

INFORMATION CIRCULAR

(Containing information as at October 16, 2006, unless indicated otherwise)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of **EASTERN PLATINUM LIMITED** (the “Company”) to the shareholders of the Company (the “Shareholders”) for use at the Annual General Meeting of Shareholders of the Company (and any adjournment thereof) to be held on November 22, 2006 (the “Meeting”), at the time and place and for the purposes set forth in the accompanying Notice of Meeting.

“Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees or proxy agent, if any, of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

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

APPOINTMENT OF PROXYHOLDER

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Company. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. 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 persons named therein with respect to:

- (a) each matter or group of matters identified therein 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

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to a toll free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) using the internet through the website of the Company's transfer agent at www.computershare.com/ca/proxy. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares).

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

If you are a Beneficial Shareholder:

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communication Services (“ADP”) in the United States and in Canada. ADP mails a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to ADP by mail or facsimile or given to ADP by phone or over the internet, in accordance with ADP’s instructions. ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from ADP, you cannot use it to vote Common Shares directly at the Meeting - the voting instruction form must be completed and returned to ADP, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Common Shares.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare Investor Services Inc. or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the Registered Shareholder’s Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares without par value, each carrying the right to one vote. As at the date hereof there are 516,228,821 Common Shares without par value

Only Shareholders of record at the close of business on October 16, 2006 (the "Record Date") who either personally attend the Meeting or who have completed and delivered a Form of Proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, there are no persons or corporations that beneficially own, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at October 10, 2006.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder, or as a representative of one or more corporate Shareholders, or who is holding a proxy on behalf of a Shareholder who is not present at the Meeting, will have one vote (no matter how many shares he holds). On a poll, every Shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate Shareholders will have one vote for each common share registered in the name of the shareholder on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting.

An Annual Information Form dated September 28, 2006 referred to herein as filed with the securities commissions or similar regulatory authority in British Columbia, Alberta and Ontario is specifically incorporated by reference into, and forms an integral part of, this information circular.

Copies of documents incorporated herein by reference may be obtained by a Shareholder upon request without charge from the Corporate Secretary of the Company at Suite 408, 837 West Hastings Street, Vancouver, BC, V6C 3N6; telephone 604-685-6851. These documents are also available through the Internet on SEDAR, which can be accessed at www.sedar.com.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The size of the Board of Directors is currently determined at six. The Board of Directors proposes that the number of directors remain at six.

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 the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or in accordance with the provisions of the *Business Corporations Act* (British Columbia).

In the following table and notes thereto is stated the name of each person proposed to be nominated by management for election as a director, the country in which he or she is ordinarily resident, all offices of the Company now held by him or her, his or her principal occupation, the period of time for which he or she has been a director of the Company, and the number of common shares of the Company beneficially owned by him or her, directly or indirectly, or over which he or she exercises control or direction, as at the date hereof.

Name, Position Held and Municipality and Country of Residence ⁽¹⁾	Present principal occupation, business or employment ⁽¹⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
IAN ROZIER ⁽⁹⁾ President, Chief Executive Officer and Director West Vancouver, B.C. Canada	President and Chief Executive Officer of the Company	September 5, 2003 ⁽¹⁰⁾	725,000 ⁽²⁾
DAVID COHEN ⁽⁷⁾⁽⁸⁾⁽⁹⁾ Chairman, Director West Vancouver, B.C. Canada	President and Chief Executive Officer of Northern Orion Resources Inc.	September 29, 2003 ⁽¹⁰⁾	1,300,000 ⁽³⁾
GORDON KEEP ⁽⁷⁾⁽⁸⁾ Director Vancouver, B.C. Canada	Managing Director – Corporate Finance of Endeavour Financial	November 5, 2003 ⁽¹¹⁾	230,000 ⁽⁴⁾
JEFFREY AHBE ⁽⁸⁾ Director Greenwood Village, Colorado USA	President, Ahbe Capital Investment Group	April 28, 2006	Nil ⁽⁵⁾
JOHN HAWKRIGG ⁽⁷⁾ Director Etobicoke, Ontario Canada	Managing Partner, HKMB International Insurance Brokers	April 28, 2006	Nil ⁽⁶⁾
J. MERFYN ROBERTS Director Woking, Surrey, United Kingdom	Investment Manager, New City Investment Managers Limited in London	Nominee	Nil

