

BLUE SKY URANIUM CORP.
(the "Company")
Suite 709 - 837 West Hastings Street
Vancouver, British Columbia V6C 3N6

INFORMATION CIRCULAR
(Containing information as at May 21, 2010)

SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF THE COMPANY FOR USE AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY (AND ANY ADJOURNMENT THEREOF) (THE "MEETING") TO BE HELD ON WEDNESDAY, JUNE 30, 2010 AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING.

THE CONTENTS AND THE SENDING OF THIS INFORMATION CIRCULAR HAVE BEEN APPROVED BY THE DIRECTORS OF THE COMPANY.

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the common shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

APPOINTMENT OF PROXY HOLDERS

The individuals named in the accompanying form of proxy are Directors and/or Officers of the Company. **A Shareholder entitled to vote at the Meeting, may wish to appoint some other person (who need not be a Shareholder) to represent him at the meeting other than the persons designated in the Proxy. You may do so by inserting the desired person's name in the blank space provided in the form of proxy or by completing another suitable form of proxy.**

VOTING BY PROXY HOLDER

The person you name in the proxy will vote or withhold from voting on any ballot the Common Shares represented in the proxy according to your instructions. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The proxy confers discretionary authority on the person named therein with respect to:

- (a) each matter or group of matters identified in the Proxy for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

REGISTERED SHAREHOLDERS

Only registered Shareholders or duly appointed proxy holders are permitted to vote at the Meeting. If you are a registered Shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. If you submit a Proxy, you must complete, date and sign the Proxy, and then return it to: Computershare Investor Services Inc., Attention: Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax at 1-866-249-7775, (the "Transfer Agent") not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or the Chairman of the Meeting prior to the commencement of the Meeting, or any adjournment thereof at which the Proxy is to be used.

BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders are beneficial shareholders whose Shares are not registered in their own names ("Beneficial Shareholders"). Only Registered Shareholders, or the persons they appoint as their proxies, as of the Record Date, are permitted to vote at the Meeting.

All references to Shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

If you are a Beneficial Shareholder, whose Shares are not registered in your name, your Shares are registered either:

- (a) in the name of an intermediary that you deal with in respect of your Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIAs, RESPs, TFSAs and similar plans; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited in Canada or Cede & Co. in the United States) of which the intermediary is a participant,

all of which are referred to as “**Intermediaries**” in this Information Circular. The directors and officers of the Company do not know for whose benefit the common shares registered in the name of The Canadian Depository for Securities Limited are held.

Shares held for Beneficial Shareholders by Intermediaries can only be voted at the Meeting upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Shares held for Beneficial Shareholders. **Therefore, if you are a Beneficial Shareholder, you should ensure that your voting instructions are communicated to the appropriate person well in advance of the Meeting.**

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). NOBOs can expect to receive a scanable Voting Instruction Form (VIF) from our Transfer Agent, Computershare Trust Company of Canada [or Computershare Investor Services Inc. as the case might be (“Computershare”)]. **These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile.** In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

In accordance with National Instrument 54-101, Communication with Beneficial Owners of Securities of a Reporting Issuer, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy to the clearing agencies and Intermediaries for onward distribution to Beneficial Shareholders. Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings unless the Beneficial Shareholders has waived the right to receive meeting materials.

Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the Intermediary, which is the Registered Shareholder, how to vote on behalf of the Beneficial Shareholder.

Should a Beneficial Shareholder receiving such a form wish to vote at the Meeting, the Beneficial Shareholder should strike out the names of the Management Proxy holders named in the form and insert the Beneficial Shareholder’s name in the blank provided and return the materials to the Intermediary as directed.

This Information Circular and related material is being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner and the Company 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 Company (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 instructions as specified in the request for voting instructions.**

REVOCABILITY OF PROXIES

A Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Shareholder or by his attorney authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered and records office of the Company, at 709 – 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6, at any time up to and including the last business day preceding the day of the Meeting, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

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

Other than as set forth in this Information Circular, no director or senior officer of the Company nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, 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 auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Issued and Outstanding: 63,482,063 Common shares without par value
Authorized Capital: Unlimited Common shares without par value

Only Shareholders of record at the close of business on May 21, 2010 (the "Record Date") for determination of persons entitled to receive notice of the Meeting, are entitled to vote at the Meeting and. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or who complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their shares voted at the Meeting.

Each Shareholder is entitled to one vote for each common share registered in his name on the list of Shareholders. The list is available for inspection during normal business hours at the office of the Transfer Agent and will be available at the Meeting.

To the knowledge of the directors and senior officers of the Company, the following person or company beneficially owns, directly or indirectly or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

Name of Shareholder	Number of Common Shares Beneficially Owned or Controlled	Percentage of Outstanding Common Shares
Kobex Minerals Inc. (formerly IMA Exploration Inc.)	8,333,333	13.14%
Lumina Capital Limited Partnership	9,545,455	15.03%

The directors and officers of the Company do not know for whose benefit the common shares registered in the name of CDS & Co. are held.

NUMBER OF DIRECTORS

At the meeting, the Shareholders will be asked to pass an ordinary resolution to set the number of directors at six.

ELECTION OF 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 named 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 his/her successor is elected or appointed, unless his/her office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia).

The following table and notes set out the names of management's nominees for election as a 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 he has been a director of the Company, and the number of shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Position and Province or State and Country of Residence ⁽¹⁾	Principal Occupation and if not at present an elected Director, Occupation during the past five years ⁽¹⁾	Director Since	No. of Shares beneficially held ⁽²⁾
SEAN HURD President, CEO and Director British Columbia, Canada	Vice President, Corporate Communications of IMA Exploration Inc. from June 2001 to September 2009, and Vice President, Corporate Communications for the Grosso Group since 2005.	Nov. 30, 2005	1,918,000

