



MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Management Information Circular ("Information Circular") is furnished in connection with the solicitation of proxies by the management ("Management") of NGEx Resources Inc. (the "Corporation") for use at the annual meeting (the "Meeting") of the holders (the "Shareholders") of common shares in the capital of the Corporation (the "Common Shares") to be held on **Wednesday, June 13, 2012 at the time and place and for the purposes set out in the accompanying Notice of Annual Meeting of Shareholders ("Notice of Meeting")**. References in this Information Circular to the Meeting include any adjournment or adjournments thereof.

While it is expected that the solicitation will be made by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation at nominal cost. All costs of this solicitation will be borne by the Corporation.

Unless otherwise stated, the information contained in this Information Circular is as of May 8, 2012. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars, which is the Corporation's reporting currency.

APPOINTMENT OF PROXYHOLDER AND VOTING OF PROXIES

The individuals named in the enclosed form of proxy are officers and/or directors of the Corporation (the "Management Proxyholder"). A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent such Shareholder at the Meeting, may do so, either by striking out the names of those persons named in the accompanying form of proxy and inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy. A proxy will not be valid unless the completed form of proxy is received by Canadian Stock Transfer, acting as Administrative Agent for CIBC Mellon Trust Company, via mail at P.O. Box 721 Agincourt, Ontario, M1S 0A1, or via fax to (416) 368-2502, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or any adjournment thereof.

NON-REGISTERED HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through banks, brokers, trustees or other persons ("Intermediaries"), or who otherwise do not hold their Common Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares ("Registered Shareholders") will 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, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares more likely will be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name of the Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the

Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to Registered Shareholders by the Corporation and is commonly referred to as a **"voting instruction form"**. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") (formerly known as ADP Investor Communications) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails such forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge. 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 Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote their Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through an Intermediary, please contact that Intermediary promptly for assistance.** Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

REVOCAION OF PROXIES

A registered Shareholder who has given a Proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Corporation at Suite 2600, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the chair of the Meeting on the day of the Meeting or any adjournment of it. **Only registered Shareholders have the right to revoke a Proxy. Beneficial Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the Proxy on their behalf.** A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

The Common Shares represented by a properly executed proxy in favour of Management Proxyholders will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the Management Proxyholder on any ballot that may be called for; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. If any amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the Management Proxyholders to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the Management knows of no such amendment, variation or other matter that may be presented to the Meeting.

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

No person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditor.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Common Shares of which 158,363,635 Common Shares are issued and outstanding as at the date hereof.

Shareholders registered as at May 8, 2012 (the “**Record Date**”) are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the form of proxy to attend and vote, deliver their form of proxy at the place and within the time set forth in the notes to the form of proxy.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote, and on a poll every Shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate Shareholders, will have one vote for each Common Share registered in that Shareholder’s name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Canadian Stock Transfer, acting as Administrative Agent for CIBC Mellon Trust Company, and will be available at the Meeting. **Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

The following table sets forth the only persons who as of the date hereof, to the knowledge of the directors and executive officers of the Corporation, beneficially own or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares:

Name	Number of Shares	Percentage
Lorito Holdings S.à.r.l. (“ Lorito ”) ⁽¹⁾	15,250,000	9.6%
Zebra Holdings and Investments S.à.r.l.(“ Zebra ”) ⁽¹⁾	15,411,841	9.7%

Note:

⁽¹⁾ Lorito and Zebra, who report their security holdings as joint actors, are private corporations owned by a trust whose settlor was the late Adolf H. Lundin. Together, Lorito and Zebra hold a total of 30,661,841 Common Shares, which represents approximately 19.36% of the current outstanding Common Shares.

ELECTION OF DIRECTORS

The board of directors (the “**Board**”) presently consists of five (5) directors and it is intended to elect five (5) directors for the ensuing year.

According to its Articles of Continuance, the Corporation may have a minimum of 1 and a maximum of 10 directors. The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as Management’s nominees and the persons proposed by Management as proxyholders in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual meeting of Shareholders of the Corporation or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the By-laws of the Corporation or the provisions of the *Canada Business Corporations Act* (the “**CBCA**”).

The following table and notes thereto sets out the name of each person proposed to be nominated by Management for election as a director (a “**proposed director**”), the province and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Corporation, and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by him and his associates or affiliates, as at the date hereof.

Name and Province and Country of Residence ⁽¹⁾	Positions with the Corporation	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽²⁾	Principal Occupation and Term as Director
Lukas H. Lundin ⁽⁴⁾ British Columbia, Canada	Non-Executive Chairman of the Board	1,393,144	Businessman; director and officer of a number of publicly traded resource-based companies Director since June 23, 1995
Wojtek A. Wodzicki British Columbia, Canada	President and Chief Executive Officer and Director	303,200	President and Chief Executive Officer of the Corporation Director since April 17, 2009
William A. Rand ⁽³⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada	Director	244,098	Senior Business Advisor, Cassels Brock & Blackwell LLP; Formerly President and director of Rand Edgar Investment Corp.; director of a number of publicly traded companies Director since June 23, 1995
Paul K. Conibear ⁽³⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada	Director	567,976 ⁽⁶⁾	President and Chief Executive Officer of Lundin Mining Corporation Director since April 17, 2009
David F. Mullen ⁽³⁾⁽⁵⁾ British Columbia, Canada	Director	35,000	Managing Partner & Chair of Fulcrum Capital Partners and Managing Director of Graycliff Partners; Formerly Chief Executive Officer of HSBC Capital (Canada) Inc. and Head of HSBC Private Equity North America (“HSBC”) Director since November 16, 2010

Notes:

- (1) The information as to the province or state, as applicable, country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (2) The information as to Common Shares beneficially owned or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (3) Members of the Audit Committee. William Rand is Chair of the Audit Committee.
- (4) Members of the Compensation Committee.
- (5) Members of the Corporate Governance and Nominating Committee. David F. Mullen is Chair of the Corporate Governance and Nominating Committee.
- (6) This amount includes 100,173 Common Shares owned by Mr. Conibear’s spouse and dependent child of which 10,878 Common Shares are held in a Registered Education Savings Plan.

Other than as disclosed below, none of the proposed directors (or any of their personal holding companies) of the Corporation:

- (a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Corporation, that:
 - (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “order”) that was issued while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was the subject of an order that was issued after the person ceased to be a director, chief executive

officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

- (b) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

Mr. William A. Rand is currently and was a director of New West Energy Services Inc. (formerly, Lexacal Investment Corp.) when, on September 5, 2006, a cease trade order was issued against that company by the British Columbia Securities Commission for failure to file its financial statements within the prescribed time. The default was rectified and the order was revoked on November 9, 2006.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

The Common Shares represented by the proxies solicited in respect of the Meeting on any ballot that may be called for, unless authority to do so is withheld, will be voted for the appointment of the firm of PricewaterhouseCoopers LLP, Chartered Accountants, as auditor of the Corporation, and to authorize the directors to fix the remuneration to be paid to the auditor. PricewaterhouseCoopers LLP have served as auditor of the Corporation for more than ten years.

AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor. This information is provided in the Corporation’s annual information form dated March 21, 2012 (the “**AIF**”) with respect to the fiscal year ended December 31, 2011. The AIF is available for review by the public on the SEDAR website located at www.sedar.com “Company Profiles – NGEx Resources Inc.” and may also be obtained free of charge by sending a written request to the Corporation at the Corporation’s head office located at #2000-885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Information Circular, a Named Executive Officer (a “**NEO**”) means each of the following individuals: (a) the Chief Executive Officer of the Corporation (“**CEO**”), (b) the Chief Financial Officer of the Corporation (“**CFO**”), (c) each of the three most highly compensated executive officers of the Corporation including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6, for the December 31, 2011 financial year; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Corporation or its subsidiary, nor acting in a similar capacity, as of December 31, 2011.

