

GITENNES EXPLORATION INC.

MANAGEMENT INFORMATION CIRCULAR

Solicitation of Proxies

THIS INFORMATION CIRCULAR (THE “CIRCULAR”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF GITENNES EXPLORATION INC. (THE “CORPORATION”) OF PROXIES TO BE USED AT THE ANNUAL MEETING (THE “MEETING”) OF SHAREHOLDERS OF THE CORPORATION TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ENCLOSED NOTICE OF MEETING. It is expected that the solicitation will be primarily by mail but proxies may also be solicited personally by regular employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are either officers or directors of the Corporation. **A shareholder desiring to appoint some other person to represent him at the Meeting may do so either by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy.** An instrument of proxy will only be valid if it is completed and delivered to the office of the registrar and transfer agent indicated on the enclosed envelope not later than 5:00 p.m. (Toronto time) on June 21, 2010 (excluding Saturdays and holidays) before the time of holding the Meeting.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the shareholder or by his attorney authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of such Meeting on the day of the Meeting, or adjournment thereof.

Voting of Proxies

Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy will be voted for each of the matters to be voted on by shareholders as described herein or withheld from voting or voted against if so indicated on the form of proxy. **The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, or other matters which may properly come before the Meeting.** At the time of printing this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

Voting By Non-Registered Shareholders

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares (as hereinafter defined) owned by a person (a “non-registered owner”) are registered either (a) in the name of an intermediary (an “Intermediary”) that the non-registered owner deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Circular and the

accompanying notice of Meeting together with the form of proxy (collectively, the “Meeting Materials”) (i) directly to non-registered owners who have advised their Intermediary that they do not object to the Intermediary providing their ownership information to issuers whose securities they beneficially own (“Non-Objecting Beneficial Owners” or “NOBOs”), and (ii) to the clearing agencies and Intermediaries for onward distribution to non-registered owners who have advised their Intermediary that they object to the Intermediary providing their ownership information (“Objecting Beneficial Owners” or “OBOs”).

Intermediaries are required to forward the Meeting Materials to Objecting Beneficial Owners unless an Objecting Beneficial Owner has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Objecting Beneficial Owners. Generally, Objecting Beneficial Owners who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the Objecting Beneficial Owner but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered owner when submitting the proxy. In this case, the Objecting Beneficial Owner who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or
- (b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the Objecting Beneficial Owner and returned to the Intermediary or its service company, will constitute voting instructions (often called a “Voting Instruction Form”) which the Intermediary must follow. Typically the non-registered owner will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered owner must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its services company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered owners to direct the voting of the Common Shares they beneficially own. Should a non-registered owner who receives either form of proxy wish to vote at the Meeting in person, the non-registered owner should strike out the persons named in the form of proxy and insert the non-registered owner’s name in the blank space provided. Non-registered owners should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

Distribution of Securityholder Materials to Non-Objecting Beneficial Owners

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 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.

Voting Securities and Principal Holders Thereof

The authorized capital of the Corporation consists of an unlimited number of common shares (“Common Shares”). As of May 19, 2010, the Corporation had 57,539,627 issued and outstanding Common Shares.

The Corporation shall make a list of all persons who are registered holders of Common Shares as of May 19, 2010 (the “Record Date”) and the number of Common Shares registered in the name of each person on that date. Each shareholder, or his duly appointed proxy, is entitled to one vote for each Common Share registered in his name as it appears on the list except to the extent that such shareholder has transferred any of his shares after the Record Date and the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he owns the shares and demands, not later than ten days before the Meeting, that his name be included in the list. In such case the transferee is entitled to vote his shares at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as of the date hereof, there is no person who beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to be voted at the Meeting.

Interest of Certain Persons 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 its last completed financial year or any associate of any such director or executive officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in the Circular.