Notes:

(1) The information as to the municipality of residence, principal occupation and number of Common Shares held, not being within the knowledge of the Company, has been furnished by the respective directors individually.

- (2) Mr. Rozier holds options for the right to purchase up to (a) 275,000 common shares at the exercise price of \$0.56 per share until November 5, 2008; (b) 925,000 common shares at the exercise price of \$1.70 per share until May 28, 2007; and (c) 3,800,000 common shares at the exercise price of \$1.70 per share until May 24, 2011.
- (3) Mr. Cohen holds options for the right to purchase up to (a) 275,000 common shares at the exercise price of \$0.56 per share until November 5, 2008; (b) 925,000 common shares at the exercise price of \$1.70 per share until May 28, 2007; and (c) 1,800,000 common shares at the exercise price of \$1.70 per share until May 24, 2011.
- (4) Mr. Keep holds an option to purchase 125,000 common shares at the exercise price of \$1.00 per share until August 26, 2008; and (b) 275,000 common shares at the exercise price of \$1.70 until May 24, 2011. Mr. Keep also holds warrants to purchase 31,250 common shares exercisable at the price of \$2.00 per share until April 25, 2008.
- (5) Mr. Abbe holds options to purchase 250,000 Common Shares at an exercise price of \$1.70 expiring on May 24, 2011.
- (6) Mr. Hawkrigg holds options to purchase 250,000 Common Shares at an exercise price of \$1.70 expiring on May 24, 2011.
- (7) Member of Audit Committee.
- (8) Member of Compensation Committee.
- (9) Member of Executive Committee.
- (10) Messrs. Rozier and Cohen were directors of Elgin Resources Inc. which amalgamated with Jonpol Explorations Limited to form Eastern Platinum Limited effective April 25, 2005. The date specified is the date that each became a director before the effective date of the Amalgamation.
- (11) Mr. Keep was a director of Jonpol Explorations Limited which amalgamated with Elgin Resources Inc. to form Eastern Platinum Limited effective April 25, 2005. The date specified is the date that each became a director before the effective date of the Amalgamation.

AUDIT COMMITTEE

The Company has an audit committee charter. For the text of the audit committee charter please refer to Schedule A of the Company's Annual Information Form dated September 28, 2006 which was filed on SEDAR at www.sedar.com on September 28, 2006.

All members of the audit committee are financially literate. See "Audit Committee" in the Company's Annual Information Form for the year ended June 30, 2006, and filed on SEDAR on September 28, 2006 for more information concerning the audit committee and its members.

Management of the Company strongly encourages Shareholders to review the Annual Information Form for the year ended June 30, 2006.

STATEMENT OF EXECUTIVE COMPENSATION

Summary Compensation Table

For the most recently completed financial year ended June 30, 2006 in respect of the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and for each of the Company's three most highly compensated executive officers as at June 30, 2006 (other than the CEO and CFO), whose total salary and bonus exceeds Cdn. \$150,000, if any, and any other additional individuals for whom disclosure would have been provided but for the fact that the individual was no longer an executive officer as at June 30, 2006 (the "Named Executive Officers" or "NEO"), the annual and long-term compensation and bonus is set out below. (**Note: Dollar amounts are in Canadian currency**). Please note that the table below includes information for the financial year ended June 30, 2006 and June 30, 2005 and not for the prior year 2004 due to the fact that the Company was newly formed pursuant to an Amalgamation effective April 25, 2005 (the "Amalgamation").