Name, Position and Province or State and Country of Residence ⁽¹⁾	Principal Occupation and if not at present an elected Director, Occupation during the past five years ⁽¹⁾	Director Since	No. of Shares beneficially held ⁽²⁾
RONALD MCMILLAN ⁽³⁾ Director British Columbia, Canada	Consulting Geologist. Dr. McMillan has 40 years of international experience in the mining industry with specialization in uranium exploration.	Nov. 28, 2006	422,500
GERALD CARLSON ⁽³⁾ Director British Columbia, Canada	President, CEO and director of Copper Ridge Explorations Inc. from 1999 to present; President and director of Enertopia Corp. (formerly Golden Aria Corp.) from March 2005 to present; director of Almaden Minerals Ltd. from July 1998 to present; Chairman and director of Kobex Minerals Inc. (formerly IMA Exploration Inc.) from February 1999 to December 2007; director of Panthera Exploration Inc. from November 2006 to present; director of Tarsis Capital Corp. from July 2007 to present; director of BonTerra Resources Inc. from July 2007 to October 2009; director of Taipan Resources Inc. from October 2009 to present; director of Fairmont Resources Inc. December 2009 to present; President of the Society of Economic Geologists Canada Foundation.	Apr. 6, 2009	200,000
David Horton ⁽³⁾ Director British Columbia, Canada	Senior Vice-President of Canaccord Financial Inc. from 1996 to present; director of Golden Arrow Resources Corporation from 2004 to present; director of Panthera Exploration Inc. from February 2010 to present; director of Golden Alliance Resources Corp. from January 2010 to present; and director of Eagle I Capital Corporation from October 2008 to present.	Nov. 25, 2009	13,500
Ron Netolitzky Director British Columbia, Canada	Chairman of Brett Resources Inc., Chairman of Golden Band Resources Inc. and President & CEO of Santoy Resources Ltd., as well a director of several other public companies.	Nov. 25, 2009	100,000
Bassam Moubarak Nominee British Columbia, Canada	Chartered Accountant. Chief Financial Officer of the Company since April, 2010; Chief Financial Officer of Golden Arrow Resources Corporation since May, 2010; Chief Financial Officer of Golden Alliance Resources Corp. since May, 2010; Chief Financial Officer of Panthera Exploration Inc. since May, 2010; Chief Financial Officer of Petaquilla Minerals Ltd. from February 2008 to December 2009, 2010; Senior Manager with Deloitte & Touche LLP from November 2004 to January 2008.	Nominee	Nil

- (1) The information as to the Province or State and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (3) Denotes member of Audit Committee.

CORPORATE CEASE TRADE ORDERS AND BANKRUPTCIES

To the knowledge of the Company, no proposed director is, or has, within the 10 years before the date of this Information Circular, been a director or executive office of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied relevant company access to any exemptions under securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officers, in the company being the subject of a cease trade or similar order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (c) within a year of that person ceasing to act in that capacity, became bankrupt, make a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company 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, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

In accordance with disclosure requirements, the Board of Directors of the Company has adopted the following corporate governance practices:

1. Stewardship of the Company

The goal of the Company is to create shareholder value through the development of its properties in South America.

The Board of Directors has responsibility for the stewardship of the Company, specifically to oversee the operation of the Company and supervise management.

The Board acts in accordance with the British Columbia *Business Corporations Act*, the Company's Articles of Incorporation and By-laws, the policies of the TSX Venture Exchange (TSX-V), and securities rules in the Province of British Columbia.

Every Board director is part of the process of establishing policies for the Company and its subsidiaries.

(a) **The Strategic Planning Process.** The Board participates in strategic planning by considering and, if deemed appropriate, adopting plans proposed and developed by management, with management having the primary responsibility for developing a strategic plan.

(b) **Principal Risks.** The Board considers the risks inherent in the mining industry and receives periodic assessments from management as to these risks and the Company's strategies to manage these risks.

(c) **Succession Planning.** The Board reviews the personnel needs of the Company from time to time, having particular regard to succession issues relating to senior management. The training and development of personnel is generally left to management. The Board appoints the President, Chief Executive Officer and Chairman, as well as the Audit Committee members and officers each year at its first meeting of Directors immediately following the Annual General Meeting.

(d) **Communications Policy.** The Board assesses from time to time how effectively the Company communicates with shareholders, and has a Corporate Disclosure and Insider Trading Policy. The Company meets or exceeds all requirements to disseminate material information in a timely manner based on the TSX-V policies. The Company keeps an electronic database for disseminating information, has provided interested parties with a toll free number, meets with brokers and portfolio managers and attends investment conferences in Canada and the U.S. The Company has a website with detailed information on its properties and corporate structure and offers parties an electronic means of communicating with the Company.

(e) **Integrity of Internal Control.** The Board, through the Audit Committee and in conjunction with its auditors, assesses the adequacy of the Company's internal control systems. This process is undertaken on an annual basis during preparation of the year end financial audit. The Audit Committee also reviews and assesses the financial statements on a quarterly basis and reviews annually the Corporate Disclosure and Insider Trading Policy.

2. Board Independence

The Board is presently set at four directors and consists of five directors. The board has approved the increase in the number of directors to six, which will become effective upon shareholder approval. Ron Netolitzky, Gerald Carlson, David Horton and Ron McMillan are "outside" and "unrelated" directors. Sean Hurd is "inside" and "related". If elected by the shareholders, Bassam Moubarak will also be "inside" and "related". Mr. Hurd is the

President and CEO of the Company; and, if elected, Mr. Moubarak is the Company's CFO. The entrepreneurial nature of the Company, and the current stage of the Company's development, make it appropriate for the Board to be composed of the proposed number and composition of directors, and the Board believes that when balanced against the attendant increase in cost to the Company and possible reduction in the efficiency with which decisions are made, it would not be warranted to significantly increase the size of the Board or change the Board's composition at this time, other than as proposed.

3. Individual Unrelated Directors

The Board currently consists of four unrelated and outside directors - Ron McMillan, David Horton, Gerald Carlson and Ron Netolitzky; one related director – Sean Hurd; and a nominee, Mr. Moubarak, will also be a related director if elected by the shareholders.

Mr. Horton has been a Senior Vice-President for Canaccord Financial Inc. since 1996. Mr. Horton is also a director of Panthera Exploration Inc., Golden Arrow Resources Corporation, Golden Alliance Resources Corp. and Eagle I Capital Corporation. Mr. Horton was appointed to the board on November 25, 2009.

Mr. Netolitzky was appointed to the board on November 25, 2009. He is Chairman of Brett Resources Inc. and Chairman of Golden Band Resources Inc., as well as a director of several other public companies. Mr. Netolitzky has Snip, Eskay Creek, and Brewery Creek gold mines to his credit, and he is one of a handful of Canadian explorationists acknowledged as a successful mine finder and developer. He was honoured with the Bill Dennis Prospector of the Year Award in 1990 by the Prospectors and Developers Association of Canada. More recently, Ron was a former Chairman and CEO of Viceroy Resources Corp. which he successfully completed a reorganization of the Corporation resulting in a Merger to form Quest Capital and share dividends to VOY shareholders of Viceroy Exploration shares and SpectrumGold Inc. Ron became Chairman of Viceroy Exploration with exploration success of Gualcaymayo project in Argentina resulting in the sale of that company to Yamana Gold.

