted financial information and forward looking statements; and
    - (v) all press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and
  - (b) approve dividends and distributions, material financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions.

## Materials

14. The Board shall have access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

## Advisors

15. The Board has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Board in the discharge of its duties.

**SCHEDULE B**  
**PLANET EXPLORATION INC.**  
**(THE “CORPORATION”)**  
**AUDIT COMMITTEE**  
**OF THE BOARD OF DIRECTORS (THE “COMMITTEE”)**

**CHARTER**

1. Purpose

The primary function of the Committee is to assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities by reviewing:

- (a) the financial information that will be provided to the shareholders and others;
- (b) the systems of internal controls and accounting policies that management and the Board have established; and
- (c) all audit processes.

Primary responsibility for the financial reporting, information systems, risk management and internal controls of the Corporation is vested in management and is overseen by the Board. Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the Corporation’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation’s financial reporting process and the system of internal controls.
- Monitor the independence and performance of the Corporation’s external auditors.
- Provide an open avenue of communication among the auditors, management and the Board.

2. Composition and Process

- (a) The Committee shall be composed of such number of directors as may be required by applicable law and regulatory policy, such required number of whom shall be “independent” as that term is defined in *National Instrument 52-110, Audit Committees* (“NI 52-110”).
- (b) Members shall be appointed by the Board on an annual basis, shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
- (c) The Chair of the Committee shall be appointed by the Board for a one-year term, and may serve any number of consecutive terms.
- (d) All members of the Committee shall be financially literate and at least one member of the Committee shall be a “financial expert”. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement 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's financial statements.

- (e) The Chair shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Committee. The Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.
- (f) The Committee shall endeavour to meet at least four times per year and may call additional meetings as required. A quorum at meetings of the Committee shall be a majority of its members. The Committee may hold its meetings, and members of the Committee may attend meetings, by telephone conference if this is deemed appropriate or make written resolutions which must be signed by all members of the Committee.
- (g) The Chair shall appoint a secretary to keep all minutes of Committee meetings, which secretary does not have to be a member of the Committee or a director.
- (h) The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board, the Chief Executive Officer, the Chief Financial Officer (or persons performing similar functions) and the external auditor.
- (i) The Committee reviews, prior to their presentation to the Board and their release, all material financial information required by securities regulations.
- (j) The Committee enquires about potential claims, assessments and other contingent liabilities.
- (k) The Committee periodically reviews with management, depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.

### 3. Authority

- (a) The Committee is appointed by the Board pursuant to provisions of the *Business Corporations Act (Alberta)* and the bylaws of the Corporation.
- (b) Primary responsibility for the Corporation's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board. The Committee is a standing committee of the Board established to assist it in fulfilling its responsibilities in this regard. The Committee shall have responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Committee to ensure that management has done so.
- (c) The Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.
- (d) The Committee shall have direct communication channels with the internal auditors (if any) and the external auditors to discuss and review specific issues as appropriate.
- (e) The Committee shall have the sole authority to retain (or terminate) independent counsel, advisors or consultants as it determines necessary to assist the Committee in discharging

its functions hereunder. The Committee shall be provided with the necessary funding to compensate the independent counsel, advisors or consultants retained by the Committee.

4. Relationship with External Auditors

- (a) An external auditor must report directly to the Committee.
- (b) The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (c) The Committee shall implement structures and procedures to ensure that it meets with the external auditor at least once annually in the absence of management.

5. Accounting Systems, Internal Controls and Procedures

- (a) The Committee shall obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Corporation and its subsidiaries and affiliates.
- (b) The Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and will periodically assess the adequacy of those procedures.
- (c) The Committee shall review with the external auditor the quality and not just the acceptability of the Corporation's accounting principles and direct the external auditor's examinations to particular areas.
- (d) The Committee will review control weaknesses identified by the external auditors, together with management's response and review with external auditors their view of the qualifications and performance of the key financial and accounting executives.
- (e) In order to preserve the independence of the external auditor, the Committee will:
  - (i) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
  - (ii) recommend to the Board the compensation of the external auditor's engagement; and
  - (iii) review and pre-approve any engagements for non-audit services to be provided by the external auditors or its affiliates, together with estimated fees, and consider the impact, if any, on the independence of the external auditor.
- (f) The Committee will review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.
- (g) The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls

or auditing matters and the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

- (h) The Committee shall establish a periodic review procedure to ensure that the external auditor complies with the Canadian Public Accountability Regime under *National Instrument 52-108, Auditor Oversight*.
- (i) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

#### 6. Statutory and Regulatory Responsibilities

- (a) Annual Financial Information - review the annual audited financial statements, annual management's discussion and analysis ("MD&A") and related press releases and recommend their approval to the Board, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditor.
- (b) Interim Financial Statements - review the quarterly interim financial statements, interim MD&A and recommend their approval to the Board.
- (c) Earnings Guidance/Forecasts - review any forecasted financial information and forward looking statements regarding forecasted financial information, if any.
- (d) In addition, the Committee must review the Corporation's press releases pertaining to the financial statements, MD&A and earnings updates, if any, before the Corporation publicly discloses this information.

#### 7. Reporting

- (a) The Committee will report, through the Chair of the Committee, to the Board following each meeting on the major discussions and decisions made by the Committee, and report annually to the Board on the Committee's responsibilities and how it has discharged them.
- (b) In addition, the Committee will review and reassess this Charter annually and recommended any proposed changes to the Board.

#### 8. Other Responsibilities

- (a) Investigating fraud, illegal acts or conflicts of interest.
- (b) Discussing selected issues with counsel or the outside auditor or management.