Summary Compensation Table

NAMED EXECUTIVE OFFICERS Name and Principal Position	Year	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options Granted (#)	Shares or Units Subject to Resale Restrictions (\$)	LTIP Payouts (\$)	
Ian Rozier ⁽¹⁾ President and Chief Executive Officer	2006 2005	\$285,000 \$228,000 ⁽²⁾	165,000 Nil	Nil Nil	5,000,000 Nil	Nil Nil	Nil Nil	Nil \$500,000US ⁽²⁾⁽³⁾
Allen Palmiere ⁽⁴⁾ Former Chief Executive Officer	2006	\$60,667	165,000	Nil	5,000,000	Nil	Nil	\$27,083.35 ⁽⁵⁾
Barbara Dunfield ⁽⁶⁾ Chief Financial Officer	2006 2005	\$150,000 \$102,000 ⁽⁷⁾	90,000 Nil	Nil Nil	800,000 Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

- (1) Ian Rozier was appointed the President and Chief Executive Officer of Elgin Resources Inc. on January 9, 2004 and resigned as Chief Executive Officer of the Company on April 28, 2006. Mr. Rozier was re-appointed as Chief Executive Officer of the Company on September 7, 2006. He continues to serve as the President of the Company.
- (2) These amounts were paid to Buccaneer Management Inc., a private British Columbia company controlled by Ian Rozier.
- (3) US \$500,000 was paid as a “success fee” in connection with the acquisition between Elgin Resources Inc. and Jonpol Explorations Limited which formed the Company.
- (4) Allen Palmiere was appointed as Chief Executive Officer on April 28, 2006 and resigned as Chief Executive Officer on September 7, 2006. In connection with his resignation, Mr. Palmiere received a severance payment of \$400,000.
- (5) Represents payment of a “success fee” in connection with the Company’s relisting on AIM.
- (6) Barbara Dunfield was appointed the Chief Financial Officer and Corporate Secretary of Elgin Resources Inc. on May 26, 2004 and continues to serve as the Chief Financial Officer and Corporate Secretary of the Company.
- (7) Of the \$102,000, \$18,000 was paid to Barbara Dunfield and \$84,000 was paid to Tabo Investments Ltd., a private British Columbia company controlled by Barbara Dunfield.

Long Term Incentive Plan

A long term incentive plan (“LTIP”) is any plan providing compensation intended to motivate performance over a period greater than one financial year. A LTIP does not include option or stock appreciation rights plans or plans for compensation through shares or units that are subject to restrictions on resale. The Company did not have a LTIP during the recently completed fiscal year ended June 30, 2006.

Stock Appreciation Rights

A stock appreciation right (“SAR”) is a right granted by an issuer or any of its subsidiaries as compensation for employment services or office to receive cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the issuer’s shares. No SARs were granted to or exercised by the Named Executive Officers during the recently completed fiscal year ended June 30, 2006.

Stock Options

The Company has in place a stock option plan dated for reference March 31, 2005. The Stock Option Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Stock Option Plan is administered by the directors of the Company. The Stock Option Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date not later than ten years after the date of grant of such option.

The share options granted to the Named Executive Officers during the financial year ended June 30, 2006 were as follows:

NAMED EXECUTIVE OFFICERS Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Ian Rozier	3,800,000	28.51%	\$1.70	\$1.45	May 24, 2011
Allen Palmiere	5,000,000	37.51%	\$1.70	\$1.45	May 24, 2011
Barbara Dunfield	375,000	2.81%	\$1.70	\$1.45	May 24, 2011

The share options exercised by the Named Executive Officers during the financial year ended June 30, 2006 and the values of such options at the end of such year were as follows:

NAMED EXECUTIVE OFFICERS Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at FY-End (#) Exercisable/ Unexercisable	Value of Unexercised in-the-Money Options at FY-End (\$) Exercisable/ Unexercisable
Ian Rozier	Nil	N/A	5,000,000/Nil	\$217,250
Allen Palmiere	Nil	N/A	5,000,000/Nil	Not in the money
Barbara Dunfield	Nil	N/A	800,000/Nil	\$59,250

Note:

- (1) Value of unexercised in the money options calculated using the closing price of the Common Shares of the Company on the TSX Exchange on June 30, 2006 of \$1.35 less the exercise price of any in-the-money options.

