

**SILVER MOUNTAIN MINES INC.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF  
VOTING SECURITYHOLDERS**

**TO BE HELD ON  
July 29<sup>th</sup>, 2011**

**MANAGEMENT INFORMATION CIRCULAR  
AND  
PROXY STATEMENT**

June 20, 2011

**SILVER MOUNTAIN MINES INC.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
July 29th, 2011**

**TO THE VOTING SECURITYHOLDERS:**

**NOTICE IS HEREBY GIVEN THAT** the Annual General and Special Meeting of Voting Securityholders (the "Meeting") of SILVER MOUNTAIN MINES INC. (the "Corporation") will be held at the Xchange Conference Centre, 2nd floor, 639 - 5<sup>th</sup> Avenue SW Calgary, Alberta, on July 29<sup>th</sup>, 2011 at the hour of 10:00 a.m. (Mountain Daylight Time) for the following purposes, namely:

1. to receive and consider the financial statements of the Corporation as at and for the year ended December 31<sup>st</sup>, 2010
2. to fix the size of the board of directors at four (4) members;
3. to elect the directors of the Corporation for the ensuing year; and
4. to approve the 2011 Stock Option plan of the Corporation.

Particulars of the matters referred to above are set forth in the accompanying Management Information Circular and Proxy Statement (the "Circular").

Only Voting Securityholders (being the holders of Class "A" common voting shares (the "Common Shares") and special warrants (the "Special Warrants") of the Corporation ("Voting Securityholders")) of record at the close of business on June 20<sup>th</sup>, 2011 will be entitled to receive notice of, and to vote at, the Meeting or any adjournments thereof, provided that, to the extent that: (i) a Voting Securityholder has transferred the ownership of any Voting Securities subsequent to such record date; and (ii) the transferee of those Voting Securities produces properly endorsed share certificates, or otherwise establishes that he or she owns the Voting Securities and demands, not later than ten days before the Meeting, that his or her name be included on the voting Securityholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Voting Securities at the Meeting.

Voting Securityholders who are unable to attend the Meeting in person are requested to date, sign and return the enclosed form of proxy, or other appropriate form of proxy, by mail or fax in accordance with the instructions set forth in the Circular. A proxy will not be valid unless it is deposited at the offices of Olympia Trust Company 2300, 125 – 9<sup>th</sup> Avenue SE, Calgary, AB, T2G 0P6 (Attention: Proxy Department) or by email: [proxy@olympiatrust.com](mailto:proxy@olympiatrust.com) or by fax: 403-265-1455 at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the day of the Meeting, or any adjournment(s) thereof. A proxyholder need not be a Voting Securityholder.

**DATED** at Calgary, Alberta, this 20<sup>th</sup> day of June, 2011.

**By Order of the Board of Directors**

“Signed”  
Steve Konopelky  
President, CEO and Director

## SILVER MOUNTAIN MINES INC.

**Annual General and Special Meeting of Voting Securityholders to be held on July 29<sup>th</sup>, 2011**

### MANAGEMENT PROXY CIRCULAR

(Unless otherwise stated, information contained herein is given as of June 20<sup>th</sup>, 2011)

### INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

#### *Solicitation of Proxies*

This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of SILVER MOUNTAIN MINES INC. (the "Corporation") for use at the Annual General and Special Meeting of the holders (the "Voting Securityholders") of Class "A" common voting shares ("Common Shares") and special warrants ("Special Warrants") of the Corporation to be held at the Xchange Conference Centre, 2nd floor, 639 - 5<sup>th</sup> Avenue SW, Calgary, Alberta, on July 29<sup>th</sup>, 2011 commencing at 10:00 a.m. (Calgary time) (the "Meeting"), for the purposes set forth in the Notice of Annual General and Special Meeting (the "Notice") accompanying this Management Proxy Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation.

#### *Appointment of Proxyholders*

Accompanying this Management Proxy Circular is an instrument of proxy for use at the Meeting. Voting Securityholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Voting Securityholders must be mailed so as to reach or be deposited at the offices of Olympia Trust Company 2300, 125 – 9<sup>th</sup> Avenue SE, Calgary, AB, T2G 0P6 (Attention: Proxy Department) or by email: [proxy@olympiatrust.com](mailto:proxy@olympiatrust.com) or by fax: 403-265-1455 at least 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof.**

The persons designated in the instrument of proxy are officers and/or directors of the Corporation. **A Voting Securityholder has the right to appoint a person (who need not be a Voting Securityholder) other than the persons designated in the accompanying instrument of proxy, to attend at and represent the Voting Securityholder at the Meeting.** To exercise this right, a Voting Securityholder should insert the name of the designated representative in the blank space provided on the instrument of proxy and strike out the names of management's nominees. Alternatively, a Voting Securityholder may complete another appropriate instrument of proxy.