MATTERS TO BE ACTED UPON

Election of Directors

At the Meeting, shareholders will be asked to elect five directors. The following table provides the names of the five persons (the “Nominees”) nominated by management for election as directors and information concerning them. The persons named in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director. Each director elected will hold office until his successor is elected at the next annual meeting of the Corporation, or until his successor is elected or appointed unless his office is earlier vacated in accordance with the by-laws of the Corporation.

Name & Municipality of Residence	Office	Director Since	Present Occupation if Different from Office Held	Shares Beneficially Owned or Over Which Control is Exercised⁽¹⁾
Jerry D. Blackwell Lions Bay, BC	President and Director	1993	Same	1,382,450
Lyle R. Hepburn Toronto, ON	Director and Secretary	1997	Partner, Beach, Hepburn LLP, a law firm	3,332,968
Edmund T. Kimura ⁽²⁾⁽³⁾ Vancouver, BC	Director	2000	Consulting Geologist	80,000
Kenneth D. Booth ⁽²⁾⁽³⁾ West Vancouver, BC	Director	2000	Financial Consultant	323,500
Victor A. Tanaka ⁽²⁾ North Vancouver, BC	Director	2005	COO, Executive Vice-President and Director of Bayswater Uranium Corporation	250,000

(1) The information as to shares beneficially owned or over which they exercise control or direction not being within the knowledge of the Corporation has been furnished by the respective nominees individually.

(2) Member of the Audit Committee.

(3) Member of the Compensation Committee

If any of the above Nominees is for any reason unavailable to serve as a director, proxies in favour of management will be voted for another nominee in their discretion unless the shareholder has specified in the proxy that his shares are to be withheld from voting in the election of directors.

Except as set out below, to the knowledge of the Corporation, no director of the Corporation is, or has been in the last 10 years, (a) a director, chief executive officer or chief financial officer of a company that (i) while that person was acting in that capacity, was the subject of a cease trade order or similar order (including a management cease trade order) or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, or (ii) after that person ceased to act in that capacity, was subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days which resulted from an event that occurred while that person acted in such capacity, or (b) a director or executive officer of a company 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) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Victor A. Tanaka

Petra Resource Corp., a reporting issuer in British Columbia, was suspended from trading by the CDNX Venture Exchange (now TSX Venture Exchange) on February 21, 2002 for failure to maintain transfer agent services. Victor A. Tanaka was a director of Petra Resource Corp. from September 29, 1997 to January 31, 2002.

Jerry D. Blackwell

Grange Gold Corporation, a reporting issuer in British Columbia, was subject to a cease trading order by the CDNX Venture Exchange (now TSX Venture Exchange) on June 3, 2003 for failure to file its annual financial statements. The cease trading order was subsequently rescinded on July 22, 2003, forty-nine days after the cease trade order was issued.

Appointment of Auditors

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of PricewaterhouseCoopers LLP, Chartered Accountants and its predecessors as auditors of the Corporation for the 2010 fiscal year and to authorize the directors to fix their remuneration. PricewaterhouseCoopers LLP and its predecessors have been the auditors of the Corporation since 2002.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Committee of the Corporation's Board of Directors (hereinafter referred to in this section as the "Committee") has responsibility for approving the compensation program for the Corporation's Named Executive Officers. The Committee acts pursuant to the Compensation Committee Charter that has been approved by the Board of Directors. Pursuant to the Charter, the purpose of the Committee is to assist the Board in (i) identifying potential nominees to the Board; (ii) assessing the effectiveness of the directors, the Board and the various committees of the Board and the composition of the Board and its committees; (iii) developing, reviewing and planning the Corporation's approach to corporate governance issues, including the public disclosure of the Corporation's corporate governance practices; (iv) discharging its responsibilities regarding compensation of the Corporation's executives and the members of the Board; (v) setting objectives for the President or officer who is fulfilling the President's duties and responsibilities and evaluating such officer's performance; (vi) monitoring the succession plan for the President and other senior management, and (vii) overseeing enforcement of and compliance with the Corporation's Code of Ethics and Business Conduct.

The objectives of the Corporation's compensation programs are done from the perspective of ownership. Employees (including executive officers) expect to benefit from the appreciation in the value of the Common Shares they hold in the Corporation.