Defined Benefit or Actuarial Plan Disclosure

The Company does not provide retirement benefits for Directors and executive officers.

Termination of Employment, Change in Responsibilities and Employment Contracts

Ian Rozier

Pursuant to a management agreement dated effective January 1, 2006, as amended July 14, 2006, Buccaneer Management Inc., a private British Columbia company controlled by Ian Rozier, is paid a fee of \$27,500 per month, which increased to \$33,333 per month effective July 1, 2006 for Mr. Rozier's capacity as acting as President. The agreement is stated to continue until December 31, 2006, subject to termination provisions of the Company giving not less than 30 days' notice in writing at any time. The term of the agreement may be extended by mutual agreement between the parties. In addition, pursuant to a further agreement dated effective January 1, 2006, Buccaneer Management Inc. is granted the right to terminate the Management Agreement within 24 months of a "Change of Control" by giving at least 30 days' written notice. However, if notice is given pursuant to this Change of Control Agreement the Management Agreement will terminate on the date given in the notice and Buccaneer shall be entitled to a

payment from the Company of \$660,000 plus an additional bonus payment based upon each of the two previous year's bonus payments within five business days of Buccaneer giving such notice. In addition, on such termination, any restrictions on purchasing common shares contained in options granted to Buccaneer shall be waived. For the purposes of the Change of Control Agreement, "Change of Control" includes: where a person or combination of persons has the rights to 20% or more of the voting rights attaching to the shares; a consolidation, merger or amalgamation where all outstanding shares which had voting rights were changed in any way or acquired for shares of any other person, other than transactions approved by a majority of directors holding office as at January 1, 2006, a change in the majority of the board of directors, or the majority of the board of directors resign.

Barbara Dunfield

Pursuant to a management agreement dated effective January 1, 2006, as amended July 14, 2006, Tabo Investments Ltd., a private British Columbia company controlled by Barbara Dunfield, is paid a fee of \$15,000 per month, which increased to \$20,000 per month effective July 1, 2006 for Ms. Dunfield's capacity as acting as Chief Financial Officer. The agreement continues without limit in time, subject to termination by either the Company giving not less than 6 months' notice or Tabo giving not less than 30 days' notice in writing at any time.

Composition of the Compensation Committee

The Compensation Committee of the Board of Directors of the Company was appointed on May 30, 2005, and is composed of three directors, Messrs Keep ("Chairman"), Cohen and Ahbe. None of the committee members are or were during the most recently completed financial year, an executive officer or employee of the Company or any of its subsidiaries.

Report on Executive Compensation

This report has been prepared by the Board of Directors. The Company's executive compensation is set by the Board of Directors and is based upon a review and recommendation of the Compensation Committee. The level of responsibility and importance of the position to the Company, as well as past performance and the stage of development of the Company determine executive compensation

Base Salaries

Base salaries for the Company's Chief Executive Officer and President were reviewed by the Compensation Committee and is competitive with the base salaries paid by companies of a comparable size and with operations at approximately the same stage of development in the mining industry. Compensation as a whole for the Named Executive Officers consists of a base salary, reasonable out-of-pocket expenses and a longer-term incentive in the form of stock options. The Board of Directors approved the agreements for the Company's executives. The compensation package for the President and Chief Executive Officer places emphasis upon the performance of the Company. While base salary is determined by reference to market conditions, stock options provide the opportunity to align the compensation of the Company's management with the Company's performance and reward executives for their long-term commitment and contribution to the Company.