Dr. Carlson was appointed as a director on April 6, 2009. He has been involved in mineral exploration and exploration company management for over 30 years. He is President and CEO of Copper Ridge Exploration, and a director of Almaden Minerals Ltd., Golden Aria Corp., Panthera Exploration Inc., Tarsis Capital Corp. and BonTerra Resources Inc. Dr. Carlson is the President of the Society of Economic Geologists Canada Foundation, a past President of AME BC (formerly the British Columbia and Yukon Chamber of Mines) and, in 2003, was awarded the CIM's J.C. Sproule Award in recognition of his contributions to mineral exploration in Canada's north.

Dr. McMillan was appointed as a director on November 28, 2006. He brings to the board of directors over 40 years of knowledge and international experience in uranium exploration. Dr. McMillan has been an exploration manager or consulting geologist with many well-known mining companies and has taught at the University of Western Ontario and the University of Victoria.

4. Related Inside Directors

Mr. Hurd was appointed a Director and President of the Company on November 30, 2005. He is also a Director of Grosso Group Management Ltd. Mr. Hurd has over a decade of experience in raising capital and marketing public junior exploration companies. His network of contacts with the financial community, industry analysts and the resource sector extends across North America, Asia and Europe.

Mr. Moubarak has been nominated a director of the Company by the board of directors, which appointment is subject to the approval of the shareholders, as well as the increase to the number of directors. Mr. Moubarak is a Chartered Accountant with expertise in corporate finance, corporate reporting, financial processes, financing and risk management. Mr. Moubarak is also Chief Financial Officer of Panthera Exploration Inc., Golden Arrow Resources Corporation, and Golden Alliance Resources Corp. Prior to joining the Company as CFO, Mr. Moubarak was Chief Financial Officer of Petaquilla Minerals Ltd. where he was instrumental in raising in excess of \$120 Million to develop and bring into production the Molejon Gold Mine. He also assisted in the sale of Petaquilla Copper Ltd to Inmet Mining Corporation. Mr. Moubarak previously held the position of Senior Manager with the public accounting firm of Deloitte & Touche LLP., where he led audits of public companies and oversaw SOX 404 implementations with specific emphasis on the mining industry. Mr. Moubarak has a B.A. in Economics from Simon Fraser University.

5. **Directorships**

Name of Director of the Company	Names of Other Reporting Issuers
Sean Hurd	Nil
Gerry Carlson	Copper Ridge Explorations Inc.
	Almaden Minerals Ltd.
	Enertopia Corp. (formerly Golden Aria Corp.)
	Panthera Exploration Inc.
	Tarsis Capital Corp.
	Taipan Resources Inc.
	Fairmont Resources Inc.
David Horton	Golden Arrow Resources Corporation
	Eagle I Capital Corporation
	Golden Alliance Resources Corp.
	Panthera Exploration Inc.
Ron McMillan	Troymet Exploration Corp.
Ron Netolitzky	American Bonanza Gold Corp.
	Aurcana Corporation
	Boss Power Corp.
	Brett Resources Inc.
	Copper Canyon Resources Ltd.
	Eagle Plains Resources Ltd.
	Golden Band Resources Inc.
	Pacific Iron Ore Corporation
	Skeena Resources Limited
	Solomon Resources Limited
	Strongbow Exploration Inc.
	Virginia Energy Resources Inc.
Bassam Moubarak (nominee)	Nil

6. **Nominating Committee**

The Board has not constituted a nominating committee to propose new nominees to the Board and for assessing directors' performance because the Company is too small to justify a formal process. However, the Board as a whole from time to time discusses potential candidates for the Board, particularly during the preparation of the annual shareholders' meeting information circular.

7. **Assessing the Board's Effectiveness**

The Board has not constituted a committee to assess the effectiveness of the Board as a whole or the contribution of individual directors; however, the Board as a whole has responsibility for ensuring the effective operation of the Board.

8. **Orientation and Education of Directors**

The Company does not have a formal process of orientation and education for new members of the Board. All Board members currently have considerable experience as members of the boards of officers of other public companies.

9. Effective Board Size

The Board has considered its size with a view to the impact of size upon its effectiveness and has concluded that the number of directors as proposed is appropriate for the Company given the complexity and current stage of development of the Company's business. The Board, as proposed, includes considerable experience in the mining industry as well as financial experience.

10. Compensation of Directors

Board members are not presently compensated in their capacity as a director although they are reimbursed for expenses incurred in connection with their service. Directors generally receive a grant of stock options upon their appointment, and throughout their term from time to time, as deemed appropriate.

11. The Audit Committee

The Audit Committee members are Gerald Carlson, David Horton and Ron McMillan. The Audit Committee meets each quarter to review the interim financials and meets one time, and more if necessary, to review the year end financials. The auditors of the Company report to the Audit Committee. The Audit Committee reviews the Company's annual consolidated financial statements and interim financial statements before the board approves them.

12. Approach to Corporate Governance

The Board of Directors has assumed the responsibility for developing the Company's approach to governance issues and responding to governance guidelines.

13. Position Descriptions

The Company has not formally developed position descriptions for the Board and the Chief Executive Officer; however, the Board is satisfied that senior management is fully aware of their responsibilities and those matters that are within their mandate.

14. Board Independence

The Board has functioned, and is of the view that it can continue to function, independently of management, as required. Mr. Sean Hurd, President and CEO, is a member of management as well as a director of the Company. Mr. Moubarak, a nominee for director, is the Company's CFO. In view of the size of the Company, management representation on the Board, and the nature of its business, it is essential that those having an intimate knowledge of the Company's operations be present during important Board discussions. Notwithstanding the foregoing, if the Board believed it was appropriate and meaningful, it would formalize a process whereby the Board could meet without management present at the meeting.

15. Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics. A copy of the Code and Policy can be found on the Company website at <http://www.blueskyuranium.com>.

The Board appoints a Compliance Officer who is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code of Business Conduct. The Compliance Officer has direct access to the Audit Committee and the Board and the Compliance Officer is required to report to the Board at least annually on compliance activity.

STATEMENT OF EXECUTIVE COMPENSATION

The Company is required, under applicable securities legislation in Canada, to disclose to its Shareholders details of compensation paid to its directors and officers. The following fairly reflects all material information regarding compensation paid by the Company to its directors and officers, which information has been disclosed to the Company's Shareholders in accordance with applicable Canadian law.