Given the very low number of employees, the compensation practices are flexible, entrepreneurial and geared to meeting the requirements of the individual and hence securing the best possible talent to run the Corporation. During 2009 there were two key elements used to compensate the Named Executive Officers and employees, consisting of base salary and longer-term incentives in the form of stock options.

Base Salaries – The base salary for the President and Chief Financial Officer is based on competitive industry positioning, weighting of compensation elements and the relationship of compensation to performance by the President and Chief Financial Officer. The Committee conducts an annual review of the executive compensation of the President and Chief Financial Officer, including all corporate compensation and benefit plans including proposed salary ranges, bonuses, stock options, and any other forms of compensation. The Committee reviews annually all salaries, budgets, organization and manpower plans, and succession planning and review performance appraisals and overall compensation as recommended by the President for senior officers. Because of the Corporation's limited financial resources, executive salaries have been maintained at a level below the industry standard. Amounts are paid or accrued monthly.

Long-Term Incentives - Stock Options - The Corporation relies on the grant of stock options to align management's interest with shareholder value. Grant ranges had been established independently each time grants of stock options were made to provide competitive long-term incentive value, with significant recognition of contribution and potential of the individual. The options have a ten-year term and an exercise price equal to the closing price of the common shares on the Toronto Stock Exchange for the trading day preceding the time of grant.

Option-Based Awards

The grant of stock options to executive officers is determined by the Compensation Committee. Previous grants of options are taken in account when considering new grants. The Corporation has a stock option plan which places limits on the number of shares available for incentive stock options to all of its directors, officers and employees. The Corporation utilizes a guideline whereby directors annually receive roughly the same number of options each. Officers of the Corporation may or may not receive options greater than those provided to directors depending on length of service and their respective roles within the Corporation. The greatest number of options are set aside for the President, in keeping with the importance of this position and to ensure that the individual has competitive initiative to see the Corporation succeed. The Compensation Committee makes recommendations on the number of options to be issued to the directors and officers of the Corporation, and also suggests a pool of options which can be further distributed amongst employees and consultants, based on discussions with the President.

Summary Compensation Table

During the fiscal year ended December 31, 2008, the Corporation had two Named Executive Officers, as defined in Form 51-102F6 – Statement of Compensation (the "Form") of National Instrument 51-102 of the Canadian Securities Administrators, namely the President and Chief Financial Officer of the Corporation (the "Named Executive Officers"). The following table, presented in accordance with the Form, sets forth the compensation awarded, paid to or earned by the Named Executive Officers of the Corporation for the fiscal years ended December 31, 2009 and 2008.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Jerry D. Blackwell President & CEO	2009	60,000	Nil	Nil	Nil	Nil	Nil	0	60,000
	2008	129,916	Nil	73,348.64	Nil	Nil	Nil	0	203,264.64
Kerry Spong Chief Financial Officer	2009	30,000	Nil	Nil	Nil	Nil	Nil	0	30,000
	2008	30,000	Nil	22,845.94	Nil	Nil	Nil	0	52,845.94

(1) The value of the option-based awards has been estimated using the Black-Scholes Option-Pricing Model, using the input assumptions set forth in the annual audited financial statements. The Black-Scholes Option-Pricing Model was created for use in estimating the fair value of freely tradable, fully transferable options. The Corporation's employee stock options have characteristics significantly different from those of traded options, and because changes in the highly subjective input assumptions can materially affect the calculated values, management believes that the accepted Black-Scholes model does not necessarily provide a reliable measure of the fair value of the Corporation's stock option awards.

Incentive Plan Awards

The table below shows the number of stock options outstanding for each Named Executive Officer and their value at December 31, 2008 based on the last trade of the Common Shares on the Toronto Stock Exchange prior to the close of business on December 31, 2009 of \$0.07.