#### *Signing of Proxy*

The instrument of proxy must be signed by the Voting Securityholder or the Voting Securityholder's duly appointed attorney authorized in writing or, if the Voting Securityholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Voting Securityholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

#### *Revocability of Proxies*

A Voting Securityholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by instrument in writing executed by the Voting Securityholder or by his or her duly authorized attorney or, if the Voting Securityholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournments thereof, at which the instrument of proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, an instrument of proxy

may be revoked: (i) by the Voting Securityholder personally attending the Meeting and voting the securities represented thereby or, if the Voting Securityholder is a corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

#### *Voting of Proxies and Exercise of Discretion by Proxyholders*

All Common Shares or Special Warrants represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares or Special Warrants represented by the instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares or Special Warrants in respect of which they are appointed in accordance with the direction of the Voting Securityholder appointing him or her on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares or Special Warrants will be voted "FOR" the proposed resolutions at the Meetings. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Management Proxy Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON**

Except as disclosed in this Management Proxy Circular, none of the directors or senior officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted on, other than the election of directors.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

##### *Voting of Voting Securities – General*

The record date for the determination of Voting Securityholders entitled to receive notice of and to vote at the Meeting is June 20, 2011 (the "Record Date"). Only Voting Securityholders whose names are entered in the Corporation's register of Voting Securityholders at the close of business on that date and holders of Voting Securities issued by the Corporation after such date and prior to the Meeting will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent that: (i) a registered Voting Securityholder has transferred the ownership of any Voting Securities subsequent to the Record Date; and (ii) the transferee of those Voting Securities produces properly endorsed share certificates, or otherwise establishes that he or she owns the Voting Securities and demands, not later than ten days before the Meeting, that his or her name be included on the Voting Securityholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Voting Securities at the Meeting.

The Corporation is authorized to issue an unlimited number of Class "A" Common Shares without par value. On the Record Date, of the Corporation's authorized Common Shares, 20,257,065 Common Shares were issued and outstanding as fully paid and non-assessable. 14,863,533 Special Warrants were also issued and outstanding.

##### *Voting of Voting Securities – Advice to Non-Registered Holders*

Only registered holders of Common Shares or Special Warrants ("Voting Securities"), or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Voting Securities beneficially owned by a holder (a "Non-Registered Holder") are registered in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Voting Securities. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered

RRSPs, RRIFs, RESPs and similar plans. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should contact the Intermediary that the Non-Registered Holder deals with in respect of the shares to obtain an Instrument of Proxy. **Non-Registered Holders should carefully follow the instructions of their Intermediaries and the Instrument of Proxy.**

Only registered Voting Securityholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set above.

*Principal Holders of Voting Securities*

To the knowledge of the directors and senior officers of the Corporation, as at the date hereof, no single voting Securityholder beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the votes attached to the Voting Securities of the Corporation.

**STATEMENT OF EXECUTIVE COMPENSATION**

*Summary Compensation Table*

Executive Compensation is required to be disclosed for each Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year) and each of the three most highly compensated executive officers (other than the Chief Executive Officer and the Chief Financial Officer) who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeded \$150,000 (the "Named Executive Officers"). The following table sets forth information concerning the total compensation paid, during each of the last two financial years (as applicable), to the Named Executive Officers.