Executive Compensation

Compensation Discussion and Analysis

The Company's executive officers make recommendations to the board of directors regarding compensation policies and the compensation of senior officers. The Company does not have in place a Compensation or Nominating Committee. Recruitment and retention of senior executives are the key priorities of the compensation philosophy. The compensation of the senior executives comprises two components; namely, a base salary and the grant of stock options pursuant to the Company's stock option plan which is more particularly outlined below under the *Option-based Awards* section. These forms of compensation are chosen to attract, retain and motivate the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its stock. Each senior executive is employed for his or her skills to perform specific tasks and the base salary and number of options is fixed accordingly.

For the purpose of this Information Circular:

“**CEO**” of the Company means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“**CFO**” of the Company means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“**Named Executive Officers**” or “**NEO's**” means:

- (a) a CEO;
- (b) a CFO;
- (c) each of the Company's three most highly compensated executive officers, 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 and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*; or
- (d) any individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

The compensation of the NEOs and the Company's employees is reviewed, recommended and approved by the independent directors of the Company.

A senior executive may enter into an employment agreement with the Company or Grosso Group Management Ltd., with standard clauses covering salaries and termination and change of control provisions. The highlights of the employment agreements for the NEOs are outlined below under the section entitled “Management Contracts” and *Narrative Discussion* under the *Summary Compensation Table*.

Incentive Plan Awards

An “incentive plan” is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An “incentive plan award” means compensation awarded, earned paid, or payable under an incentive plan.

Option-based awards

In accordance with Policy 4.4 of the TSX Venture Exchange (the “Exchange”), the directors of the Company have adopted the Stock Option Plan, as approved by the shareholders, and to be ratified by the shareholders at the meeting (see “Particulars of Matters to be Acted Upon”).

Option-based Awards

The grant of option-based awards to the senior executives is determined by the recommendation of executive officers to the board of directors pursuant to the terms of the stock option plan referred to below. Previous grants of option-based awards are taken into account when considering new grants.

The options are always granted at market price. The valuation of the fair value of the options at the time of the grant is based on the Black Scholes model and includes the following assumptions: weighted average risk free rate, weighted average expected life, expected volatility and dividend yield.

A. Summary Compensation Table

Named Executive Officers mean the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”) of the Company, regardless of the amount of compensation of that individual and each of the Company’s three most highly compensated executive officers, other than the CEO and CFO, or three most highly compensated individuals acting in similar capacities, who were serving as executive officers, or in a similar capacity, at the end of the most recent financial year and whose compensation exceeds \$150,000, and such individuals who would be an NEO but for the fact that they were not serving as an executive officer or in a similar capacity at the end of that financial year.

During the Company’s last completed financial year ended December 31, 2009, the Company had two Named Executive Officers: Mr. Sean Hurd, President and CEO, and Mr. Michael Clark, acting CFO.

The following table (presented in accordance with Form 51-102F6 – Statement of Executive Compensation (“Form 51-102F6”) under National Instrument 51-102 – Continuous Disclosure Obligations) sets forth all annual, long term and other compensation for services in all capacities to the Company and its subsidiaries payable to the NEOs for the three financial years ended December 31, 2009, 2008, and 2007 (to the extent required by the Regulations) in respect of the Named Executive Officers:

Name and Principal Position	Year Ended December 31	Salary (\$)	Share-based Awards (\$)	Option-Based Awards (\$) ⁽¹¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans			
Sean Hurd President and CEO ⁽¹⁾⁽²⁾⁽³⁾ ⁽⁴⁾⁽⁹⁾	2009	122,243	Nil	16,404	Nil	Nil	Nil	Nil	138,647
	2008	61,257	Nil	Nil	Nil	Nil	Nil	Nil	61,257
	2007	56,151	Nil	Nil	Nil	Nil	Nil	Nil	56,151
Art Lang CFO ⁽⁵⁾⁽⁶⁾	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2008	39,726	Nil	Nil	Nil	Nil	Nil	Nil	39,725
	2007	16,074	Nil	25,000 ⁽⁶⁾	Nil	Nil	Nil	Nil	41,074
Michael Clark, acting CFO ⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	2009	21,960	Nil	5,468	Nil	Nil	Nil	Nil	27,428
	2008	18,842	Nil	Nil	Nil	Nil	Nil	Nil	18,842
	2007	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Mr. Hurd is also a director but does not receive any compensation in that capacity.
- (2) During the year 2009, Mr. Hurd’s total compensation from Grosso Group Management Ltd. (the “Grosso Group”) was \$122,243, of which \$nil was allocated to the Company as part of the Grosso Group fees for the year.
- (3) During the year 2008, Mr. Hurd’s total compensation from Grosso Group Management Ltd. (the “Grosso Group”) was \$120,000, of which \$61,257 was allocated to the Company as part of the Grosso Group fees for the year.
- (4) During the year 2007, Mr. Hurd’s total compensation from Grosso Group was \$101,635, of which \$56,151 was allocated to the Company as part of the Grosso Group fees for the year.
- (5) During the year 2008, Mr. Lang’s total compensation from Grosso Group was \$150,000, of which \$39,726 was allocated to the Company as part of the Grosso Group fees for the year. Mr. Lang resigned on September 3, 2008.
- (6) Mr. Lang’s option-based awards during 2007 consisted of 50,000 stock options granted June 1, 2007 at an exercise price of CDN\$1.00 and fair value of CDN\$0.50 per share.
- (7) During the year 2009, Mr. Clark’s total compensation from Grosso Group was \$113,143, of which \$21,960 was allocated to the Company as part of the Grosso Group fees.
- (8) Mr. Clark was appointed acting CFO on September 3, 2008. During the year 2008, Mr. Clark’s total compensation from Grosso Group was \$90,127, of which \$18,842 was allocated to the Company as part of the Grosso Group fees.

- (9) Mr. Hurd's option-based awards during 2009 consisted of 50,000 stock options granted May 6, 2009 at an exercise price of CDN\$0.15 and fair value of CDN\$0.092 per share; and 100,000 stock options granted July 6, 2009 at an exercise price of CDN\$0.15 and fair value of CDN\$0.101 per share.
- (10) Mr. Clark's option-based awards during 2009 consisted of 50,000 stock options granted July 6, 2009 at an exercise price of CDN\$0.15 and fair value of CDN\$0.101 per share; and 10,000 stock options granted December 9, 2009 at an exercise price of CDN\$0.65 and a fair value of CDN\$0.372 per share.
- (11) The valuation of the fair value of the options at the time of the grant is based on the Black Scholes model and includes the following assumptions; weighted average risk free rate, weighted average expected life, expected volatility and dividend yield.