Outstanding Share-Based Awards and Option-Based Awards

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (\$)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$)	Number of Shares or Units of Shares that Have Not Vested (\$)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)
Jerry D. Blackwell	250,000	0.40	Dec. 3, 2011	Nil	Nil	N/A
	125,000	0.26	June 5, 2017	Nil		
	475,000	0.17	July 8, 2018	Nil		
Kerry Spong	100,000	0.47	April 1, 2010	Nil	Nil	N/A
	100,000	0.26	June 5, 2017	Nil		
	150,000	0.17	July 8, 2018	Nil		

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Jerry D. Blackwell	Nil	Nil	Nil
Kerry Spong	Nil	Nil	Nil

Pension Plan Benefits

The Corporation does not provide Defined Pension Plan Benefits to its Directors or Officers.

Termination and Change of Control Benefits

The Corporation does not have an employment contract in place with either of the Named Executive Officers. The Corporation does not have in place any compensatory plan or arrangement with any Named Executive Officer that would be triggered by the resignation, retirement or other termination of employment of such officer, from a change of control of the Corporation or a change in the executive officer's responsibilities following any such change of control.

Compensation of Directors

Director Compensation Table

The Corporation's policy with respect to directors' compensation was developed by the Committee. The following table sets forth the compensation awarded, paid to or earned by the directors of the Corporation during the most recently completed fiscal year ended December 31, 2009. Directors of the Corporation that are also officers or employees of the Corporation are not compensated for service on the Board of Directors; therefore no fees are payable to Jerry Blackwell for his service as a director of the Corporation.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Lyle R. Hepburn	Nil	Nil	Nil	Nil	Nil	0	Nil
Edmund T. Kimura	Nil	Nil	Nil	Nil	Nil	0	Nil
Kenneth D. Booth	Nil	Nil	Nil	Nil	Nil	0	Nil
Victor A. Tanaka	Nil	Nil	Nil	Nil	Nil	0	Nil

(1) The value of the option-based awards has been estimated using the Black-Scholes Option-Pricing Model, using the input assumptions set forth in the annual audited financial statements. The Black-Scholes Option-Pricing Model was created for use in estimating the fair value of freely tradable, fully transferable options. The Corporation's employee stock options have characteristics significantly different from those of traded options, and because changes in the highly subjective input assumptions can materially affect the calculated values, management believes that the accepted Black-Scholes model does not necessarily provide a reliable measure of the fair value of the Corporation's stock option awards.

Retainer and Meeting Fees

The directors are not compensated for their attendance at directors or shareholders meetings. No cash remuneration was paid during the financial year ended December 31, 2009 to directors in their capacity as directors, except for reimbursement of "out of pocket" expenses incurred in connection with attendance at such meetings.

During the fiscal year ended December 31, 2009, a law firm of which a director is a partner, provided legal services to the Corporation at the same rates charged by such firm to arm's length parties, in the aggregate amount of \$61,809.

Incentive Plan Awards

The table below shows the number of stock options outstanding for each Director and their value at December 31, 2008 based on the last trade of the Common Shares on the Toronto Stock Exchange prior to the close of business on December 31, 2009 of \$0.07.

Outstanding Share-Based Awards and Option-Based Awards

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (\$)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$)	Number of Shares or Units of Shares that Have Not Vested (\$)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)
Lyle R. Hepburn	150,000	0.40	Dec. 3, 2011	Nil	Nil	N/A
	125,000	0.26	June 5, 2017	Nil		
	225,000	0.17	July 8, 2018	Nil		
Edmund T. Kimura	100,000	0.46	April 1, 2010	Nil	Nil	N/A
	200,000	0.17	July 8, 2018	Nil		
Kenneth D. Booth	100,000	0.47	April 1, 2010	Nil	Nil	N/A
	200,000	0.17	July 8, 2018	Nil		
Victor A. Tanaka	200,000	0.47	March 18, 2015	Nil	Nil	N/A
	100,000	0.26	June 5, 2017	Nil		
	200,000	0.17	July 8, 2018	Nil		