Name and Principal Position	Year Ended December 31	Annual Compensation			Long-term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Options/SARs <sup>(5)</sup> Granted (#)	Shares or Units Subject to Resale Restrictions (#)	LTIP Payouts <sup>(6)</sup> (\$)	
Mr. Steve Konopelky <sup>(1)</sup> President, CEO and Director	2010	72,000	Nil	Nil	350,000	Nil	Nil	Nil
	2009	72,000	Nil	Nil	Nil	Nil	Nil	Nil
	2008	36,000	Nil	Nil	Nil	Nil	Nil	Nil
Daryn Gordon <sup>(2)</sup> Chief Financial Officer	2010	6,500	Nil	Nil	Nil	Nil	Nil	Nil
Steve Konopelky <sup>(3)</sup> Chief Financial Officer	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Steve Konopelky has been our chairman, Chief Executive Officer and President, since May 12, 2008. Includes amounts paid to IPH Developments Inc., the company through which Mr. Konopelky provides management services to Silver Mountain.
- (2) Daryn Gordon has been the Chief Financial Officer since November 17, 2010. Prior to Mr. Gordon's appointment, the Company did not have a Chief Financial Officer through which Mr. Gordon provides accounting services to Silver Mountain through his Consulting company, Gordon and Company.
- (3) Steve Konopelky acted as Chief Financial Officer from May 12, 2008 until November 17, 2010.
- (4) Perquisites and other personal benefits, securities or property, received did not exceed the lesser of \$50,000 and 10% of the total annual salary and bonuses for the Named Executive Officers.

- (5) "SAR" or "Stock Appreciation Right" means any right granted by the Corporation as compensation for services rendered, to receive a payment of cash or issue or transfer securities based wholly or in part on changes in the trading price of publicly traded securities of the Corporation.
- (6) "LTIP" or "Long Term Incentive Plan" means any plan which provides compensation intended to serve as incentive for performance to occur over a period longer than one financial year, but does not include options or stock appreciation right plans or plans for compensation through restricted shares or restricted share units.

#### *Long-Term Incentive Plan Awards Table*

The Corporation has no long-term incentive plans. Accordingly, no such compensation was paid or distributed to the Named Executive Officers during the financial year ended December 31<sup>st</sup>, 2010.

#### *Stock Option Plan*

The Corporation has adopted an incentive stock option plan dated February 3, 2011 (the "Plan"), and the Plan is the Corporation's only equity compensation plan. The Plan is a fixed stock option plan, under which 20% of the outstanding Shares as at April 19, 2011, or 6,860,120 Shares, are available for issuance thereunder. The purpose of the Plan is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation and its subsidiaries to attract and retain directors, senior officers, employees, management company employees and consultants. The Plan provides an incentive for and encourages ownership of the Shares by such persons to induce them to make a maximum contribution to the Corporation's success and to benefit from increases in the value of the Shares.

The following information is intended to be a brief description and summary of the material features of the Plan.

(a) The number of Shares that are available for grants of options under the Plan shall be such number as may from time to time be fixed by the Board or the Compensation Committee, provided that the aggregate number of Shares subject to director, senior officer, employee, management company employee and consultant incentive stock options, whether granted under the Plan or otherwise, shall not at any time exceed 20% of the number of outstanding Shares from time to time, calculated at the time of grant. Shares subject to options that have lapsed or been terminated, whether granted under the Plan or otherwise, shall upon such lapse or termination become available for option grants under the Plan.

(b) The purchase price of the Shares upon exercise of each option granted under the Plan shall be determined as follows: (i) until such time as the Shares are listed on a prescribed stock exchange or another stock exchange, the exercise price of the options granted under the Plan shall be determined by the Board or the Compensation Committee in its discretion; (ii) from and after the date that the Shares are listed on a stock exchange, but subject to (iii) below, the exercise price of the options granted under the Plan shall be fixed by the Board or the Compensation Committee at the time of the grant, such exercise price not to be less than the closing price at which the Shares were traded on such stock exchange on the most recent day upon which at least one board lot was traded on the stock exchange, less the maximum discount therefrom permitted by such stock exchange; and (iii) within ninety (90) days after the date the Corporation has completed an initial public offering and within ninety (90) days after any other distribution of Shares subsequent to the initial public offering, the exercise price of the options granted under the Plan shall not be less than (1) the purchase price determined under paragraph (ii) above; and (2) the price per Share paid by the public for the Shares acquired under the initial public offering.

(c) The aggregate number of Shares reserved for issuance pursuant to options granted to: (i) any one individual in any twelve-month period shall not exceed 5% of the number of Shares then outstanding; (ii) any one consultant in any twelve-month period shall not exceed 2% of the number of Shares then outstanding; and (iii) all persons employed to conduct investor relations activities in any twelve-month period shall not exceed 2% in the aggregate of the number of Shares then outstanding.

(d) Each option shall become exercisable at such time(s) as may be determined by the Board or the Compensation Committee at the time of the grant. If no such time(s) are so determined, then subject as hereinafter provided, each option (other than an option granted to a consultant performing investor relations activities for the Corporation or any of its subsidiaries) may be exercised from the date of the grant. Any option granted to a consultant performing investor relations activities for the Corporation or any of its subsidiaries shall vest in stages

over a minimum of twelve (12) months, with no more than one fourth (1/4th) of the option vesting in any three (3) month period.