During the year ended December 31, 2011, the Corporation had three NEO's, namely Wojtek A. Wodzicki, the President and CEO of the Corporation, Wanda Lee, the CFO of the Corporation and Robert Carmichael, Vice President, Exploration.

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Compensation Philosophy

The administration of the Corporation's compensation mechanism is handled by the compensation committee (the "**Compensation Committee**") of the board of directors. On an annual basis, the Compensation Committee reviews the compensation of its NEOs to ensure that each is being compensated in accordance with the objectives of the Corporation's compensation program which are to:

- provide competitive compensation that attracts and retains talented employees;
- align compensation with Shareholder interests;
- pay for performance;
- support the Corporation's vision, mission and values; and
- be flexible to recognize the needs of the Corporation in different business environments.

Role of the Compensation Committee

As at December 31, 2011 the Compensation Committee was composed of Lukas H. Lundin, William A Rand and Paul K. Conibear, all of whom were independent directors.

The Compensation Committee is responsible for implementing and overseeing the Corporation's compensation policies and programs as approved by the Board. The Compensation Committee's responsibilities include:

- recommending to the Board compensation policies and guidelines;
- ensuring that the Corporation has in place programs to attract and develop executive officers of the highest caliber and a process to provide for the orderly succession of executive officers; and
- reviewing and approving corporate goals and objectives relevant to the compensation of executive officers and, in light of those goals and objectives, recommending to the Board the annual salary, bonus and other benefits, direct and indirect, of executive officers.

The Compensation Committee considers and evaluates executive compensation levels on an annual basis against available information for "peer group" companies, which are principally comprised of "junior mineral exploration" companies, to ensure that the Corporation's executive compensation levels are within the range of comparable norms. In selecting peer group companies, the Compensation Committee primarily looks for public companies that are comparable in terms of business and size. For the 2011 review, using public filings, the Compensation Committee considered the executive compensation levels, including benefits, of Lumina Copper Corp., Augusta Resource Corporation, Exeter Resource Corporation, Petra Diamonds, Mountain Province Diamonds Inc. and Stornoway Diamond Corporation.

Role of Management in Determining Compensation

The accountability for decisions on executive remuneration is clearly within the mandate of the Compensation Committee, but management has a key role in helping support the committee in fulfilling its obligations. For example, the CEO makes recommendations to the Compensation Committee regarding executive officer base salary adjustments, stock-based grants and discretionary bonuses, other than with respect to the CEO's own remuneration. The Compensation Committee reviews the basis for these recommendations and can exercise its discretion in modifying any of the recommendations prior to making its recommendations to the Board. The CEO does not make a recommendation to the Compensation Committee with respect to his own remuneration package.

Elements of NEO Compensation

NEO compensation for the year ended December 31, 2011, was comprised of three components; namely, base salary, equity

compensation in the form of stock options and discretionary performance-based bonuses and benefits. An NEO's base salary is intended to remunerate the NEO for discharging job responsibilities and reflects the executive's performance over time. Base salaries are used as a measure to compare to and remain competitive with compensation offered by competitors and as the base to determine other elements of compensation and benefits. The stock option component of an NEO's compensation, which includes a vesting element to ensure retention, serves to both motivate the executive toward increasing share value and to enable the executive to share in the future success of the Corporation. Discretionary performance-based bonuses are considered from time to time to reward those who have achieved exceptional performance. Other benefits do not form a significant part of the remuneration package of any of our NEOs.

A number of factors are considered by the Compensation Committee and the Board when determining NEO compensation, including:

- the NEO's individual contribution to the benefit of the Corporation and the assessment of each NEO's individual performance;
- the long-term interests of the Corporation and its Shareholders including exploration success;
- the NEO's responsibilities, length of service and levels of compensation provided by industry competitors; and
- the operational performance and the Corporation's financial position.

Base Salary

To ensure that the Corporation will continue to attract and retain qualified and experienced executives, base salaries are reviewed and, if appropriate, adjusted annually. The Corporation endeavours to pay the salaries of its NEOs at the mid-range level of comparable companies while providing NEOs with additional performance-based compensation such as discretionary performance-based bonuses and stock options. There will, however, be occasions when the Corporation pays salaries above or below this level depending on the individual skills and experience of the executive. In May 2012, an increase in the base salary was granted to the Corporation's CEO, Mr. Wojtek Wodzicki. Mr. Wodzicki's base salary will be increased effective June 1, 2012, from \$302,500 to \$315,000, by 4.1%.

Performance-based Bonuses

The Compensation Committee provides recommendations on discretionary cash bonuses from time to time. In arriving at a decision to award and in determining the amount of discretionary cash bonuses the Compensation Committee considers the performance factors described above in the section under the heading "*Elements of NEO Compensation*" as well as performance measures, including financials, budgetary, projects and other initiatives.

For the financial year ended December 31, 2011, Messrs. Wodzicki and Carmichael, and Ms. Lee each were awarded a bonus in recognition of their efforts on behalf of the Corporation, receiving \$250,000, \$35,000, and \$35,000 respectively. Among other things, these awards were in recognition of the Corporation's exploration success. See Summary Compensation Table below under the column "Non-equity Incentive Plan Compensation".

Stock Options

The Corporation provides long-term incentives through stock option grants pursuant to its Share Option Plan. Incentive stock options are considered to be an effective vehicle for deepening a sense of ownership amongst executives and increasing alignment with the interests of Shareholders.

The purpose of the Share Option Plan is to promote the interests of the Corporation by:

- providing its directors, senior officers, employees, management company employees and consultants (the "Eligible Persons") with additional incentive;
- encouraging stock ownership by such Eligible Persons;
- increasing proprietary interest of Eligible Persons in the success of the Corporation;
- encouraging Eligible Persons to remain with the Corporation or its affiliates; and
- attracting new employees, directors and officers.

All NEOs are eligible to participate in the Share Option Plan. Reference is made to the heading “Equity Compensation Plan” for a description of the Share Option Plan.

Stock options are generally awarded to Eligible Persons at the commencement of employment and periodically thereafter. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, consideration is given to: in addition to the factors referred to under “Elements of NEO Compensation”, the number and terms of outstanding incentive stock options held by the NEO; past and expected future performance of the NEO; the potential dilution to Shareholders; general industry standards; and the limits imposed by the terms of the Corporation’s Share Option Plan and the Toronto Stock Exchange (the “TSX”). The Corporation considers the granting of incentive stock options to be a particularly important element of compensation as it allows the Corporation to reward each Named Executive Officer’s efforts to increase value for shareholders without requiring the Corporation to use cash from its treasury. The terms and conditions of the Corporation’s stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Share Option Plan, which are described under “Incentive Plan Awards” below.

Benefits and Perquisites

Benefits do not form a significant part of the remuneration package of any of the NEOs. In most cases, employment benefits, health care and life insurance are provided in a manner which is in keeping with industry standards. During the financial year ended December 31, 2011, none of the NEOs received any perquisites which in the aggregate were greater than \$50,000 or 10% of the respective NEO’s salary.