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Lyle R. Hepburn	Nil	N/A	N/A
Edmund T. Kimura	Nil	N/A	N/A
Kenneth D. Booth	Nil	N/A	N/A
Victor A. Tanaka	Nil	N/A	N/A

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information as of December 31, 2008, concerning options outstanding pursuant to the Corporation’s existing stock option plan, which has been approved by the shareholders of the Corporation and which is the only compensation plan of the Corporation under which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under the stock option plan
Stock Option Plan	3,220,000	\$0.27	1,966,000

Indebtedness of Officers and Directors to the Corporation

No officer or director of the Corporation was indebted to the Corporation at any time during its last completed financial year.

Interest of Insiders in Material Transactions

Except as otherwise disclosed herein, no insider of the Corporation has any interest in material transactions involving the Corporation during the year ended December 31, 2009 or in any proposed transaction which has materially affected or would materially affect the Corporation.

Audit Committee Disclosure

The Corporation is required to have an audit committee. The following directors, all of whom are independent directors, are currently members of the Corporation's Audit Committee: Edmund T. Kimura (Chairman), Kenneth Booth and Victor A. Tanaka.

Additional information regarding the Corporation's Audit Committee, including additional information on its members and charter, is set out in Item 8 of the 2009 Annual Information Form of the Corporation which may be found on SEDAR at www.sedar.com.

Corporate Governance Disclosure

In accordance with National Instrument 58-101 – Disclosure of Corporate Governance Practices, information on the Corporation's corporate governance practices is set out in Schedule "A" of the Circular.

Additional Information

Copies of the Management Information Circular, the Annual Report which contains the comparative audited financial statements of the Corporation, any interim financial statements subsequent to those statements contained in the Annual Report and Management's Discussion and Analysis, and the Annual Information Form may be obtained from SEDAR at www.sedar.com or free of charge upon request from the President of the Corporation at 1055 West Hastings Street, Suite 2390, Vancouver, BC, V6E 2E9.

Board Approval

The contents and sending of this Circular have been approved by the directors of the Corporation.

DATED as of the 21st day of May, 2010.

(signed) Jerry D. Blackwell, President

**SCHEDULE A TO THE MANAGEMENT INFORMATION CIRCULAR
OF GITENNES EXPLORATION INC. DATED MAY 21, 2010**

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

The Board is currently comprised of five directors. Three of the proposed five directors are considered by the Board to be independent. A director is considered to be independent if the Board determines that the director has no direct or indirect material relationship with the Corporation. A material relationship is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. Jerry Blackwell and Lyle R. Hepburn are not independent directors. Mr. Blackwell is the President of the Corporation and Mr. Hepburn is the Secretary of the Corporation and a partner of a law firm, Beach, Hepburn LLP, which provides legal services to the Corporation. A majority of the directors of the Corporation are independent, namely Edmund Kimura, Kenneth Booth and Victor Tanaka.

Four of the proposed five directors are currently directors of other issuers that are reporting issuers in a Canadian jurisdiction. Lyle R. Hepburn is on the board of directors of North Atlantic Resources Ltd., Fronteer Development Group Inc. and First Nickel Inc.; Edmund Kimura is on the board of directors of Eastfield Resources Ltd. and Cariboo Rose Resources Ltd.; Kenneth Booth is on the board of Orsa Ventures Corp. and El Tigre Silver Corp.; Victor Tanaka is on the board of directors of Impact Silver Corp., Fjordland Exploration Inc., Bayswater Uranium Corp. and Serengeti Resources Inc.

The Corporation has not appointed a Chairman. The independent directors of the Board are encouraged by the President and Secretary to hold private sessions as such independent directors deem necessary in the circumstances. In the 2009 fiscal year, the independent directors did not deem it necessary to hold any such private sessions; however, informal discussions among the independent directors did take place from time to time.

The Board held four meetings during the period commencing January 1, 2009 and ending December 31, 2009. Jerry Blackwell, and Edmund Kimura attended all four meetings of the Board. Kenneth Booth, Lyle R. Hepburn and Victor A. Tanaka attended three meetings of the Board.