Stock Options

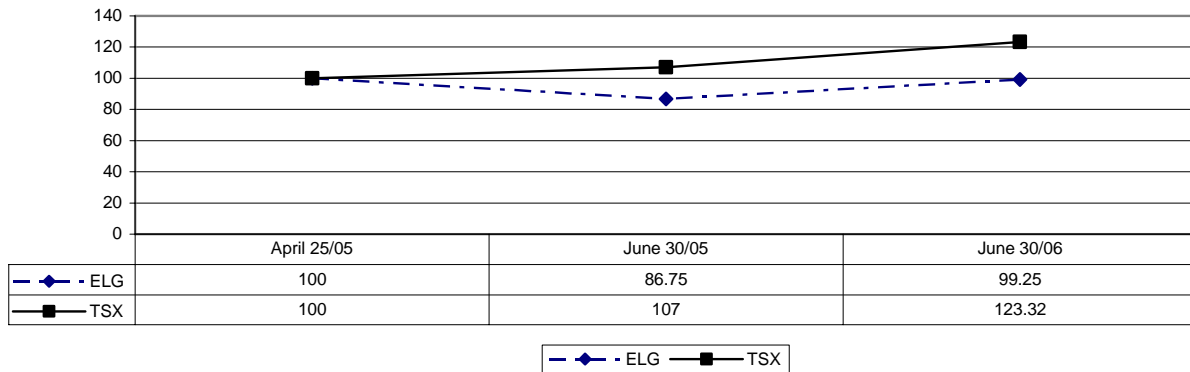
The Company grants stock options in accordance with the policies of the TSX Exchange. The granting of stock options by the Board is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term as well enabling the Company to attract and retain

individuals with the necessary experience and ability and to reward individuals for current performance and expected future performance. The Compensation Committee reviews management's recommendations for grants and makes its recommendation to the Board for final determination. Individual option grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of the position to the Company.

The number of stock options that may be granted by the Company is limited by the rules and policies of the governing regulatory bodies and exchanges. Current outstanding stock options have between one to five year terms and are exercisable at a minimum price equal to the market price of the Company's shares on the date of grant, less applicable discounts as provided by the policies of the TSX Exchange and determined in accordance with policies of the TSX. Options granted to a holder of stock options must be a director, officer or employee (including consultants) of the Company, a subsidiary or an affiliate in order to be granted and exercise stock options.

PERFORMANCE GRAPH

The following graph compares the total cumulative return to a Shareholder who invested \$100 in Common Shares of the Company on April 25, 2005 (date of amalgamation with Jonpol Explorations Limited to form Eastern Platinum Limited) with the total cumulative return of the TSX Exchange to the date of the most recent year end of the Company.



Compensation of Directors

The Company's directors are compensated for services by the grant of stock options under the Stock Option Plan and pursuant to non-executive contracts. Directors are reimbursed for individual travel and other ancillary expenses incurred in connection with attending board and committee meetings.

The following directors received options in their capacity as a director during the financial year ended June 30, 2006:

Name of Director	Securities Under Options Granted (#)	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant ⁽¹⁾ (\$/Security)	Expiration Date
Ian Rozier	3,800,000	\$1.70	\$1.45	May 24, 2011
Allen Palmiere	5,000,000	\$1.70	\$1.45	May 24, 2011
David Cohen	1,800,000	\$1.70	\$1.45	May 24, 2011
Gordon Keep	275,000	\$1.70	\$1.45	May 24, 2011
Jeffrey Ahbe	250,000	\$1.70	\$1.45	May 24, 2011
John Hawkrigg	250,000	\$1.70	\$1.45	May 24, 2011

Note:

(1) Market value is based on the closing price of the Company's Common Shares on the TSX Exchange on May 24, 2006 (date of grant) of \$1.45 per Common Share.