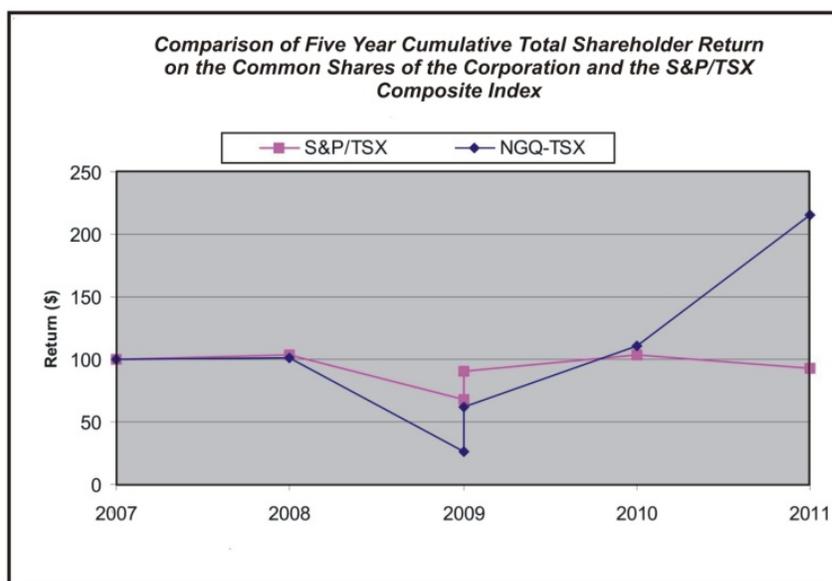
Risks Associated with Corporation’s Compensation Policies and Practices

Neither the Board nor the Compensation Committee has proceeded to a formal evaluation of the implications of the risks associated with the Corporation’s compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation programme and the Board and the Compensation Committee does not believe that the Corporation’s compensation programme results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

The Corporation’s NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

PERFORMANCE GRAPH

The following graph compares the total cumulative shareholder return for \$100 invested in Common Shares of the Corporation from March 31, 2007 to December 31, 2011 with the cumulative total return of the S&P/TSX Composite Index for the five most recently completed financial years of the Corporation.



	Mar 31/07	Mar 31/08	Mar 31/09	Dec 31/09	Dec 31/10	Dec 31/11
NGEx TSX	\$100.00	\$101.60	\$26.40	\$62.40	\$111.20	\$216.00
TSX Index	\$100.00	\$103.42	\$67.56	\$91.00	\$104.14	\$92.61

In November, 2009, the Corporation changed its financial year end from March 31 to December 31. The graph above, which compares “Total Shareholder Return” against the S&P/TSX Composite Index over the last five years, reflects that the Corporation performed lower in 2009 however, thereafter, its share price rebounded, and has since 2010, performed significantly better than the S&P/TSX. Where applicable, compensation of NEOs has increased in line with the growth in the Corporation’s level of corporate and operating activity over the last two years. In June, 2010, the Corporation increased the base salary of certain executive officers by 10%.

SUMMARY COMPENSATION TABLE

Summary Compensation Table

The following table sets forth a summary of the total compensation paid to, or earned by the Corporation’s NEO’s during the three most recently completed financial years.

Name and Principal Position	Year ⁽¹⁾	Salary (\$)	Share-based awards (\$)	Option-based Awards (\$) ⁽³⁾	Non-equity Incentive Plan Compensation (\$)		Pension value (\$) ⁽⁵⁾	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans ⁽⁴⁾	Long-term incentive plans ⁽⁴⁾			
Wojtek A. Wodzicki ⁽⁶⁾ President and CEO	2011	302,500 ⁽⁷⁾	Nil	655,479	250,000 ⁽⁷⁾	Nil	Nil	Nil	1,207,979
	2010	291,042 ⁽⁸⁾	Nil	Nil	250,000 ⁽⁸⁾	Nil	Nil	Nil	541,042
	2009 ⁽²⁾	194,792 ⁽²⁾	Nil ⁽²⁾	291,407 ⁽²⁾	Nil ⁽²⁾	Nil ⁽²⁾	Nil ⁽²⁾	Nil ⁽²⁾	486,199 ⁽²⁾
Wanda Lee ⁽⁹⁾ CFO	2011	Nil ⁽⁹⁾	Nil	81,121	35,000 ⁽⁹⁾	Nil	Nil	Nil ⁽⁹⁾	116,121 ⁽⁹⁾
	2010	Nil ⁽⁹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil ⁽⁹⁾
	2009 ⁽²⁾	Nil ⁽²⁾	Nil ⁽²⁾	69,951 ⁽²⁾	Nil ⁽²⁾	Nil ⁽²⁾	Nil ⁽²⁾	Nil ⁽²⁾	69,951 ⁽²⁾
Robert Carmichael ⁽¹⁰⁾ VP Exploration	2011	73,333	Nil	343,049	35,000 ⁽¹¹⁾	Nil	Nil	Nil	451,382 ⁽¹¹⁾
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

⁽¹⁾ Financial years ended December 31.

- ⁽²⁾ On November 17, 2009, the Corporation changed its financial year end from March 31 to December 31. Accordingly, the amounts shown reflect the 9 month transition year ended December 31, 2009.
- ⁽³⁾ The Corporation used the Black-Scholes option pricing model for determining the fair value of stock options issued at grant date. The key assumptions used for this determination can be found in the notes to the 2011 consolidated financial statements of the Corporation. The amount presented in the table represents the fair value of the vested and unvested portion of the options granted in the period. It should be recognized that the actual future value will be based on the difference between the market value at time of exercise and the exercise price. Therefore, the value attributed to the stock options under the Black-Scholes model does not necessarily correspond to the actual future value that will be realized.
- ⁽⁴⁾ The Corporation does not currently have a formal annual incentive plan or long term incentive plan for any of its executive officers, including its NEOs.
- ⁽⁵⁾ The Corporation does not have any pension, retirement or deferred compensation plans, including defined contribution plans.
- ⁽⁶⁾ Mr. Wodzicki was appointed President and Chief Executive Officer of the Corporation on April 17, 2009. Mr. Wodzicki services are provided pursuant to an employment agreement dated effective April 17, 2009, as amended June 1, 2010 and May 4, 2012, as described below (the **“Wodzicki Employment Agreement”**).
- ⁽⁷⁾ In May 2012, an increase in the base salary was granted to Mr. Wodzicki and accordingly effective June 1, 2012, Mr. Wodzicki’s annual base salary will be increased by 4.1% from \$302,500 to \$315,000. Mr. Wodzicki was also awarded a bonus of \$250,000 for the 2011 fiscal period. While the 2011 performance bonus was awarded in respect of the relevant financial year, the amount will be paid to Mr. Wodzicki in the subsequent year.
- ⁽⁸⁾ Mr. Wodzicki was awarded a bonus of \$250,000 during the 2010 fiscal period and his annual base salary was increased by 10% from \$275,000 to \$302,500 effective June 1, 2010. While the 2010 performance bonus was awarded in respect of the relevant financial year, the amount was not paid to Mr. Wodzicki until the subsequent year.
- ⁽⁹⁾ Ms. Lee is an employee of Namdo Management Services Ltd. (**“Namdo”**). Namdo is a private corporation owned by Mr. Lukas H. Lundin, a director of the Corporation. The Corporation paid Namdo the sum of \$540,000, plus reimbursement of expenses for the year ended December 31, 2011. Namdo has approximately 15 employees, including Ms. Lee, and provides office facilities, administration, corporate secretarial, corporate development and in certain cases, financial services to a number of public companies. Approximately \$108,000 (2010 - \$102,600) or 20% (2010 – 19%) of the fees paid to Namdo are attributable to the services of Ms. Lee, as Chief Financial Officer of the Corporation. Ms. Lee was awarded a bonus of \$35,000 for the 2011 fiscal period. While the 2011 performance bonus was awarded in respect of the relevant financial year, the amount will not be paid to Ms. Lee until the subsequent year.
- ⁽¹⁰⁾ Mr. Carmichael was appointed Vice President, Exploration of the Corporation effective September 1, 2011. Mr. Carmichael’s services are provided pursuant to an employment agreement dated August 25, 2011, as described below (the **“Carmichael Employment Agreement”**).
- ⁽¹¹⁾ Mr. Carmichael was awarded a bonus of \$35,000 for the 2011 fiscal period. While the 2011 performance bonus was awarded in respect of the relevant financial year, the amount will be paid to Mr. Carmichael in the subsequent year.