Narrative Discussion

The Company does not have a share-based award plan other than the stock option plan referred to above. The Company also does not have a pension plan or a long term incentive plan.

Effective January 1, 2005, the Company engaged Grosso Group Management Ltd. (the "Grosso Group") to provide services and facilities to the Company. The Grosso Group is a private company which, during the year ended December 31, 2009, was owned by the Company and Golden Arrow Resources Corporation each of which owned one share. Subsequent to December 31, 2009, the structure of the Grosso Group changed and the Company has entered into a Management Services Agreement with the Grosso Group, which provides its member companies with administrative and management services. The Grosso Group staff is available to the member companies on a cost recovery basis without the expense of full time personnel. The member companies pay monthly fees to the Grosso Group. The fee is based upon a reasonable pro-rating of the Grosso Group's costs including its staff and overhead costs among each member company with regard to the mutually agreed average annual level of services provided to each member company. During fiscal 2009, the Company incurred fees of \$446,315 (2008 - \$619,085) to the Grosso Group. See "Management Contracts".

There are no termination provisions pursuant to the employment agreement between Mr. Hurd and the Grosso Group made as of January 14, 2005.

As of September 3, 2008, Mr. Clark provided executive services to the Company as an employee of the Grosso Group, pursuant to the employment agreement between Mr. Clark and the Grosso Group made as of October 2, 2007. During the year ended December 31, 2009, Mr. Clark's total compensation from the Grosso Group was \$113,143 (2008 - \$90,127) of which \$21,960 (2008 - \$18,842) was allocated to the Company as part of the Grosso Group fees. The termination provisions pursuant to the employment agreement between Mr. Clark and the Grosso Group follow those set out in the *Employment Standards Act*, British Columbia. Subsequent to December 31, 2009, Mr. Clark resigned as acting CFO of the Company and from the Grosso Group.

Pursuant to the Company's stock option plan, in the event that the Option Holder holds his or her Option as an Executive (as defined therein) and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:

- (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
- (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

Refer also to the *Compensation Discussion and Analysis* section above.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table sets out all stock option-based awards granted to the NEOs and outstanding at the end of the most recently completed financial year.

Name	Option-based Awards			Stock-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$ (1))	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Sean Hurd, CEO	300,000	\$0.10	Mar. 7, 2011	\$150,000	n/a	n/a
	50,000	\$0.15	May 6, 2014	\$22,500	n/a	n/a
	100,000	\$0.15	July 6, 2014	\$45,000	n/a	n/a
Michael Clark, acting CFO	50,000	\$0.15	May 6, 2014	\$22,500	n/a	n/a
	10,000	\$0.65	Dec, 9, 2014	\$nil	n/a	n/a

(1) the closing price of the Company's common shares on the TSX Venture Exchange on December 31, 2009 was \$0.60.

Incentive Plan Awards – value vested or earned during the year

All incentive stock options granted to NEOs during the year ended December 31, 2009 vested immediately upon granting.

During the year ended December 31, 2009, neither of the NEOs exercised nor sold options.

Narrative Discussion

As reported above under the *Summary Compensation Table*, the Company does not have a share-based award plan or a long term incentive plan. Information with respect to the grant of stock options is more particularly described above in the *Option-based Awards* and *Compensation Discussion and Analysis* sections.

Pension Plan Benefits

As reported under the *Summary Compensation Table*, the Company does not maintain a Pension Plan for its employees and therefore no benefits were received.

Termination of Employment or Change of Control

Other than as described in the *Narrative Discussion* section under the *Summary Compensation Table*, the Company has no plans or arrangements with respect to remuneration received or that may be received by the Named Executive Officers during the Company's most recently completed financial year or current financial year in view of compensating such officers in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control, where the value of such compensation exceeds \$150,000 per executive officer.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth all compensation provided to the directors for the year ended December 31, 2009.

The Company does not have a share-based award plan for the directors other than the stock option plan referred to above, details of which are provided below under *Outstanding Option-Based Awards, Share-Based Awards and Non-equity Incentive Plan Compensation*. The Company also does not have a pension plan or a non-equity incentive plan for its directors.

Other than as described above in the *Narrative Description* and reported in the table below, no directors, who were not NEO's of the Company were compensated during the financial year ended December 31, 2009 for services in their capacity as directors.

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards \$(6)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
Ron McMillan (1)	N/A	N/A	\$68,373	N/A	N/A	Nil	\$68,373
Gerald Carlson (2)	N/A	N/A	\$30,097	N/A	N/A	Nil	\$30,097
Ron Netolitzky (3)	N/A	N/A	\$76,552	N/A	N/A	Nil	\$76,552
David Horton (4)	N/A	N/A	\$38,700	N/A	N/A	Nil	\$38,700
Nikolaos Cacos (5)	Nil	N/A	\$30,097	N/A	N/A	Nil	\$30,097

- (1) *Dr. McMillan's option-based awards during 2009 consisted of: 200,000 stock options granted May 6, 2009 at an exercise price of \$0.15 and fair value of \$0.092 per share (\$19,562); 100,000 stock options granted July 6, 2009 at an exercise price of \$0.15 and fair value of \$0.101 per share (\$10,535); and 100,000 stock options granted December 9, 2009 at an exercise price of \$0.65 and fair value of \$0.372 per share (\$38,276).*
- (2) *Dr. Carlson's option-based awards during 2009 consisted of: 200,000 stock options granted May 6, 2009 at an exercise price of \$0.15 and fair value of \$0.92 per share (\$19,562); and 100,000 stock options granted July 6, 2009 at an exercise price of \$0.15 and fair value of \$0.101 per share (\$10,535).*
- (3) *Mr. Horton's option-based awards during 2009 consisted of: 200,000 stock options granted May 6, 2009 at an exercise price of \$0.15 and fair value of \$0.92 per share (\$19,562); and 50,000 stock options granted December 9, 2009 at an exercise price of \$0.65 and fair value of \$0.372 per share (\$19,138).*
- (4) *Mr. Netolitzky's option-based awards during 2009 consisted of 200,000 stock options granted December 9, 2009 at an exercise price of \$0.65 and fair value of \$0.372 per share (\$76,552).*
- (5) *Mr. Cacos' option-based awards during 2009 consisted of: 200,000 stock options granted May 6, 2009 at an exercise price of \$0.15 and fair value of \$0.092 per share (\$19,562); and 100,000 stock options granted July 6, 2009 at an exercise price of \$0.15 and fair value of \$0.101 per share (\$10,535). Mr. Cacos was a director of the Company until his resignation on November 25, 2009.*
- (6) *The valuation of the fair value of the options at the time of the grant is based on the Black Scholes model and includes the following assumptions; weighted average risk free rate, weighted average expected life, expected volatility and dividend yield.*

Narrative Description

Directors of the Company who are also NEOs are not compensated for their services in their capacity as directors, although directors of the Company are reimbursed for their expenses incurred in connection with their services as directors.