Bonuses were received by the following directors during the year ended June 30, 2006 for services rendered to the Company:

David Cohen	-	\$300,000
Allen Palmiere	-	\$165,000
Ian Rozier	-	\$165,000

Non-Executive Contracts – Directors

David Cohen – Mr. Cohen has a letter of appointment dated June 1, 2005 which provides for him to act as a ‘Non-Executive Director’ of the Company for a fee of \$60,000 per annum. The appointment began on April 25, 2005 and will continue for an initial one year term. On the expiration of this period the appointment is dependent upon being elected at the next annual general meeting of Shareholders. The appointment will automatically terminate if he is removed from office by a resolution of the Shareholders, not re-elected or if the office is vacated due to inter alia his becoming prohibited by law from acting as a director.

Gordon Keep – Mr. Keep has a letter of appointment dated June 1, 2005 which provides for him to act as ‘Non- Executive Director’ of the Company for a fee of \$40,000 per annum. The appointment began on April 25, 2005 and will continue for an initial one year term. On the expiration of this period the appointment is dependent upon being elected at the next annual general meeting of Shareholders. The appointment will automatically terminate if he is removed from office by a resolution of the Shareholders, not re-elected or if the office is vacated due to inter alia his becoming prohibited by law from acting as a director.

Jeffrey Ahbe, Mr. Ahbe was appointed as Director on April 28, 2006 and has a letter of appointment dated July 10, 2006 which provides for him to act as ‘Non- Executive Director’ of the Company for a fee of \$40,000 per annum. The appointment began on April 28, 2006 and will continue for an initial one year term. On the expiration of this period the appointment is dependent upon being elected at the next annual general meeting of Shareholders. The appointment will automatically terminate if he is removed from office by a resolution of the Shareholders, not re-elected or if the office is vacated due to inter alia his becoming prohibited by law from acting as a director.

John Richard Hawkrigg, Mr. Hawkigg was appointed as Director on April 28, 2006 and has a letter of appointment dated July 10, 2006 which provides for him to act as “Non- Executive Director” of the Company for a fee of \$40,000 per annum. The appointment began on April 28, 2006 and will continue for an initial one year term. On the expiration of this period the appointment is dependent upon being elected at the next annual general meeting of Shareholders. The appointment will automatically terminate if he is removed from office by a resolution of the Shareholders, not re-elected or if the office is vacated due to inter alia his becoming prohibited by law from acting as a director.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

Plan Category	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))
Equity compensation plans approved by security holders	17,180,000	\$1.70	34,442,880
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	17,180,000	\$1.70	34,442,880

Details of the Company’s Stock Option Plan are set out in the notes to its audited financial statements which may be accessed at the Company’s web site or www.sedar.com.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

At any time during the Company's last completed financial year, no director, executive officer 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, executive or senior officer or proposed nominee is or has been indebted to the Company or any of its subsidiaries or is and has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

None of the directors or any proposed management nominee for election as a director of the Company is, or during the ten years preceding the date of this Information Circular has been, a director or officer of any company that, while the person was acting in that capacity:

- (a) was the subject of a cease trade order 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

- (b) was subject to an event that resulted, after the director or proposed management nominee ceased to be a director or officer of the relevant company in the relevant company being the subject of a cease trade order 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 the director or proposed management nominee ceasing to be a director or officer of the relevant company, 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.

PERSONAL BANKRUPTCIES

During the ten years preceding the date of this Information Circular, no director or proposed management nominee for election as a director of the Company has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

CORPORATE GOVERNANCE

General

The board of directors (the “Board”) of the Corporation believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the “CSA”) have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented National Instrument 58-101F1 - *Corporate Governance Disclosure*, which prescribes certain disclosure by the Corporation of its corporate governance practices. This section sets out the Corporation’s approach to corporate governance and addresses the Corporation’s compliance with National Instrument 58-101F1.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The independent members of the Board of Directors of the Company are David Cohen, Gordon Keep, John Hawkrigg and Jeffrey Ahbe.

The non-independent director is Ian Rozier (President and Chief Executive Officer of the Company).

A majority of the Board is independent, and one director is an officer of the Company.