Employment Agreements

The Corporation entered into the Wodzicki Employment Agreement on April 17, 2009, as amended June 1, 2010 and May 4, 2012. Pursuant to the Wodzicki Employment Agreement, Mr. Wodzicki provides his services as President and Chief Executive Officer of the Corporation and the Corporation pays Mr. Wodzicki an annual salary of \$302,500 and effective June 1, 2012, the annual salary will be increased from \$302,500 to \$315,000. The Corporation also reimburses Mr. Wodzicki for any reasonable travelling and other direct expenses incurred by Mr. Wodzicki in connection with his services. The Wodzicki Employment Agreement has an indefinite term and automatically renews each year unless terminated by the Corporation (without cause) on 60 days written notice or by Mr. Wodzicki (voluntarily) on 90 days written notice. Mr. Wodzicki receives standard benefits available to all other employees of the Corporation, including medical, basic life insurance, long-term disability and extended health care and dental care coverage.

The Corporation entered into the Carmichael Employment Agreement on August 25, 2011. Pursuant to the Carmichael Employment Agreement, Mr. Carmichael provides his services as Vice President, Exploration of the Corporation and the Corporation pays Mr. Carmichael an annual salary of \$220,000 and reimburses Mr. Carmichael for any reasonable travelling and other direct expenses incurred by Mr. Carmichael in connection with his services. The Carmichael Employment Agreement has an indefinite term and automatically renews each year unless terminated by the Corporation (without cause) on written notice or by Mr. Carmichael (voluntarily) on 90 days written notice. Mr. Carmichael receives standard benefits available to all other employees of the Corporation, including medical, extended health, and where applicable, life insurance.

See **“Termination and Change of Control Benefits”** below.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table sets forth for the NEOs, the incentive stock options granted pursuant to the Share Option Plan, outstanding as at December 31, 2011. As at December 31, 2011, 812,687 of these option-based awards have vested.

Option-based Awards				
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-money Options (\$) ⁽¹⁾
Wojtek A. Wodzicki President & CEO	350,000	2.83	Nov. 14, 2014	Nil
	143,125 ⁽²⁾	1.66 ⁽²⁾	April 12, 2012 ⁽²⁾	148,850 ⁽²⁾
	214,000	1.52	Feb 3, 2014	252,520
	500,000	0.70	Dec. 01, 2014	1,000,000
Wanda Lee CFO	50,000	2.83	Nov. 14, 2014,	Nil
	15,000	1.52	Feb 3, 2014	17,700
	42,937 ⁽²⁾	2.80 ⁽²⁾	July 18, 2012 ⁽²⁾	Nil ⁽²⁾
	100,000	0.70	Dec. 01, 2014	200,000
Robert Carmichael VP Exploration	50,000	2.83	Nov 14, 2014	Nil
	150,000	3.42	Sept. 1, 2014	Nil

Notes:

⁽¹⁾ Calculated using the closing price of the common shares on the TSX on December 30, 2011 of \$2.70 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

⁽²⁾ These options were originally granted by Sanu Resources Ltd. ("**Sanu**") and were assumed by the Corporation in connection with the plan of arrangement involving Sanu. See "Securities Authorized for Issuance Under Equity Compensation Plan". Subsequent to the financial year ended December 31, 2011, Mr. Wodzicki exercised these options.

Incentive Plan Awards – Value Vested or Earning During The Year

The following table sets forth for the NEOs, the value vested during the financial year ended on December 31, 2011 for options awarded under the Share Option Plan, as well as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)
Wojtek A. Wodzicki President and CEO	563,130
Wanda Lee CFO	104,425
Robert Carmichael VP Exploration	Nil

Note:

(1) Calculated using the closing price of the common shares on the TSX on the dates on which stock options vested during the financial year ended December 31, 2011, and subtracting the exercise price of in-the-money stock options.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Termination and Change of Control Benefits

Other than as set forth below, the Corporation does not have any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in the NEO's responsibilities.

Pursuant to the Wodzicki Employment Agreement, Mr. Wodzicki, at any time, may terminate the employment agreement by giving

90 days written notice to the Corporation, and at any time the Corporation may terminate the agreement, without cause, by giving sixty (60) days notice to Mr. Wodzicki, whereupon the Corporation will pay Mr. Wodzicki a lump sum amount equal to 18 months base salary at the rate being paid at the time of termination (this amount does not apply if Mr. Wodzicki is transferred or retained full-time by an affiliate or associate of the Corporation. Pursuant to the Wodzicki Employment Agreement, where termination notice is delivered by either Mr. Wodzicki or the Corporation, following a change of control, the Corporation will pay Mr. Wodzicki a lump sum amount equal to 18 months base salary at the rate being paid at the time of termination and all the stock options held by Mr. Wodzicki will vest immediately.

Pursuant to the Carmichael Employment Agreement, Mr. Carmichael, at any time, may terminate the employment agreement by giving 90 days written notice to the Corporation, and at any time Corporation may terminate the agreement, without cause, by giving written notice (the notice period being at the discretion of the Corporation) to Mr. Carmichael, whereupon the Corporation will pay Mr. Carmichael a lump sum amount equal to 12 months base salary at the rate being paid at the time of termination (this amount does not apply if Mr. Carmichael is transferred or retained full-time by an affiliate or associate of the Corporation).

Pursuant to the employment agreements with each of Messrs. Wodzicki and Carmichael, the Corporation may respectively terminate each employment agreement, as applicable, for disability, whereupon the Corporation will pay Mr. Wodzicki, or Mr. Carmichael, as applicable, for 12 months commencing from the date of termination, an amount equal to the salary at the rate being paid at the time of termination (less any severance payments or disability benefits) and all the stock options held by Messrs. Wodzicki and Carmichael, as applicable, will vest immediately and be exercisable until the earlier of the expiry date or 12 months from the date of termination.

If a severance payment triggering event had occurred on December 31, 2011, the severance payments that would be payable to Messrs. Wodzicki and Carmichael would have been approximately as follows:

Name	Termination by the Corporation for any reason other than cause and unrelated to "Change of Control" of the Corporation (estimated) (\$)	Termination by the Corporation without cause after a "Change of Control" of the Corporation (estimated) (\$)
Wojtek Wodzicki	\$453,750 ⁽¹⁾	\$453,750
Robert Carmichael	\$220,000 ⁽²⁾	N/A
Total	\$673,750	\$453,750

Notes:

(1) Approximately \$302,500 in the case of disability less any severance payments or disability benefits.

(2) Approximately \$220,000 in the case of disability less any severance payments or disability benefits.

DIRECTOR COMPENSATION

Director Compensation Table

No fees were paid to directors in their capacity as directors of the Corporation or its subsidiaries, in their capacity as members of the Board or of a committee of the Board of its subsidiaries, or as consultants or experts, during the Corporation's most recently completed financial year.