(e) Each option, unless sooner terminated in accordance with the terms, conditions and limitations of the option or unless sooner exercised, shall expire at the close of business on the date (the "Expiry Date") determined by the Board or the Compensation Committee at the time the option is granted, or failing such determination, on the fifth (5th) anniversary of the date of the grant of the option, provided that no option shall have a term exceeding five (5) years from the date of the grant, subject to the terms of the Plan.

(f) In the event that an optionee ceases to be eligible to receive options under the Plan, then such option shall remain exercisable for a period of ninety (90) days thereafter, provided that (i) in the event that an optionee conducting investor relations activities for the Corporation ceases to be eligible, an option granted to such optionee may only be exercisable for thirty (30) days thereafter; and (ii) in the event of the termination of the optionee by reason of disability, or by reason of retirement with the consent of the Board, an option granted to such optionee may be exercisable for one (1) year thereafter; and (iii) in the event of the death of the optionee, an option granted to such optionee may be exercised in whole or in part by the legal personal representatives of the optionee for one (1) year thereafter. Notwithstanding any of the foregoing, no options can be exercised after the Expiry Date thereof..

*Options Granted During the Most Recently Completed Financial Year*

Stock options were granted to the Named Executive Officers for the financial year ended December 31, 2010.

*Aggregated Option Exercises During the Most Recently Completed Financial Year and Financial Year-End Option Values*

The following table sets forth certain information respecting the numbers and accrued value of unexercised stock options as at December 31, 2010. No options were exercised by the Named Executive Officers during the financial year ended December 31, 2010:

	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options as at December 31, 2010 (#)		Value of Unexercised In-the-Money Options as at December 31, 2010 (\$)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Steve Konopelky	350,000	Nil	350,000	Nil	Nil	Nil
Charles Burgess	250,000	Nil	250,000	Nil	Nil	Nil
Eugen Seel	250,000	Nil	250,000	Nil	Nil	Nil

*Termination of Employment, Change in Responsibilities and Employment Contracts*

There are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change of control of the Corporation or any subsidiary thereof or any change in such Named Executive Officer's responsibilities following a change in control, where in respect of the Named Executive Officer the value of such compensation exceeds \$100,000.

*Compensation of Directors*

The Corporation has no standard arrangement pursuant to which directors of the Corporation are compensated by the Corporation for their services in their capacity as directors. However, each director of the Corporation is eligible to receive stock options of the Corporation.

### Securities Authorized For Issuance Under Equity Compensation Plans

The following table sets out information as at the end of the Corporation's most recently completed financial year with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

<i>Plan Category</i>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
<i>Equity compensation plans approved by voting Securityholders</i>	3,430,220	\$0.25	3,593,900
<i>Equity compensation plans not approved by voting Securityholders</i>	3,593,900	\$0.25	NIL
<b>Total</b>	7,024,120	\$0.25	3,593,900

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and officers of the Corporation is or has been indebted to the Corporation at any time during the last completed financial year.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Management Proxy Circular, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

### MANAGEMENT CONTRACTS

The Corporation does have in place one (1) management contract between the Corporation and a director and officer and there are management functions of the Corporation that are to a substantial degree performed by this person on behalf of the company (or private companies controlled by them, either directly or indirectly) of the Corporation.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### *Financial Statements*

The financial statements of the Corporation for the year ended December 31, 2010 accompanying this Management Proxy Circular will be placed before the Voting Securityholders at the Meeting for their consideration.

#### *Election of Directors*

The term of office of each of the present directors expires at the Meeting. The number of directors to be elected at the Meeting is proposed to be fixed at four (4). Management of the Corporation proposes to nominate the persons named below for election as directors of the Corporation at the Meeting to serve until the next annual meeting of the Voting Securityholders of the Corporation, unless his office is earlier vacated.

Approval of the election of directors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Voting Securityholders present in person or by proxy at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the election, as directors, of the nominees whose names are set forth below.** In the event that prior to the



Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as director if elected.