Mr. Hurd, a director and President and CEO of the Company does not receive directors' fees but receives compensation through a service agreement described below. See *Narrative Discussion* following the *Summary Compensation Table* in the Executive Compensation section above.

Dr. McMillan, a director of the Company, does not receive directors' fees but receives compensation through a geological consulting agreement, including travel expenses, provided by a private corporation owned by Dr. McMillan. See "*Management Contracts*" below.

Mr. Cacos, a director of the Company until November 25, 2009, did not receive director's fees. Mr. Cacos provides executive services as a consultant of the Grosso Group, pursuant to an agreement dated January 2, 2005. See "*Management Contracts*" below.

Dr. Carlson, a director of the Company, did not receive director's fees but receives compensation through a consulting agreement to provide management, exploration and geological services by a private corporation owned by Dr. Carlson. See "*Management Contracts*" below.

Information with respect to grants of options to the directors is reported below under the *Narrative Description* in the section below entitled *Outstanding Option-Based Awards, Share-Based Awards and Non-equity Incentive Plan Compensation*.

Other than as described above, no directors of the Company were compensated by the Company during the financial year ended December 31, 2009 for services as consultants or experts.

Option-Based Awards, Share-Based Awards and Non-equity Incentive Plan Compensation for Directors

As disclosed under the *Director Compensation Table*, the Company does not have a share-based award plan, a pension plan or a non-equity incentive plan for its directors.

Option-based awards to the directors are granted pursuant to the terms of the Company's stock option plan. The options are always granted at market price. The valuation of the fair value of the options at the time of the grant is based on the Black Scholes model and includes the following assumptions; weighted average risk free rate, weighted average expected life, expected volatility and dividend yield.

Directors generally receive a grant of stock options upon their appointment, and throughout their term from time to time, as deemed appropriate.

Outstanding Option-Based Awards and Share-Based Awards

The following table sets out all stock option-based awards granted to the directors who are not NEOs and outstanding at the end of the most recently completed financial year.

Name	Option-based Awards				Stock-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) (1)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Ron McMillan	200,000	\$0.15	May 6, 2014	\$90,000	n/a	n/a
	100,000	\$0.15	July 6, 2014	\$45,000	n/a	n/a
	100,000	\$0.65	Dec 9, 2014	\$nil	n/a	n/a
Gerald Carlson	200,000	\$0.15	May 6, 2014	\$90,000	n/a	n/a
	100,000	\$0.15	July 6, 2014	\$45,000	n/a	n/a
David Horton	200,000	\$0.15	May 6, 2014	\$90,000	n/a	n/a
	100,000	\$0.65	Dec 9, 2014	\$nil	n/a	n/a
Ron Netolitzky	200,000	\$0.65	Dec 9, 2014	\$nil	n/a	n/a
Nikolaos Cacos	300,000	\$0.10	Mar 7, 2011	\$150,000	n/a	n/a
	50,000	\$0.15	May 6, 2014	\$22,500	n/a	n/a
	100,000	\$0.15	July 6, 2014	\$45,000	n/a	n/a

(1) the closing price of the Company's common shares on the TSX Venture Exchange on December 31, 2009 was \$0.60

Incentive Plan Awards – value vested or earned during the year

All incentive stock options granted to directors who were not NEOs during the year ended December 31, 2009 vested immediately upon granting. During the year ended December 31, 2009, no director who was not an NEOs exercised or sold options.

Incentive Plan Awards

Narrative Discussion

As reported above under the *Summary Compensation Table*, the Company does not have a share-based award plan or a long term incentive plan. Options are granted at the closing market price on the date of the grant, or the day prior in the event options are granted prior to the close of the market, therefore there would be no gain.

Information with respect to the grant of stock options is more particularly described above in the *Option-based Awards and Compensation Discussion and Analysis* sections.

Pension Plan Benefits

As reported under the *Summary Compensation Table*, the Company does not maintain a Pension Plan for its directors and therefore no benefits were received.

Termination of Employment or Change of Control

Other than as described in the *Narrative Discussion* section under the *Directors Summary Compensation Table*, the Company has no plans or arrangements with respect to remuneration received or that may be received by the directors who are not NEOs during the Company's most recently completed financial year or current financial year in view of compensating such directors in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control, where the value of such compensation exceeds \$150,000 per executive director.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2009, information concerning securities authorized for issuance under the stock option plan, which is the only equity compensation plan of the Company.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	5,000,000	\$0.30	243,543
Equity compensation plans not approved by security holders ⁽¹⁾	N/A	N/A	N/A
Total	5,000,000	\$0.30	243,543

Long-Term Incentive and Deferred Compensation Plans

A "long-term incentive plan" is a plan providing compensation intended to motivate performance over a period greater than one financial year. As reported above under the *Summary Compensation Table* and *Incentive Plan Awards*, the Company currently has no long-term incentive plan intended to serve as incentive for performance to occur over a period longer than one year. Long-term incentive plans do not include stock options. The Company also does not have a deferred compensation plan.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS OF THE COMPANY

No director or senior officer of the Company, proposed management nominee for election as a director of the Company or each associate or affiliate of any such director, senior officer or proposed nominee is or has been indebted to the Company or any of its subsidiaries at any time during the Company's last completed financial year, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than transactions carried out in the normal course of business of the Company or any of its affiliates, none of the directors or senior officers of the Company, a proposed management nominee for election as a director of the Company, any Shareholder beneficially owning shares carrying more than 10% of the voting rights attached to the shares of the Company nor an associate or affiliate of any of the foregoing persons had since January 1, 2009 (the commencement of the Company's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected the Company or any of its subsidiaries or in any proposed transaction which has or would materially affect the Company or any of its subsidiaries.

APPOINTMENT OF AUDITORS

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of D & H GROUP LLP, Chartered Accountants, as auditors of the Company and to authorize the directors to fix their remuneration. D & H Group LLP have been the auditors since the Company's incorporation in 2005.