The following table sets forth the details of compensation provided to directors, other than the Named Executive Officers, during the Corporation's most recently completed financial year:

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based Awards ⁽¹⁾ (\$)	Pension value (\$)	All Other Compensation (\$)	Total (\$)
Lukas H. Lundin	Nil	Nil	178,321	Nil	Nil	178,321
William A. Rand	Nil	Nil	178,321	Nil	Nil	178,321
Paul K. Conibear	Nil	Nil	189,577	Nil	Nil ⁽⁴⁾	189,577
David F. Mullen	Nil	Nil	339,118	Nil	Nil	339,118

Notes:

- (1) The Corporation used the Black-Scholes option pricing model for determining the fair value of stock options issued at grant date. These amounts do not represent actual amounts received by the directors as any gain, if any, will depend on the market value of the shares on the date that the option is exercised.

In May 2012, each non-executive director was granted an amount of up to \$15,000 per year, an amount of up to \$5,000 per year for the Chairman of the Audit Committee, and an amount of up to \$1,000 per year for the Chairman of each of the Compensation Committee and the Corporate Governance and Nominating Committee.

Outstanding Option-Based Awards

The following table sets forth for each director all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year. As at December 31, 2011, a portion of these option-based awards have vested.

Name	Option-Based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Lukas H. Lundin	100,000 ⁽²⁾	2.83 ⁽²⁾	November 14, 2014 ⁽²⁾	Nil ⁽²⁾
	50,000 ⁽³⁾	1.52 ⁽³⁾	February 3, 2014 ⁽³⁾	59,000 ⁽³⁾
	100,000	0.70	December 1, 2014	200,000
William A. Rand	100,000 ⁽²⁾	2.83 ⁽²⁾	November 14, 2014 ⁽²⁾	Nil ⁽²⁾
	50,000 ⁽³⁾	1.52 ⁽³⁾	February 3, 2014 ⁽³⁾	59,000 ⁽³⁾
	100,000	0.70	December 1, 2014	200,000
Paul K. Conibear	100,000 ⁽²⁾	2.83 ⁽²⁾	November 14, 2014 ⁽²⁾	Nil ⁽²⁾
	85,875 ⁽⁴⁾	2.80 ⁽⁴⁾	July 18, 2012 ⁽⁴⁾	Nil ⁽⁴⁾
	64,000 ⁽³⁾	1.52 ⁽³⁾	February 3, 2014 ⁽³⁾	75,520 ⁽³⁾
	100,000	0.70	December 1, 2014	200,000
David F. Mullen	100,000 ⁽²⁾	2.83 ⁽²⁾	November 14, 2014 ⁽²⁾	Nil ⁽²⁾
	250,000 ⁽³⁾	1.52 ⁽³⁾	February 3, 2014 ⁽³⁾	295,000 ⁽³⁾

Notes:

- (1) Calculated using the closing price of the common shares on the TSX on December 30, 2011 of \$2.70 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.
- (2) These options vest as to 1/3 vesting immediately, 1/3 vesting November 14, 2012 and 1/3 vesting November 14, 2013.
- (3) These options vest as to 25%, 6, 12, 18, and 24 months from the date of grant.
- (4) These options were originally granted by Sanu and were assumed by the Corporation in connection with the plan of arrangement involving Sanu. See "Securities Authorized for Issuance Under Equity Compensation Plan".

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each director, other than those who are also NEOs of the Corporation, the value of all incentive plan awards vested during the year ended December 31, 2011.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾
Lukas H. Lundin	114,750
William A. Rand	114,750
Paul K. Conibear	118,880
David F. Mullen	73,750

Notes:

- (1) Calculated using the closing price of the common shares on the TSX on the dates on which stock options vested during the financial year ended December 31, 2011, and subtracting the exercise price of in-the-money stock options.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Corporation's last completed financial year or as of May 8, 2012 was any director, executive officer, employee, proposed management nominee for election as a director of the Corporation, nor any associate of any such director, executive officer or proposed management nominee of the Corporation, or any former director, executive officer or employee of the Corporation or any of its subsidiaries, indebted to the Corporation or any of its subsidiaries, or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

Equity Compensation Plan Information

The following table provides information regarding compensation plans under which securities of the Corporation are authorized for issuance to directors, officers, employees and consultants in effect as of the end of the Corporation's most recently completed fiscal year end:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	4,577,673 ⁽¹⁾	\$1.67	11,234,428
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	4,577,673 ⁽¹⁾	\$1.67	11,234,428

Notes:

- (1) Of these, 217,548 represents options exercisable for Common Shares of which obligations were assumed by the Corporation in connection with the Sanu plan of arrangement.

The Corporation's Share Option Plan was adopted by the Board on August 12, 2008 and approved by the Corporation's shareholders on September 15, 2008. On May 11, 2011, the Board approved certain amendments of a "housekeeping" nature to the Share Option Plan which amendments were approved by the TSX on June 29, 2011. On June 13, 2011, the shareholders approved the Share Option Plan, as amended. The Share Option Plan is in the form of a rolling stock option plan reserving an aggregate of 10% of the issued and outstanding shares of the Corporation for issuance upon the exercise of options granted thereunder and provides, among other things, that: (i) the aggregate number of Common Shares reserved for issuance to insiders pursuant to the Share Option Plan and all other security-based compensation arrangements shall not exceed 10% of the total number of Common Shares then outstanding; (ii) the aggregate number of Common Shares issued to insiders pursuant to the exercise of Options, within a one-year period, shall not exceed 10% of the total number of Common Shares then outstanding; (iii) the aggregate number of Common Shares issued to any one insider and such insider's associates pursuant to the exercise of Options, within a one-year period, shall not exceed 5% of the total number of Common Shares then outstanding; and (iv) the aggregate number of Common Shares reserved for issuance to any one person pursuant to the grant of Options shall not exceed 5% of the total number of Common Shares then outstanding.

The Share Option Plan authorizes the Board, or a committee appointed for such purposes, to grant Options to purchase shares to Eligible Persons, to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants, to interpret the Share Option Plan and to adopt, amend and rescind such administrative guidelines and other rules relating to the Share Option Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority, and without further Shareholder approval. The Board will establish the exercise price of an Option at the time each Option is granted provided that such price shall not be less than the closing price of the Common Shares on the TSX (or, if such Common Shares are not then listed and posted for trading on the TSX, on such other stock exchange on which the Common Shares are listed and posted for trading as may be selected by the Board) on the last business day immediately preceding the date of grant of such Option. If there is no trading on that date, the exercise price shall not be less than the weighted average of the bid and ask prices

on the five consecutive trading days preceding the date of the grant.

The term of Options granted under the Share Option Plan shall not exceed 10 years from the date of grant. Vesting under the Share Option Plan is at the discretion of the Board. In the event that any Option expires during, or within 48 hours after, a self imposed blackout period on trading securities of the Corporation, such expiry date will become the tenth day following the end of the blackout period. All Options granted under the Share Option Plan are not transferable other than by will or the laws of dissent and distribution.

If an Optionee ceases to be an Eligible Person for any reason whatsoever other than for cause or death, each option held by such Optionee will cease to be exercisable 30 days following the termination date (being the date on which such optionee ceases to be an Eligible Person), or such longer period as determined by the Board. If an Eligible Person is dismissed with cause, each Option held by such Optionee shall cease to be exercisable immediately upon the Optionee being given notice of termination. If an Optionee dies, the legal representatives of the Optionee may exercise the Options held by the Optionee within a period after the date of the Optionee's death as determined by the Board, for greater certainty such determination may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of such Option; and (ii) 12 months following the date of death of the participant, but only to the extent the Options were by their terms exercisable on the date of death.