The following directors are presently directors of the following reporting issuers in Canada or a foreign jurisdiction:

Director	Other Issuers
IAN ROZIER	Newport Explorations Ltd., Sennen Resources Ltd., and Barplats Investments Ltd.
DAVID COHEN	Northern Orion Resources Inc., Spur Ventures Inc., Newport Explorations Ltd. and Transeuro Energy Corp.
GORDON KEEP	Peregrine Diamonds Ltd., KPS Ventures Ltd and Uracon Resources Ltd.; Imperial Plastech Inc.; Resource Equity Ltd.
JEFFREY AHBE	not applicable
JOHN HAWKRIGG	NexgenRX Inc.
J. MERFYN ROBERTS (Proposed Director)	Toledo Mining plc, Central China Goldfields plc, Rambler Metals and Mining plc, Emerald Energy plc, Ocean Resources Capital Holdings plc, Arian Silver plc, European Minerals Corp. and Sanatana Diamond Corp.

Our independent directors do hold meetings at which non-independent directors and members of management are not in attendance. Our board encourages independent board members to discuss all matters with both other independent directors and non-independent directors and management in order that they are fully informed and appraised of all matters necessary to make objective decisions as directors.

The chairman of our board of directors is independent. Our independent directors have not appointed a lead director of our independent directors.

The attendance record of directors is as follows:

Attendance Record of Directors Since July 1, 2005		
Name	Board Meetings Attended	% of Board Meetings Attended
David Cohen	5	100%
Ian Rozier	5	100%
Gordon Keep	5	100%
John Hawkrigg	1	50% ⁽¹⁾
Jeffrey Ahbe	2	100% ⁽¹⁾

Note:

(1) Calculated from the date of appointment as director. A total of two meetings have taken place since their appointment as directors.

Board Mandate

The Board is empowered by governing corporate law, the Company's Articles and the Corporate Governance Policy to manage, or supervise the management of, the affairs and business of the Corporation. The Board has adopted a formal written mandate that provides that the Board of Directors of the Company has overall responsibility for the stewardship of the Company.

Long-term strategies with respect to the Company's operations are developed by senior management of the Company are considered and, if appropriate, adopted by the Board. The strategies are reviewed and updated as required.

The Board has the responsibility to identify the principal risks of the Company's business and has committed, with management, to establish and maintain systems and procedures to ensure that these risks are monitored. These systems and procedures include the effective management of the Company's assets and financial resources, and ensuring compliance with all regulatory obligations.

The Board is responsible for the supervision of senior management to ensure that the operations of the Company are conducted in accordance with objectives set by the Board. All appointments of senior management are approved by the Board. As part of the Company's planning process, succession planning for senior management positions is reviewed and discussed.

The Company's communications system ensures that all material issues relating to the Company are adequately communicated to shareholders and other stakeholders. The system includes provision of annual and quarterly reports and press releases.

The Company, through its audit committee, reviews compliance of financial reporting with accounting principles and appropriate internal controls. The audit committee meets quarterly with the Company's external auditors.

Position Descriptions

The Board of Directors has not developed written position on the descriptions for the chair of each committee or the Chief Executive Officer.

Orientation and Continuing Education

The Board has not developed a formal orientation policy for new directors. We have an informal orientation program which involves new directors meeting with senior management to discuss the business of the Company, board policies and historical and current operating and financial information, and touring our head office.

In order to ensure that our directors maintain the skill and knowledge necessary to meet their obligations as directors, we encourage our directors to take director education and training courses offered by post-secondary institutions. We reimburse our directors for the expense of these training courses.

Ethical Business Conduct

The Company has adopted a Code of Conduct that governs the behaviour of its directors, officers and employees. The Chair of the Audit Committee is responsible for monitoring compliance with the Code of Conduct. A copy of the Code of Conduct may be obtained from SEDAR at www.sedar.com.