Board Mandate

On April 27, 2006, the Board adopted a "Board of Directors Mandate". The Board has the responsibility to manage or supervise the management of the business and affairs of the Corporation. It is the Board's primary responsibility to foster the long-term success of the Corporation and to build long-term value for the Corporation's shareholders, in a manner consistent with the Board's fiduciary duties.

To assist the Board in the implementation of its mandate, it delegates some of its responsibility to committees. The Board reviews and approves the structure, mandate and composition of its committees. It also receives and reviews periodic reports of the activities and findings of those committees.

The Board selects and appoints the Corporation's President and, through him, other officers and senior management to whom the Board delegates certain of its power of management. The Board approves strategy, sets targets, performance standards and policies to guide them; monitors and advises management; sets their compensation and, if necessary, replaces them.

Throughout the year, the Board reviews management's and the Corporation's performance against approved business plans and policies. The Board also reviews and approves specific proposals for all major capital expenditures, checking for consistency with budgets and strategic plans, and deals with a large number of individual issues and situations requiring decision by the Corporation, such as acquisitions, investments and divestitures.

The Board ensures that an appropriate risk assessment process is in place to identify, assess and manage the principal risks of the Corporation's business. Management reports regularly to the Board in relation to principal risks which potentially affect the Corporation's business activities.

The Board regularly reviews management succession plans and, where necessary, initiates and supervises searches for replacement candidates. It also sets objectives for, and reviews the performance of, the senior officers of the Corporation and approves their appointments and compensation.

The Board reviews and approves, for release to shareholders, quarterly and annual reports on the performance of the Corporation. It reviews material public communications and seeks to ensure that the Corporation communicates effectively with its shareholders and other stakeholders. The Board has procedures in place to ensure effective communication between the Corporation, its shareholders, respective investors and the public, including the dissemination of information on a regular and timely basis. The President has dedicated a portion of his time to communicate with shareholders and prospective investors. Through its officers, the Corporation responds to questions and provides information to individual shareholders, institutional investors, financial analysts and the media.

The Board ensures that mechanisms are in place to guide the organization in its activities. The Board reviews and approves a broad range of internal control and management systems, including expenditure approvals and financial controls. Management is required by the Board to comply with legal and regulatory requirements with respect to all of the Corporation's activities.

Position Descriptions

The Board has not appointed a Chairman to the Board due to the size of the Corporation. The President of the Corporation currently fulfills the roles of both the Chairman to the Board and that of the Chief Executive Officer. The Board has not developed a written position description for the President of the Corporation in connection with these roles.

The President is currently responsible for overseeing the Board processes, so as to ensure the Board operates efficiently and effectively in carrying out its duties and to act as a liaison between the Board and management. The President is responsible and accountable for pursuing the strategic goals of the Corporation which are considered and adopted by the Board. Management is required to seek the Board's approval for any major transaction. The Board would be required to give prior approval to any action that would lead to a material change in the nature of the business and affairs of the Corporation.

The Board has not developed written position descriptions for the Chairman of the Audit Committee or the Compensation Committee. The Board is responsible for appointing the chair of each committee and has developed an Audit Committee Charter and Compensation Committee Charter which details the responsibilities of each committee. The chairs of the Audit Committee and Compensation Committee are responsible for ensuring that the each committee functions in accordance with its charter.

Orientation and Continuing Education

New directors are provided with comprehensive information on the Corporation and its management and will be fully briefed by senior management on the corporate organization and key current issues. Visits to key operations may also be arranged for new directors.

Ongoing training and development of directors consists of similar components, including periodic updates of written corporate information and site visits. Individual directors may engage outside advisors with the authorization of the Board. The Board is responsible for overseeing and implementing continuing education programs to assist directors in maintaining the skill and knowledge necessary to meet their obligations as directors, to ensure that their knowledge and understanding of the Corporation's business remains current, and to ensure their knowledge of legal, regulatory and ethical responsibilities remains up to date.