Subject to the requisite Shareholder and regulatory approvals set forth under subparagraphs (a) and (b) below, the Board may from time to time amend or revise the terms of the Share Option Plan or may discontinue the Share Option Plan at any time provided however that no such right may, without the consent of the Optionee, in any manner adversely affect his rights under any Option theretofore granted under the Share Option Plan.

- (a) The Board may, subject to receipt of requisite Shareholder and regulatory approval, make the following amendments to the Share Option Plan:
 - (i) any amendment to the number of securities issuable under the Share Option Plan, including, if applicable, an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by Shareholders will not require additional Shareholder approval;
 - (ii) any change to the definition of the eligible participants which would have the potential of broadening or increasing insider participation;
 - (iii) the addition of any form of financial assistance;
 - (iv) any amendment to a financial assistance provision which is more favourable to participants;
 - (v) any addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Share Option Plan reserve;
 - (vi) the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the Corporation;
 - (vii) a discontinuance of the Share Option Plan; and
 - (viii) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to eligible participants, especially insiders of the Corporation, at the expense of the Corporation and its existing Shareholders.

- (b) The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion and without further Shareholder approval, make all other amendments to the Share Option Plan that are not of the type contemplated in subparagraph (a) above including:
 - (i) a change to the vesting provisions of a security or the Share Option Plan;
 - (ii) a change to the termination provisions of a security or the Share Option Plan which does not entail an

extension beyond the original expiry date;

- (iii) a change to the terms of options granted to non-insiders including the option exercise price and the termination date.
- (c) Notwithstanding the provisions of subparagraph (b), the Corporation shall additionally obtain requisite Shareholder approval in respect of amendment to the Plan that is contemplated pursuant to subparagraph (b) to the extent such approval is required by any applicable laws or regulations.

There are no stock appreciation rights (SAR) associated with Options granted under the Share Option Plan and there is no provision under the Share Option Plan to transform stock options into stock appreciation rights. The Share Option Plan must be approved and ratified by the shareholders of the Corporation every three years.

The Corporation does not provide any financial assistance to participants in order to facilitate the purchase of Common Shares under the Share Option Plan.

As at the date of this Information Circular, there are options to purchase 4,365,048 shares of the Corporation outstanding (2.8% of the issued and outstanding shares) and 11,471,315 shares are available for future option awards (7.2% of the issued and outstanding shares.)

Effective August 20, 2009, the Corporation acquired all of the issued and outstanding common shares of Sanu by way of plan of arrangement under the CBCA, following which Sanu became a wholly-owned subsidiary of the Corporation. Pursuant to this arrangement, all outstanding incentive stock options of Sanu were converted into incentive stock options of the Corporation (the "Sanu Replacement Options"). The Sanu Replacement Options are considered to be outside of the Corporation's Plan. As at the date hereof, there were 217,548 Sanu Replacement Options outstanding which expire on July 18, 2012 and have an exercise price of \$2.80. If a holder of a Sanu Replacement Option ceases to be an eligible person (other than as a result of the death of the holder), such holder's options terminate on the earlier of (i) 90 days after the holder ceases to be an eligible person, and (ii) the original expiry date of the option. If the holder of an option dies while he or she is an eligible person, such holder's options terminate on the earlier of one (1) year after the date of death of the holder and (ii) the original expiry date of the option. Options may not be assigned or transferred, except by will or by the laws of descent and distribution.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE

National Instrument 58-101, Disclosure of Corporate Governance Practices ("**NI 58-101**") requires reporting issuers to disclose the corporate governance practices, on an annual basis, that they have adopted. Attached as Appendix "1" to this Information Circular is the disclosure required by NI 58-101 which has been prepared by the Corporate Governance and Nominating Committee and approved by the Board.

The Board recognizes the importance of corporate governance to the effective management of the Corporation and to the protection of its employees and Shareholders. The Corporation's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks which may arise.

The Corporation's corporate governance practices have been, and continue to be, in compliance with applicable Canadian requirements. The Corporation continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

MANAGEMENT CONTRACTS

The management functions of the Corporation are performed by the directors and officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted, except as set forth below.

Pursuant to an agreement made effective January 1, 2012, between the Corporation and Namdo, Namdo provides office facilities, administration, financial, corporate secretarial and corporate development services, including the services of the CFO of the

Corporation, for a monthly fee of \$45,000. Namdo is a private corporation controlled by Lukas Lundin and has approximately 15 employees. The agreement may be terminated by either party upon 90 days written notice.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out below and in this Information Circular, and other than transactions carried out in the ordinary course of business of the Corporation, none of the directors or executive officers of the Corporation, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation, nor any shareholder beneficially owning, directly or indirectly, common shares of the Corporation, or exercising control or direction over Common Shares of the Corporation, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding shares of the Corporation nor an associate or affiliate of any of the foregoing persons has since January 1, 2011 (being the commencement of the Corporation's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Corporation or any of its subsidiaries.

During the financial year ended December 31, 2011, the Corporation completed a private placement on a non-brokered basis, of 9,000,000 common shares at a price of CAD\$3.00 per common share, of which, Lorito purchased 2,000,000 common shares at a price of CAD\$3.00 per common share. As at December 31, 2011, Lorito and Zebra have control of or direction over an aggregate of approximately 30,661,841 common shares of the Corporation, or 19.39% of the issued and outstanding common shares of the Corporation.

OTHER BUSINESS

Pursuant to the CBCA, proposals intended to be presented by shareholders for action at the 2013 Annual General Meeting must comply with the provisions of the CBCA and be deposited at the Corporation's head office not later than January 21, 2013 in order to be included in the information circular and form of proxy relating to such meeting.

Other than the matters referred to in the Notice of Meeting, Management is not aware of any other matters to come before the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the shares represented by proxies in favour of Management nominees will be voted on such matters as the proxy nominee sees fit.

ADDITIONAL INFORMATION

The Corporation's Annual Information Form, annual audited consolidated financial statements and annual management's discussion and analysis ("MD&A") for the most recently completed financial year as well as other prescribed documents are available on Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. The Corporation has also established and maintains a corporate website at www.ngexresources.com that includes, among other things, an investor section containing the most recent Annual Information Form, the most recent and past annual and quarterly financial statements and related MD&A and press releases. The Corporation will provide, without charge to a shareholder, a copy of its most recent Annual Information Form and any document incorporated therein by reference, its annual financial statements and annual MD&A for the period ended December 31, 2011, interim financial statements for subsequent periods, and this Information Circular upon request to the Corporation as follows:

e-mail: ngexresources@namdo.com
telephone: 604-689-7842
mail: NGEx Resources Inc.
Suite 2000 - 885 West Georgia Street
Vancouver, BC V6C 3E8
Attn: Investor Relations

DIRECTORS' APPROVAL

The contents and the sending of this Information Circular have been approved by the Board of Directors of the Corporation.

DATED at Vancouver, British Columbia the 8th day of May, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ "Wojtek A. Wodzicki"

Wojtek A. Wodzicki
President and Chief Executive Officer

APPENDIX 1

Corporate Governance Disclosure

The following is the disclosure required under National Instrument 58-101 *Disclosure of Corporate Governance Practices* (NI 58-101”).