The following information concerning the proposed nominees has been furnished by each of them:

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Voting Securities Beneficially Owned or Controlled
Steve Konopelky Calgary, Alberta President, CEO and Director	<b>Steve Konopelky, President/CEO</b> , Steve brings a dynamic leadership approach to the company through his 18 years of business experience, including corporate structures, finance and marketing across various industries. He is a founding Director and past President of IC2E International Inc where he was primarily responsible for the initial acquisition and structuring of IC2E Inc. Prior to IC2E, he was Vice President of a power development company, responsible for business development and marketing and was the Vice President for a private subsidiary of a large insurance company's thermal power division. Steve holds a Bachelors degree from the University of Toronto and also accredited designations in financial, investment and risk management areas.	2008	2,500,000
Charles Burgess, LLB Calgary, Alberta Secretary & Director	<b>Charles Burgess LLB</b> , Charles is a lawyer practicing in the areas of business and tax law. He previously specialized in the area of sophisticated tax structures and investment strategies. In addition, he has been involved in a full range of tax transactions, including corporate reorganizations, financings, estate planning issues and cross-border financings throughout various industries. Charles practiced tax law with Burnet, Duckworth & Palmer and was a partner in the tax group at Fraser Milner Casgrain. Charles is currently a director on various public and private companies.	2008	N/A
Daniel Gordon Belot Calgary, Alberta Director	<b>Daniel G. Belot, BA</b> , has over 25 years of extensive financial experience. Dan is currently the Vice President and CFO of Skope Energy. Recently Dan was the CFO of Petrodorado Energy a public international oil exploration company. Prior to this, Dan was the Vice President Finance, CFO and co-founder of Trafalgar Energy Ltd, a Canadian public oil and natural gas producer. From September 2003 to October 2005, Mr. Belot was the Vice President Finance and CFO at Baytex Energy Trust, a Canadian oil and gas energy trust. Prior to joining Baytex, Mr. Belot spent three years as the Manager, Investor Relations for Pengrowth Energy Trust. He has additional relevant experience as an investment and corporate banker with Scotia Capital. Mr. Belot holds a Bachelors degree in Economics from the University of Calgary.	2010	400,000
Rino Vincent Goegan Calgary, Alberta Director	<b>Vince Goegan</b> is a retired corporate executive with Canadian Pacific Railways ("CPR") with over 28 years of business experience. He led various initiatives for CPR including, National Sales, Contracts Supply, Corporate Strategic Planning, North American Logistics, as well as leading a team to overhaul many of CPR's core operation systems. Vince brings a global business perspective to the Company and, since his retirement, has founded his own consulting company with engagements involving a number of major companies across North America.	2010	80,000

### **Appointment of Auditors**

Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the reappointment of MNP LLP, Chartered Accountants, Calgary, Alberta, as auditors of the Corporation, to hold office until the close of the next annual meeting, and further intend to vote that the fixing of the remuneration be a matter left to the Directors of the Corporation. MNP LLP has been the auditor of the Corporation since 2010.

### **Approval of Stock Option Plan**

For information regarding the Corporation's proposed stock option plan, see "*Statement of Executive Compensation - Stock Option Plan*".

The approval by Shareholders of the Plan requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting.

A total of 7,024,120 options are currently reserved for grant under the Plan. A total of 3,430,220 options are currently granted and outstanding under the Plan and these options have been granted to Directors, officers and employees/consultants of the Corporation (at an exercise price of \$0.25 per Common share).

The text of the resolution regarding this matter is as follows:

#### **"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. the Corporation's 2011 Stock Option Plan, dated for reference February 3, 2011 and described in the Corporation's Management Information Circular dated June 20<sup>th</sup>, 2011, as may be amended by the Board of Directors as required by applicable securities regulatory authorities or stock exchanges, is hereby ratified, adopted and re-approved;
2. the form of the plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
3. the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
4. any one Director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution."

It is the intention of the persons named in the enclosed instrument of proxy, if not expressly directed otherwise in such instrument of proxy, to vote such proxies FOR the ordinary resolution to approve the 2011 Stock Option Plan."

### **Corporate Cease Trade Orders or Bankruptcies**

No director or proposed director of the Corporation is, or has been within the past ten years, a director or officer of any other company that, while such person was acting in that capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days;
- (ii) was subject to an event that resulted, after that individual ceased to be a director or officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days; or
- (iii) within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Individual Bankruptcies**

No director or proposed director of the Corporation is or has, within the ten years prior to the date hereof, 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 that individual.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available through the Management of the company. Financial information on the Corporation is provided in the comparative financial statements and management notes, and annual report of the Corporation which are enclosed with this Management Proxy Circular.