Ethical Business Conduct

The Corporation is committed to conducting its business with the highest standards of business ethics and in accordance with applicable laws, rules and regulators. The Corporation adopted a written Code of Ethics and Business Conduct (the “Code”) on April 27, 2006 that applies to all directors, officers and employees of the Corporation and sets out specific policies to guide these individuals in the performance of their duties. The Code sets out in detail the core values and the principles by which the Corporation is governed and addresses topics such as: honest and ethical conduct; conflicts of interest; compliance with applicable laws, rules and regulations and Corporation policies and procedures; confidential information; public disclosures; and protection and proper use of company assets.

The management of the Corporation is committed to fostering and maintaining a culture of high ethical standards and compliance, and ensuring a work environment that encourages employees to raise concerns to the attention of management and promptly addressing any employee compliance concerns. The Corporation will maintain appropriate records evidencing compliance with the Code. It is ultimately the Board’s responsibility for monitoring compliance with the Code. The Board will review the Code periodically, review management’s monitoring of compliance with the Code, and if it were necessary, consult with members of the Corporation’s senior management team and Audit Committee, as appropriate, to resolve any reported violations of the Corporation’s Code. A copy of the Corporation’s Code has been filed on and is accessible through SEDAR at www.sedar.com.

Nomination of Directors

The Corporation has not established a nominating committee. The Board is currently responsible for proposing new candidates for Board nomination. The Board will select individuals with the desired background and qualifications, taking into account the needs of the Board at the time. A majority of the independent directors on the Board must approve such new candidates to encourage an objective nomination process.

Compensation

The Compensation Committee is composed of two independent directors, namely, Edmund T. Kimura and Kenneth Booth. The Charter of the Compensation Committee was adopted by the Committee on April 27, 2006. The Compensation Committee establishes and reviews the compensation policies of the Corporation. All future decisions relating to the President will be voted on by the Compensation Committee to ensure the committee follows an objective process for determining compensation. Decisions involving senior executive appointments, remuneration reviews and bonus allocations are recommended by the President, but must be approved by the Compensation Committee members.

On an annual basis, the Compensation Committee will approve and recommend to the Board the Corporation’s compensation policies generally, proposed salary ranges, bonuses, granting of stock options and any other forms of compensation. In reviewing such compensation policies and recommendations by the President, the Compensation Committee may consider the recruitment, development, promotion, retention and compensation of executives and other employees of the Corporation and any other factors that it deems appropriate. The Compensation Committee is also responsible for reviewing any amendments proposed amendments to the Corporation’s stock option plan or proposing any new plans involving compensation and benefits.

The Compensation Committee will review the adequacy and form of director compensation annually. The Committee shall periodically review such compensation, taking into consideration such factors as time commitment, compensation at comparable public corporations, and responsibilities, to ensure such compensation is reasonable, competitive, aligns the interests of directors with those of shareholders.

In addition, the Compensation Committee will approve and recommend to the Board all forms of compensation to be provided to the President and other key executive officers of the Corporation. In reviewing such compensation for recommendation, the Compensation Committee, among other things, evaluates executive officer achievement against corporate goals and objectives, the Corporation’s overall performance, shareholder returns, the value of similar incentive awards relative to such targets at comparable companies, awards given in

past years, and such other factors as the Compensation Committee deems appropriate and in the best interests of the Corporation.

In addition, the Compensation Committee will annually prepare a Report on Executive Compensation that will be disclosed in the annual management information circular prepared in connection with the Corporation's annual meeting of shareholders. For information regarding how the Board determines the compensation for the Corporation's directors and officers please see "Report on Executive Compensation" and "Compensation of Directors".

During fiscal year 2009 no compensation consultant or advisor was retained by the Corporation.

Assessments

The Board assesses its members and its committees with respect to effectiveness and contribution on an ongoing basis. This assessment process is informal. If an individual Board member is unable to contribute due to ability, lack of time or commitment, the individual would either resign or not be nominated for re-election.