Required Disclosure of Corporate Governance Practices		Response
1. Board of Directors		
(a) Disclose the identity of directors who are independent.		The Corporation’s Board of Directors (the “Board”) is currently comprised of five directors; namely, Messrs. Lukas H. Lundin, William A. Rand, Paul K. Conibear, David F. Mullen and Wojtek A. Wodzicki. With the assistance of the Corporate Governance and Nominating Committee, the Board has considered the relationship to the Corporation of each of the directors and has determined that four of the five directors; namely, Messrs. Lundin, Rand, Conibear and Mullen are independent for the purposes of Board membership.
(b) Disclose the identity of directors who are not independent and describe the basis for that determination.		Mr. Wodzicki is not considered to be independent as he is President and Chief Executive Officer of the Corporation.
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.		A majority of the directors of the Corporation are independent.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.		All of the directors of the Corporation are directors and/or officers of other reporting issuers (see Schedule A to this Appendix 1 for details).
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.		The Board has functioned, and is of the view that it can continue to function, independently of management, as required. The Board and its committees meet independent of management where needed, but do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. In addition to the standing Committees of the Board, independent committees are appointed from time to time, when appropriate. At each meeting of the Board a determination is made as to whether an in-camera session, without management present, is required.

<p>(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.</p>		<p>The Board has appointed Mr. Lukas H. Lundin as non-executive chair of the board. Mr. Lundin is considered an independent director within the meaning of the Governance Guidelines. The Board has also appointed Mr. William A. Rand as lead director. The lead director presides over meetings of the directors. The role of the lead director is to act as effective leader of the Board, to ensure that the Board's agenda will enable it to successfully carry out its duties, and to provide leadership for the Board's independent directors. The Board has established a formal position description for the lead director which includes acting as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner. This involves working with the Chief Executive Officer to ensure that the conduct of Board meetings provides adequate time for serious discussion of relevant issues and that the Corporation is building a healthy governance culture.</p>
<p>(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.</p>		<p>See Schedule B to this Appendix 1 for details.</p>
<p>2. Board Mandate – Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.</p>		<p>A copy of the Board's written mandate, which sets out the responsibilities and duties of the directors, is attached as Schedule C to this Appendix 1.</p>
<p>3. Position Descriptions</p>		
<p>(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.</p>		<p>The Board has developed written position descriptions for the chair and the chair of each Board committee, as well as for the lead director.</p>
<p>(b) Disclose whether or not the board and the CEO have developed a written description for the CEO. If the board and the CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.</p>		<p>The Board and the CEO have developed a written position description for the President and CEO.</p>
<p>4. Orientation and Continuing Education</p>		
<p>(a) Briefly describe what measures the board takes to orient new directors regarding: the role of the board, its committees and its directors; and the nature and operation of the issuer's business.</p>		<p>The Corporate Governance and Nominating Committee is responsible for ensuring that new directors are provided with an orientation package that includes, among other things, information about the duties and obligations of directors (including copies of the Board mandate, committee charters and corporate policies), the business and operations of the Corporation and documents from recent Board meetings. Directors have full access to officers and employees of the Corporation and may arrange meetings either directly or through the President and CEO. Management provides briefings to directors with respect to the business and operations of the Corporation at every scheduled Board meeting.</p>

<p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>		<p>All directors are expected to pursue educational opportunities as appropriate to enable them to perform their duties as directors. The Corporation will make available appropriate funding to directors to attend seminars or conferences relevant to their position as directors of the Corporation. Included in the Corporate Governance and Nomination Committee mandate is the requirement to develop, with the assistance of management, an orientation and education program for new recruits to the Board, where necessary. The Corporation's outside legal counsel also provides directors and senior officers with summary updates of any developments relating to the duties and responsibilities of directors and officers and corporate governance matters.</p>
<p>5. Ethical Business Conduct</p>		
<p>(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:</p>		<p>The Board has adopted a written Code of Business Conduct and Ethics (the "Code") for directors, officers and employees of the Corporation and its subsidiaries.</p>
<p>(i) disclose how a person or company may obtain a copy of the code;</p>		<p>The Code is available on the Corporation's website and has been filed on and is accessible through SEDAR at www.sedar.com.</p>
<p>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and</p>		<p>Directors, officers or employees who have concerns or questions about violations of laws, rules or regulations, or of the Code, are required to report them to the Corporate Secretary or to the chair of the Corporation's Audit Committee. Following receipt of any complaints, the Corporate Secretary or chair of the Audit Committee, as the case may be, will investigate each matter so reported and report to the Audit Committee. The Board is ultimately responsible, acting through the Audit Committee, for the Code and monitoring compliance with the Code. The Corporation encourages all directors, officers and employees to report promptly any suspected violation of the Code to the Corporate Secretary or chair of the Audit Committee.</p>
<p>(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>		<p>The Board has not granted any waiver of the Code in favour of a director or NEO during 2011 and, accordingly, no material change report has been required.</p>
<p>(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>		<p>The Code addresses such matters as conflicts of interest. In accordance with the Code, any situation that presents an actual or potential conflict between a director's personal interests and the interests of the Corporation must be reported to the chair of the Corporation's Audit Committee. In addition to the requirements of the Code, directors are required to comply with the relevant provisions of the <i>Canada Business Corporations Act</i> regarding conflicts of interests. Directors with an interest in a material transaction are required to declare their interest and abstain from voting on such transactions. A thorough discussion of the documentation related to a material transaction is required for review by the Board, particularly independent directors.</p>

(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.		The Audit Committee has also established a Policy and Procedures for the Receipt, Retention and Treatment of Complaints Regarding Accounting or Auditing Matters (the “ Internal Alert Policy ”) to encourage employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment. In addition to the general complaint procedure set out in 5(a)(ii) above, under the Internal Alert Policy, anonymous complaint regarding a questionable accounting or auditing matter may be forwarded directly to the chair of the Audit Committee.
6. Nomination of Directors		
(a) Describe the process by which the board identifies new candidates for board nomination.		The Board has established a Corporate Governance and Nominating Committee, which has the primary responsibility for identifying prospective Board members. The Corporate Governance and Nominating Committee coordinates the search for qualified candidates with input from management and other Board members, giving careful consideration to the competencies and skills that the Board as a whole should possess, and the skills and experience of existing Board members. Other factors are considered which may include the ability of the individual candidate to contribute on an overall basis, the ability of the individual to contribute sufficient time and resources to the Board, as well as the individual’s direct experience with public companies in general and mining companies, in particular. The Corporate Governance and Nominating Committee will recommend a nominee and seek full Board endorsement of the selected candidate.
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.		The Corporate Governance and Nominating Committee is comprised of three directors, all of whom are independent.
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.		The Corporate Governance and Nominating Committee has the primary responsibility for identifying prospective Board members, to establish criteria for Board committee membership, to recommend composition of the Board and its committees and, as circumstances arise, assess directors’ performance. (See “Other Board Committees” for a full description of the responsibilities and operation of the Corporate Governance and Nominating Committee.)
7. Compensation		
(a) Describe the process by which the board determines the compensation for the issuer’s directors and officers.		Reference is made to the disclosure contained in the Information Circular to which this Appendix 1 is attached under the section entitled “Compensation Discussion and Analysis”.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. Describe what steps the board takes to ensure an objective process for determining such compensation.		The Compensation Committee is comprised of three directors, all of whom are independent.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.		Reference is made to the disclosure contained in the Information Circular to which this Appendix 1 is attached under the heading “Role of the Compensation Committee” in the section entitled “Compensation Disclosure and Analysis”.