Management recommends shareholders to vote for the ratification of the appointment of D & H GROUP LLP, Chartered Accountants, as the Company's auditors for the Company's fiscal year ending December 31, 2010 at a remuneration to be fixed by the Company's board of directors.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 of the Canadian Securities Administrators requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

Composition of the Audit Committee

The Company's Audit Committee is comprised of three directors consisting of Mr. David Horton, Mr. John Gammon and Mr. Gerry Carlson. As defined in National Instrument 52-110, all members are "independent". All of the Audit Committee members are "financially literate", as defined in National Instrument 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The audit committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financing statements and will seek clarification from the Company's auditors, where required.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 (*Exemptions*) permits a company to apply to a securities regulatory authority for an exemption from the requirements of National Instrument 52-110 in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company. The Audit Committee Charter, adopted May 1, 2009, as amended May 28, 2010, is attached as Exhibit "A".

PRINCIPAL ACCOUNTANT FEES AND SERVICES

In the following, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the

foregoing categories. The aggregate fees billed by the Company's external auditor in the last two fiscal years, by category, are as follows:

Audit Fees

For the fiscal year ended December 31, 2009, the Company's principal accountant is expected to bill approximately \$49,000; and for the fiscal year ended December 31, 2008, the Company's principal accountant billed approximately \$39,800 for the audit of the Company's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

Audit Related

The Company's principal accountant billed \$Nil and \$Nil amounts for the fiscal years ended December 31, 2009 and 2008, respectively, for assurance, tax and related services that were reasonably related to the performance of the audit or review of the Company's financial statements outside of those fees disclosed above under "Audit Fees".

Tax Fees

The Company's principal accountant billed \$Nil and \$Nil for the fiscal years ended December 31, 2009 and 2008, respectively, for tax services performed.

Other Accounting Fees

The Company's principal accountant billed \$Nil and \$Nil for the fiscal years ended December 31, 2009 and 2008, respectively, for other accounting services performed.

Exemption

The Company is relying on the exemption provided by section 6.1 of National Instrument 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of National Instrument 52-110.

MANAGEMENT CONTRACTS

Grosso Group Management Ltd.

Pursuant to the terms of an Administration Services Agreement, the Company engaged Grosso Group Management Ltd. (the "Grosso Group") to provide services and facilities to the Company. The Board of Directors of the Company approved the Administration Services Agreement on or about May 6, 2005. The Administrative Services Agreement was amended on December 5, 2008 by adding additional terms to the termination section of the May 2005 agreement, and received approval of the Board of Directors effective December 5, 2008. During the financial year ended December 31, 2009, the Grosso Group invoiced the Company for a total of \$446,315 (2008 - \$619,085).

Subsequent to December 31, 2009, the structure of the Grosso Group changed and the Company entered into a Management Services Agreement with the Grosso Group, which will continue to provide its member companies with administrative and management services. The Grosso Group's areas of experience encompass financing, marketing, property acquisition, community relations, socioeconomic issues, regulatory compliance, government relations, and property exploration and investor relations. The Grosso Group staff is available to the member companies on a cost recovery basis without the expense of full time personnel.

The member companies pay monthly fees to the Grosso Group. Under the new agreement, the Company's initial monthly fee is \$60,000, and is reviewable under the terms of the agreement. The fee is based upon a reasonable pro-rating of the Grosso Group's costs including its staff and overhead costs among each member company with regard to the mutually agreed average annual level of services provided to each member company.

The Management Services Agreement may be terminated by the Grosso Group upon 30 days written notice to the Company, and terminated by the Company upon 90 days written notice to the Grosso Group. Upon termination by the Company, a termination fee is payable up to a maximum of \$750,000. In the event that the Company is required to pay an early termination fee, the maximum amount of the termination fee plus the amount of the early termination fee shall be \$1,000,000.

The board of directors approved the new Management Services Agreement on May 7, 2010, with effect as of April 1, 2010.

Mr. Sean Hurd is a director of the Grosso Group. Mr. Hurd is an officer and a director of the Company. Mr. Cacos was a director of the Company until November 25, 2009, and is also a director of the Grosso Group. Mr. Moubarak, a nominee director, is an officer of the Company and is also an officer of the Grosso Group.

Each of the member companies which have entered into the Grosso Group Management Services Agreement has its own separate board of directors (whose members may include persons employed by the Grosso Group); however, some directors will serve on multiple boards and on the board of directors of companies which are not members of the Grosso Group.

During the year ended December 31, 2009, a total of \$27,774 (2008 - \$20,561) was invoiced for consulting services provided by a private corporation owned by a Ron McMillan, director of the Company. The parties may terminate the agreement with thirty days notice to the other. In the event of the termination of the agreement Dr. McMillan agrees to refrain from locating mining claims or relating geological work within two kilometers of any projects of the Company for a period of one year from the date the agreement is terminated or expires.

On December 4, 2009, a private corporation owned by Dr. Carlson, a director of the Company, entered into a consulting agreement with the Grosso Group to provide management, exploration and geological services. The contract is effective for an initial one year term beginning January 15, 2010. Mr. Carlson may terminate the agreement with one months notice, and the Grosso Group may terminate by paying Dr. Carlson 12 months consulting fee in lieu of the one month notice.

On November 30, 2009 Kobex Minerals Inc. ("Kobex") terminated its services agreement with the Grosso Group. Upon termination Kobex paid a severance of \$500,000 to the Grosso Group. The Grosso Group allocated an expense recovery of \$170,000 to the Company.

FINANCIAL STATEMENTS

A copy of the audited consolidated financial statements of the Company for the financial year ended December 31, 2009, being the Company's most recently completed financial year, together with the auditors' report thereon, form part of the annual report of the Company. The directors will place before the Meeting the said audited consolidated financial statements and auditors' report.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Amendment of Articles of the Company

At present, the Articles of the Corporation provide that only a director of the Company is authorized to act as Chair of a meeting of the board of directors. Additionally, at present only a director of the company is authorized to call a meeting of the board of directors.

In both instances, it would be more convenient to both the members of the board of directors and management of the Company for management to coordinate and administer the meetings of the board, allowing members of the board to attend to the business purpose of the meetings instead of the administrative portion.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution in the form attached as Schedule "B" to this Information Circular, authorizing the following amendments to the Articles:

1. to allow a member of the board of directors to appoint an officer of the Company to act as Chair of a meeting of the board of directors, to take charge of and administer the meeting of the board, with the consent of the meeting; and
2. to allow an officer of the Company to call a meeting of the board of directors.