The Board has in place a number of procedures designed to ensure that directors exercise independent judgement in a matter where a director or officer has a material interest. A relevant director must declare his or her interest in a material transaction and refrain from voting on the relevant transaction.

Nomination of Directors

The Board does not have a nominating committee. At this time the Board is satisfied with the composition and effectiveness of the Board of Directors, each of its committees and the senior executives of the Company.

Compensation of Directors and Officers

The Compensation Committee reviews and makes recommendations to the Board regarding the appointment of executive officers and the establishment of, and any material changes to, executive compensation programs, including the compensation of the Chief Executive Officer. The Compensation Committee also reviews the establishment of corporate milestones, reviews the Chief Executive Officer's goals and objectives and will provide an appraisal of the Chief Executive Officer's performance for the most recently completed year. The Committee approves and reports to the Board on management succession plans. It is also responsible for overseeing the Corporation's employee compensation and benefits plans once the essential terms have been agreed to by the Board.

The Board has no other committees other than the audit committee, the compensation committee and the executive committee.

See the Company's Annual Information Form for the year ended June 30, 2006 and filed on SEDAR for more information concerning the audit committee and its members.

The Compensation Committee is comprised of Messrs. Keep (Chairman), Cohen and Ahbe, three outside directors all of whom unrelated. The overall purpose of the Compensation Committee is to make recommendations to the Board for human resources and compensation policies and to implement and oversee same if the Board approves the recommendations for the Company.

1. The members of the executive committee are Messrs. Cohen and Rozier. The functions of the Executive Committee are to exercise all of the directors' powers with the exception of:

- (a) those powers previously delegated to the Audit Committee;
- (b) those power previously delegated to the Compensation Committee;
- (c) the power to fill vacancies in the board of directors;
- (d) the power to remove a director; and
- (e) the power to change the membership of, or fill vacancies in, any committee of the directors.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

At this time the Board is satisfied with the composition and effectiveness of the Board of Directors, each of its committees and the senior executives of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person of the Company, nor 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 July 1, 2005 (being the commencement of the Company's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

APPOINTMENT OF AUDITOR

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the reappointment of Deloitte & Touche LLP, of 2800, 1055 Dunsmuir Street, Vancouver, BC, as auditor to the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, no person who has been a director or senior officer of the Company at any time since the beginning of the last financial year, 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.

ADDITIONAL INFORMATION

The audited financial statements of the Company for the year ended June 30, 2006, related management discussion and analysis and the report of the auditor thereof will be placed before the Meeting.

Additional information relating to the Company is included in the Company's Annual Report for the year ended June 30, 2006 and the accompanying auditor's report and management's discussion and analysis. Copies of the Annual Report and the relevant portion of any documents incorporated by reference in the Annual Report, and copies of the Company's most current annual information form, interim financial statements and management's discussion and analysis, as well as additional copies of this proxy circular, may be obtained from SEDAR at www.sedar.com and upon request from the Company's Corporate Secretary at Suite 408, 837 West Hastings Street, Vancouver, BC, V6C 3N6; telephone 604-685-6851 or fax: 604-685-6493.

ANY OTHER MATTERS

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

AVAILABILITY OF DISCLOSURE DOCUMENTS

The Company will provide to any person or company, upon request to its Corporate Secretary in writing to the head office of the Company, a copy of:

- (a) the latest annual information form, together with a copy of any document, or pertinent pages of any documents, incorporated therein by reference;
- (b) the latest Admission Document, together with a copy of any document, or pertinent pages of any document, incorporated therein by reference;
- (c) its comparative financial statements for the year ended June 30, 2006, together with the related management discussion and analysis and the report of its auditors thereon, contained in its annual report and any interim financial statements filed subsequent thereto; and
- (d) its Information Circular for its most recent Annual Meeting of Shareholders.

The Company may charge a reasonable fee for providing a copy of the foregoing documents to a person who is not a security holder of the Company.

BY ORDER OF THE BOARD
BARBARA E. DUNFIELD
Chief Financial Officer