<p>(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p>		<p>The Corporation has not retained a compensation consultant or advisor at any time since the beginning of the Corporation's most recently completed financial year to assist in determining compensation for any of the Corporation's directors and officers.</p>
<p>8. Other Board Committees – If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>		<p>In addition to the Audit Committee and the Compensation Committee, the Board has established the Corporate Governance and Nominating Committee.</p> <p>The Corporate Governance and Nominating Committee is responsible for developing and monitoring the Corporation's approach to corporate governance issues and has primary responsibility for identifying prospective Board members. The Corporate Governance and Nominating Committee, among other things, oversees the effective functioning of the Board and oversees the relationship between the Board and management. The Corporate Governance and Nominating Committee has been mandated to annually review and make recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the appropriateness of the committees of the Board; and (iii) the contribution of individual directors. The Corporate Governance and Nominating Committee is required to meet at least annually and to report to the Board following its meetings. The Corporate Governance and Nominating Committee has the authority to to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.</p>
<p>9. Assessments – Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.</p>		<p>The Corporate Governance and Nominating Committee is responsible for reviewing director performance and the appropriate skills and characteristics required of Board members in the context of the current make up of the Board and identifying any perceived needs on an annual basis.</p>

SCHEDULE A – BOARD OF DIRECTORS - OTHER DIRECTORSHIPS

The following directors of the Corporation also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)
Lukas H. Lundin	Lundin Mining Corporation (TSX/OMX-Nordic); Sirocco Mining Inc. (TSX-V); Lucara Diamond Corp. (TSX); Fortress Minerals Corp. (TSX-V); Denison Mines Corp. (TSX/Amex); Lundin Petroleum AB (OMX-Nordic/TSX), Vostok Nafta Investment Ltd. (OMX-Nordic)
Wojtek A. Wodzicki	Newstrike Capital Inc. (TSX-V); Horn Petroleum Corporation (TSX-V)
William A. Rand	Denison Mines Corp. (TSX/Amex); New West Energy Services Inc. (TSX-V), Lundin Mining Corporation (TSX/OMX-Nordic), Lundin Petroleum AB (OMX-Nordic/TSX), Vostok Nafta Investment Ltd. (OMX-Nordic)
David F. Mullen	Elgin Mining Inc. (TSX)
Paul K. Conibear	Sirocco Mining Inc. (TSX-V); Lucara Diamond Corp. (TSX); Lundin Mining Corporation (TSX/OMX-Nordic)

Legend:

TSX	=	Toronto Stock Exchange
TSX-V	=	TSX Venture Exchange
NYSE Amex	=	NYSE Amex (previously, American Stock Exchange)
OMX-Nordic	=	OMX Nordic Stock Exchange

SCHEDULE B – BOARD AND COMMITTEE MEETINGS ATTENDANCE

The Board meets a minimum of four times per year, including every quarter and following the annual meeting of the Corporation's shareholders. Typically, each committee of the Board meets at least once a year with the exception of the Audit Committee which meets a minimum of four times per year.

The table below sets out the attendance of the directors at the Board and committee meetings held since the beginning of the most recently completed financial year until the date hereof.

Directors	Board		Audit Committee		Compensation Committee		Corporate Governance and Nominating Committee	
	No. of meetings attended	Total No. of meetings ⁽¹⁾	No. of meetings attended	Total No. of meetings ⁽¹⁾	No. of meetings attended	Total No. of meetings ⁽¹⁾	No. of meetings attended	Total No. of meetings ⁽¹⁾
Lukas H. Lundin	6	8	0	0	3	4	0	0
Wojtek A. Wodzicki	7	8	0	0	0	0	0	0
William A. Rand	8	8	5	5	4	4	3	3
Paul K. Conibear	8	8	5	5	4	4	3	3
David F. Mullen	8	8	5	5	0	0	3	3

Notes:

(1) Represents number of meetings the director was eligible to attend.

SCHEDULE C

NGEx RESOURCES INC. (the "Corporation")

MANDATE FOR THE BOARD OF DIRECTORS

The directors of the Corporation are elected by the shareholders and are responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Corporation's strategic planning and organizational structure and supervising management to oversee that the long-term operational and financial goals and organizational structure enhance and preserve the business of the Corporation and the underlying value of the Corporation.

DUTIES OF DIRECTORS

The Board discharges its responsibility for overseeing the management of the Corporation's business by delegating to the Corporation's senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its standing committees; namely, the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address issues of a more short-term nature. The Board's primary roles are overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation's strategic objectives. Other principal duties include, but are not limited to, the following categories:

Appointment of Management

1. The Board is responsible for approving the appointment of the Chief Executive Officer and other senior officers of the Corporation. The Compensation Committee is responsible for approving the compensation of the Chief Executive Officer and the other executive officers, senior management and key personnel of the Corporation.
2. The Board from time to time delegates to senior management the authority to enter into transactions, such as financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by and are subject to the prior approval of the Board.
3. The Board oversees that succession planning programs are in place, including the appointment and monitoring of senior management. The Board is responsible for approving succession plans for the Chief Executive Officer and the other officers of the Corporation.

Board Organization

4. The Board will respond to recommendations received from the Corporate Governance and Nominating Committee, but retains responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee appointments and committee mandates.
5. The Board may delegate to Board committees matters the Board is responsible for, including the approval of compensation matters relating to the Board, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

Strategic Planning

6. The Board has oversight responsibility to participate directly, and through its committees, in developing, reviewing and approving the business objectives and goals of the Corporation.
7. The Board is responsible for reviewing the business, financial and strategic plans by which it is proposed that the Corporation may reach those goals.
8. The Board is responsible for providing input to management on emerging trends and issues and on strategic plans,

objectives and goals that management develops.

9. The Board will consider alternate strategies in response to possible change of control transactions or take-over bids with a view to maximizing value for shareholders.

Monitoring of Financial Performance and Other Financial Reporting Matters

10. The Board is responsible for enhancing congruence between shareholder expectations, corporate objectives and management performance.

11. The Board is responsible for:

- (a) monitoring the Corporation's progress toward its strategic and operational goals, and to revise its direction to management in light of changing circumstances affecting the Corporation; and
- (b) taking action when Corporation performance falls short of its goals, or when other special circumstances warrant.

12. The Board is responsible for reviewing and approving the annual consolidated audited financial statements, the interim consolidated financial statements, and the notes and Management's Discussion and Analysis accompanying such financial statements, as well as the Corporation's Annual Information Form and Management Information Circular.

13. The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including the payment of dividends, the issuance, purchase and redemption of securities, acquisitions and dispositions of material assets and material expenditures.

Risk Management

14. The Board is responsible for the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to effectively monitor and manage those risks with a view to the long-term viability of the Corporation and achieving a proper balance between the risks incurred and the potential return to the Corporation's shareholders.

Environmental Oversight

15. The Board is responsible for ensuring the implementation of appropriate environmental stewardship and health and safety management systems, which are sufficient within the terms and practices of the mining industry, to ensure compliance with applicable laws.

Policies and Procedures

16. The Board is responsible for:

- (a) approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated; and
- (b) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and in accordance with ethical and moral standards.

17. The Board shall enforce its policy respecting confidential treatment of the Corporation's proprietary information and the confidentiality of Board deliberations.

Communications and Reporting

18. The Board will review from time to time as circumstances warrant the Corporation's corporate disclosure procedures to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and the communities in which the business of the Corporation is conducted.

19. The Board is responsible for:

- (a) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
- (b) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
- (c) taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Corporation;
- (d) reporting annually to shareholders on its stewardship for the preceding year; and
- (e) overseeing the Corporation's implementation of systems to accommodate feedback from shareholders.

ADOPTED: May 4, 2012