To be effective, these resolutions must be approved by not less than two-thirds of the votes cast by holders of the common shares of the Company present in person, or represented by proxy, at the Meeting.

Stock Option Plan - Annual ratification of the Stock Option Plan

At the Annual General Meetings of Shareholders held on May 23, 2007, the Shareholders first approved the Company's Stock Option Plan (the "Stock Option Plan") which provides for a total of up to ten percent (10%) of the issued and outstanding shares of the Company be available for issuance by the Stock Option Plan. The Shareholders have ratified the Stock Option Plan at each subsequent Shareholders' meeting.

The TSX Venture Exchange (“TSX-V”) requires all TSX-V listed companies who have adopted a stock option plan, to obtain Shareholder approval of the Stock Option Plan on an annual basis. Accordingly, the Company requests that the Shareholders approve the annual ratification resolution for the Company’s Stock Option Plan.

The rules of the Exchange require that the annual ratification of the Stock Option Plan be an affirmative vote of a majority of at least 50% of the votes cast at the Meeting either in person or by proxy. Shareholders will be asked at the Meeting to pass an ordinary resolution in the form set out below.

A full copy of the Stock Option Plan will be available at the Meeting. Shareholders may obtain an advance copy of the Stock Option Plan upon request to Blue Sky Uranium Corp., Suite 709, 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6, Attention: Corporate Secretary. Faxed requests should be sent to: (604) 687-1858.

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. The Stock Option Plan, in the form approved by the board of directors of Blue Sky Uranium Corp. on January 31, 2007, and approved by the Shareholders of to Blue Sky Uranium Corp. at the Annual General Meeting held on May 23, 2007, and each subsequent meeting of Shareholders thereafter, is hereby ratified, confirmed and approved;
2. the Company is authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan and up to the number of common shares of the Company equal to ten percent (10%) of the number of common shares of the Company issued and outstanding on the grant date of the options; and
3. the Board of Directors is authorized to make such amendments to the Stock Option Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in accordance with the terms of the Stock Option Plan.”

Management of Blue Sky Uranium Corp. recommends that Shareholders vote in favour of the foregoing resolutions, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolutions at the Meeting unless otherwise directed by the Shareholders appointing them.

ADDITIONAL INFORMATION

The audited financial statements of the Company for the year ended December 31, 2009 and the report of the auditor thereof will be placed before the Meeting. Unaudited quarterly financial statements and additional information relating to the Company’s activities may be found on SEDAR at www.sedar.com. To obtain a copy of the most recent financial statements and MD & A, Shareholders may contact the Corporate Secretary, at the Company’s address.

OTHER MATTERS

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this circular.

The contents of this Information Circular and its distribution to Shareholders have been approved by the board of directors of the Company.

APPROVAL OF THE BOARD OF DIRECTORS

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

DATED at Vancouver, British Columbia, as of May 28, 2010.

**ON BEHALF OF THE BOARD OF
BLUE SKY URANIUM CORP.**

“Sean Hurd”

Chief Executive Officer, President and Director

BLUE SKY URANIUM CORP.
(the "Company")

AUDIT COMMITTEE CHARTER

A. PURPOSE

The overall purpose of the Audit Committee (the "Committee") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the "Board"), the majority of whom shall not be officers, employees or control persons of the Company or its associates or affiliates (as the terms "control person", "associate" and "affiliate" are defined in the TSX Venture Exchange's Corporate Finance Manual).
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board has appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
4. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
5. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
6. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually, or more frequently as circumstances dictate, at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
7. The external auditors shall communicate directly to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

C. ROLES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:
 - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and interim consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.

2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
 - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - i) the contents of their report;
 - ii) the scope and quality of the audit work performed;
 - iii) the adequacy of the Company's financial and auditing personnel;
 - iv) the co-operation received from the Company's personnel during the audit;
 - v) the internal resources used;
 - vi) any significant transactions outside of the normal business of the Company;
 - vii) any significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - viii) any non-audit services provided by the external auditors;
 - (e) to pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditors; provided that:
 - i) the Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that such independent members must report such pre-approval to the Committee at the first scheduled meeting of the Committee following such pre-approval; and
 - ii) the Committee shall have satisfied the requirement for pre-approval in paragraph 2(e) if:
 - (1) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five percent of the total amount of fees paid by the Company and its subsidiary entities to the external auditors during the fiscal year in which the services are provided;
 - (2) the Company or its subsidiary entity, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (3) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or one of its members to whom pre-approval authority has been granted pursuant to subparagraph 2(e)i);
 - (f) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles;
 - (g) to implement structures and procedures to ensure that the Committee meets with the external auditors on a regular basis in the absence of management; and
 - (h) to review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditor of the Company.
3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
 - (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
 - (b) review and approve the internal audit plan; and
 - (c) review significant internal audit findings and recommendations, and management's response thereto.
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
 - (a) establish adequate procedures for:
 - i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal

- accounting controls or auditing matters; and
 - ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
 - (b) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (c) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (d) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (e) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
5. The Committee is also charged with the responsibility to:
- (a) review the Company's annual and interim financial statements and related Management's Discussion & Analysis ("MD&A") and earnings press releases, including the impact of unusual items and changes in accounting principles and estimates, and any press releases related to the foregoing, and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - i) the annual report to shareholders;
 - ii) the annual information form;
 - iii) prospectuses;
 - iv) news releases discussing financial results of the Company; and
 - v) other public reports of a financial nature requiring approval by the Board;and report to the Board with respect thereto, or alternatively establish adequate procedures for the review of the financial sections of such disclosure documents and periodically assess the adequacy of such procedures;
 - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Company's consolidated financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements; and
 - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information.

(Adopted by the Board of Directors on May 1, 2009; amended May 28, 2010)

Special Resolution to Approve the Amendment of Articles

RESOLVED AS A SPECIAL RESOLUTION, WITH OR WITHOUT AMENDMENT OR VARIATION, THAT:

1. The Company shall, in accordance with section 259 of the *British Columbia Business Corporations Act* (the "BCBCA"), amend its articles:

- (i) at section 18.3 to authorize the directors to choose an officer of the Company to preside as chair at a meeting of directors; and
- (ii) at section 18.5 to authorize a director or an officer to call a meeting of directors;

2. The directors of the Company may, pursuant to section 139 of the BCBCA, revoke this special resolution before it is acted upon without further approval of the shareholders; and

4. Any director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to execute or cause to be executed under seal of the Company or otherwise and to deliver or cause to be delivered such other documents and instruments and to do or cause to be done such other acts and things as may in the opinion of such director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution.