

CADAN RESOURCES CORPORATION
#916 – 925 West Georgia Street
Vancouver, BC
V6C 3L2

2009
ANNUAL
GENERAL
MEETING

Notice of Annual General Meeting of Shareholders
Management Information Circular

Place: #916 – 925 West Georgia Street
Vancouver, B.C. V6C 3L2

Time: 4:00 p.m. (Vancouver Time)

Date: Thursday, June 18, 2009

CADAN RESOURCES CORPORATION

CORPORATE DATA

Head Office

Cadan Resources Corporation
#916 - 925 West Georgia Street
Vancouver, BC V6C 3L2

Directors and Officers

Brett A Taylor – President, Chief Executive Officer & Director
Derick Sinclair – Chief Financial Officer
John D. Anderson – Director and Director, Corporate Development
Alan Phillips - Director
Douglas L. Evans - Director
William D. Goode – Director, Technical Development

Registrar and Transfer Agent

Computershare Investor Services Inc.
3rd Floor, 510 Burrard Street
Vancouver, BC V6C 3B9

Legal Counsel

Gowling Lafleur Henderson LLP
Suite 2300, 550 Burrard Street
Vancouver, BC V6C 2B5

Auditor

Smythe Ratcliffe LLP
Chartered Accountants
7th Floor, 355 Burrard Street
Vancouver, BC V6C 3G8

Listing

TSX Venture Exchange
Symbol “CNF”

CADAN RESOURCES CORPORATION
#916 - 925 West Georgia Street
Vancouver, BC V6C 3L2
(604) 687-0760

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "Meeting") of the Shareholders of Cadan Resources Corporation (hereinafter called the "Company") will be held in the Company's offices at #916 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2, on Thursday, the 18th day of June, 2009 at the hour of 4:00 p.m. (local time), for the following purposes:

1. To receive the audited financial statements of the Company for the fiscal year ended December 31, 2008 (with comparative statements relating to the preceding fiscal period) together with the report of the auditors therein;
2. To fix the number of directors at five (5);
3. To elect five (5) directors;
4. To appoint the auditors and to authorize the directors to fix their remuneration;
5. To consider and, if thought fit, to approve an ordinary resolution amending the Company's Incentive Stock Option Plan, as more particularly described in the accompanying Information Circular;
6. To consider and, if thought fit, to pass an ordinary resolution of the disinterested shareholders, to approve the amendment of stock options previously granted to insiders of the Company, as more particularly described in the accompanying Information Circular; and
7. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

Accompanying this Notice is the Company's Information Circular dated May 11, 2009, a form of Proxy and a Financial Statement Request Form. The accompanying Information Circular provides information relating to the matters to be addressed at the meeting and is incorporated into this Notice.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are requested to read, complete, sign and mail the enclosed form of Proxy in accordance with the instructions set out in the Proxy and in the Information Circular accompanying this Notice. Please advise the Company of any change in your mailing address.

DATED at Vancouver, British Columbia, this 11th day of May, 2009.

BY ORDER OF THE BOARD
(signed) "Brett Taylor"
Brett Taylor
President, CEO and Director

CADAN RESOURCES CORPORATION
916 - 925 West Georgia Street
Vancouver, BC V6C 3L2

INFORMATION CIRCULAR

(Containing information as at May 11, 2009 unless indicated otherwise)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Cadan Resources Corporation (the "Company") for use at the Annual General Meeting of Shareholders of the Company (and any adjournment thereof) to be held on Thursday, June 18, 2009 (the "Meeting") at the time and place and for the purposes set forth in the accompanying Notice of Meeting. 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 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 are directors and/or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY. A proxy will not be valid unless the completed form of proxy is received by COMPUTERSHARE INVESTOR SERVICES INC. (the "Transfer Agent"), Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or any adjournment thereof. Proxies delivered after that time will not be accepted.**

REVOCAION 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 either to the registered office of the Company, at Suite 2300 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, 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.

INFORMATION FOR NON-REGISTERED SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as "Beneficial Shareholders") should note that only registered shareholders may vote at the Meeting. 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 such shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific

instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers' clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives an Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.**

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("Objecting Beneficial Owners", or "OBO's") and those who do not object to their identity being made known to the issuers of the securities they own ("Non-Objecting Beneficial Owners", or "NOBO's"). Subject to the provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer ("NI 54-101") issuers may request and obtain a list of their NOBO's from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBO's. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Company has decided to take advantage of the provisions of NI 54-101 that permit it to deliver proxy-related materials directly to its NOBO's. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result if you are a NOBO of the Company, you can expect to receive a scannable Voting Instruction Form ("VIF") from the Transfer Agent. Please complete and return the VIF to the Transfer Agent in the envelope provided or by facsimile. In addition, telephone voting and internet voting can be found in the VIF. The Transfer Agent will tabulate the results of the VIF's received from the Company's NOBO's and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIF's they receive.

The Company's OBO's can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

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

VOTING OF PROXIES

The shares represented by a properly executed proxy in favour of persons proposed by Management as proxyholders in the accompanying form of proxy will:

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

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

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

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Authorized Capital: an unlimited number of common shares without par value (“common shares”)

Issued and Outstanding: 139,814,904⁽¹⁾ common shares

(1) As at May 11, 2009.

Only shareholders of record at the close of business on May 11, 2009 (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 shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each common share registered in that shareholder’s name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting. **Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

To the knowledge of the directors and senior officers of the Company, there are no persons or companies who beneficially own, or exercise control or direction over, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

ELECTION OF DIRECTORS

The Board of Directors presently consists of five directors and it is intended to determine the number of directors at five and to elect five directors for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as Management’s nominees and the persons proposed by Management as proxyholders in the accompanying form of proxy intend to vote for the election of these nominees. Management

does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the charter of the Company or the provisions of the *Business Corporation Act* (British Columbia).

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

<u>Name, Position, Province and Country of Residence⁽¹⁾</u>	<u>Principal Occupation⁽¹⁾</u>	<u>Previous Service as a Director</u>	<u>Number of Common Shares beneficially owned or controlled or directed⁽²⁾</u>
Brett Taylor President, CEO & Director Philippines	Businessman; Director of Philco Mining Corporation, Inc, Director of TMC Tribal Mining Corporation Inc, Director of Sabena Limited	Since February 21, 2007	4,270,867
Alan Phillips⁽³⁾⁽⁴⁾ Director Queensland, Australia	Former Chairman and Director of Eastern Corporation, Former Chairman and Director of Crescent Limited, Director of Macarthur Minerals Limited, Former Chairman Jumbo Corporation Limited Company Limited, Director of Sabena Limited, Former Director of Global Approach Limited, President and CEO Director of International Gold Mining limited	Since June 12, 2003	905,000 ⁽⁵⁾
Douglas L. Evans⁽³⁾⁽⁴⁾ Director British Columbia, Canada	Physician	Since February 19, 2004	10,146,666 ⁽⁶⁾
John Anderson⁽³⁾⁽⁴⁾ Director British Columbia, Canada	Businessman; General Partner of Aquastone Capital LLC, Director of J-Pacific Gold Inc, a Director of Wescorp Energy, Inc., and a Director of Strategic Resources, Ltd.	Since February 21, 2007	1,150,000
William D. Goode Director Scarborough West, Australia	Consulting Geologist	Since November 27, 2007	Nil

(1) The information as to the province, as applicable 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 and Disclosure Committee. Mr. Anderson is the Chair of the Audit and Disclosure Committee.

- (4) Denotes member of the Governance, Nomination and Compensation Committee. Mr. Anderson is the Chair of the Governance, Nomination and Compensation Committee.
- (5) Includes 335,000 held by a family trust.
- (6) Includes 6,344,166 shares held by a company controlled by Dr. Evans and 700,000 held by a family trust.

The Company does not at present have any other committee other than the Audit and Disclosure Committee and Governance, Nomination and Compensation Committee.

AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees (“NI 52-110”), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor. This information with respect to the Company is provided in Schedule “A”.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

Compensation, Philosophy and Objectives

The Company does not have a formal compensation program. However, the administration of the Company’s compensation mechanisms is handled by the Governance, Nomination and Compensation Committee (the “GNC Committee”) of the Company. The general mandate of the GNC Committee is to examine matters relating to the compensation of the directors and executive officers of the Company with respect to (i) general compensation goals and guidelines and the criteria by which bonuses and stock compensation awards are determined; (ii) amendments to any equity compensation plans adopted by the Board and changes in the number of shares reserved for issuance thereunder; and (iii) other plans that are proposed for adoption or adopted by the Company for the provision of compensation. In accordance with the mandate, the GNC Committee meets to discuss and determine the recommendations that it will make to the board of directors (“**Board**”) regarding director and executive compensation based on a review of the performance of the directors and executive officers and without reference to formal objectives, criteria or analysis. The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The GNC Committee is composed of three directors, namely Alan Phillips, Douglas Evans and John Anderson who is the chair of the GNC Committee.

The Board, upon the recommendation of the GNC Committee, ensures that total compensation paid to all Named Executive Officers (“**NEOs**”), as hereinafter defined, is fair and reasonable. The Board relies on the experience of its members as officers and directors with other junior mining companies in assessing compensation levels.

To conserve working capital in the current uncertain economic environment, senior management agreed with the Company to a temporary reduction in their fees. The Chief Executive Officer’s monthly fee of CDN\$10,000 was reduced to CDN\$5,000 for six months commencing in November, 2008 and the Chief Financial Officer’s monthly fee was also reduced from CDN\$8,000 to CDN\$4,000 for a period of six months commencing December, 2008.

Analysis of Elements

The principal elements of the executive officers’ compensation consists of base salary and long-term incentive awards (stock options).

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each Named Executive Officer's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's stock option plan (the "Stock Option Plan").

Long Term Compensation and Option-Based Awards

The Company has no long-term incentive plans other than the Stock Option Plan. The Company's directors and officers and certain consultants are entitled to participate in the Stock Option Plan. The Stock Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Stock Option Plan aligns the interests of the NEO and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Company's common shares.

A description of the significant terms of the Stock Option Plan is found under the heading "Particulars of Matters to be Acted Upon – Amendments to Stock Option Plan".

Options are recommended by the GNC Committee. In monitoring or adjusting the option allotments, the GNC Committee and the Board take into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the GNC Committee also makes the following determinations:

- parties who are entitled to participate in the Stock Option Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the Exchange from the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The GNC Committee makes these determinations subject to and in accordance with the provisions of the Stock Option Plan. The GNC Committee and the board of directors reviews and approves grants of options on an annual basis and periodically during a financial year.

The Company used the Black-Scholes option pricing model for calculating the fair value of options granted. The Black-Scholes model is commonly used by junior public companies.

Subsequent to the year ended December 31, 2008, as a result of various policy changes in respect of incentive stock options, effected by the TSX Venture Exchange, in December, 2008, the GNC Committee recommended and the Board of Directors approved, subject to shareholder approval and regulatory acceptance, amendments to the Stock

Option Plan. See “Particulars of Matters to be Acted Upon – Amendments to Stock Option Plan”. In addition, the Board approved, subject to disinterested shareholder approval and regulatory acceptance, amendments to previously granted stock options held by the directors and executive officers of the Company with respect to repricing, extension of term on termination and extension of expiry date. The GNC Committee recommended the option amendments to bring the options of the directors and executive officers more in line with the current market price of \$0.10 of the Company’s common shares and to link performance compensation to enhancement of shareholder value. See “Particulars of Matters to be Acted Upon – Approval of Amendment of Previously Granted Stock Options.

SUMMARY COMPENSATION TABLE

For the purposes of this Information Circular, a “Named Executive Officer”, or “NEO”, means each of the following individuals:

- (a) a chief executive officer (“CEO”) of the Company;
- (b) a chief financial officer (“CFO”) of the Company,
- (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 whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6, for the December 31, 2008 financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity at December 31, 2008.

Summary Compensation Table

During the financial year ended December 31, 2008, the Company had two (2) Named Executive Officers: **Brett Taylor**, President and Chief Executive Officer and **Derick Sinclair**, the Chief Financial Officer. The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Company and its subsidiaries for the financial year ended December 31, 2008 in respect of the Chief Executive Officer and Chief Financial Officer of the Company. For the information concerning compensation related to previous years, please refer to the Company’s previous Management Proxy Circulars available at www.sedar.com:

Name and principal position	Year ⁽¹⁾	Salary (\$) ⁽²⁾	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation(\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$) ⁽²⁾
					Annual incentive plans	Long-term incentive plans			
Brett Taylor, President & CEO	2008	101,283	Nil	Nil	Nil	Nil	Nil	Nil ⁽⁴⁾	101,283
Derick Sinclair CFO	2008	92,000	Nil	Nil	Nil	Nil	Nil	Nil ⁽⁵⁾	92,000

NOTES:

- (1) Financial years ended December 31.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.

- (3) Figures represent the grant date fair value of the options. The Company used the Black-Scholes option pricing model for calculating such fair value, as such model is commonly used by junior public companies. There was no option based awards to any Named Executive Officer during the year ended December 31, 2009.
- (4) During 2008, the Company paid a fee of US\$10,000 (CDN\$10,245) in January, CDN\$10,000 per month between February and October and CDN\$5,000 for November and December to Brett Taylor for management services.
- (5) During 2008, the Company paid a fee of CDN\$8,000 per month between January and November and CDN\$4,000 for December to a company controlled by Derick Sinclair for management and accounting fees.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table sets forth for the NEOs, the incentive stock options (option-based awards), pursuant to the Stock Option Plan, outstanding as at December 31, 2008. This information includes awards granted before the financial year ended on December 31, 2008. These incentive stock options either vested at the time of grant or were fully vested during the year ended December 31, 2008.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Brett Taylor	787,500	\$0.20	September 30, 2009	Nil
	230,000	\$0.20	August 27, 2010	Nil
	180,000	\$0.20	July 12, 2011	Nil
	552,500	\$0.15	November 6, 2012	Nil
Derick Sinclair	750,000	\$0.15	July 24, 2012	Nil

- (1) This amount is calculated as the difference between the market value of the securities underlying the options on December 31, 2008, being the last trading day of the Company's shares for the financial year, which was \$0.055, and the exercise price of the option.

Incentive Plan Awards – Value Vested or Earned During The Year

The following table sets forth for the NEOs, the value vested during the financial year ended on December 31, 2008 for options awarded under the Stock Option Plan, as well as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Brett Taylor	Nil	N/A	N/A
Derick Sinclair	Nil	N/A	N/A

TERMINATION AND CHANGE OF CONTROL BENEFITS

Termination and Change of Control Benefits

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

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors for the Company's most recently completed financial year.

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Alan Phillips	Nil	Nil	Nil	Nil	N/A	Nil	\$Nil
John Anderson	Nil	Nil	Nil	Nil	N/A	\$77,000 ⁽²⁾	Nil
Douglas Evans	Nil	Nil	Nil	Nil	N/A	Nil	Nil
William Goode	Nil	Nil	Nil	Nil	N/A	Nil	Nil

- (1) Figures represent the grant date fair value of the options. The Company used the Black-Scholes option pricing model for calculating such fair value, as such model is commonly used by junior public companies. There were no option based awards to any directors during the year ended December 31, 2008.
- (2) During 2008, the Company paid fees of \$3,500 per month to a company controlled by John Anderson for management services. The Company also paid to John Anderson, in 2008, \$35,000 for services provided for the ten months March, 2007 through December 2007.

Outstanding Option-Based Awards

The following table sets forth for each director all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year. These incentive stock options either vested at the time of grant or were fully vested during the year ended December 31, 2008.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Alan Phillips	300,000	\$0.20	September 30, 2009	Nil
	125,000	\$0.20	August 17, 2010	Nil
	70,000	\$0.20	July 12, 2011	Nil
	990,000	\$0.15	November 6, 2012	Nil
John Anderson	800,000	\$0.15	November 6, 2012	Nil
Douglas Evans	375,000	\$0.20	September 30, 2009	Nil
	125,000	\$0.20	August 17, 2010	Nil
	70,000	\$0.20	July 12, 2011	Nil
	430,000	\$0.15	November 6, 2012	Nil
William Goode	1,000,000	\$0.15	November 6, 2012	Nil

- (1) Value is calculated based on the difference between the exercise price of the option and the closing price of the Company's common shares on the TSX Venture Exchange (the "Exchange") on December 31, 2008, being the last trading day of the Company's shares for the financial year, which was \$0.055.

Incentive Plan Awards – Value Vested or Earned During The Year

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the year ended December 31, 2008.

Name (a)	Option-based awards - Value vested during the year (\$) (b)	Share-based awards - Value vested during the year (\$) (c)	Non-equity incentive plan compensation - Value earned during the year (\$) (d)
Alan Phillips	Nil	N/A	N/A
John Anderson	Nil	N/A	N/A
Douglas Evans	Nil	N/A	N/A
William Goode	Nil	N/A	N/A

A description of the significant terms of the Stock Option Plan is found under the heading “Particulars of Matters to be Acted Upon – Amendments to Stock Option Plan”.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE

Effective June 30, 2005, National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”) was adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. The Company’s approach to corporate governance is provided in Schedule “B”.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

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

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) ⁽¹⁾ (c)
Equity Compensation Plans Approved By Securityholders	11,435,000	\$0.16	1,338,558
Equity Compensation Plans Not Approved By Securityholders	N/A	N/A	N/A
Total	11,435,000	\$0.16	1,338,558

The Board of Directors adopted an incentive stock option plan (the “2007 Plan”) on November 27, 2007, which superseded and replaced the Company’s previous stock option plan which was ratified by the shareholders of the Company on June 25, 2007. The 2007 Plan has been accepted for filing by the Exchange and is subject to annual ratification by the shareholders of the Company. The 2007 Plan is a rolling stock option plan whereby the number of shares that can be reserved for issuance pursuant to a stock option grant may not exceed 10% of the Company’s issued and outstanding share capital (on a non-diluted basis) at the time of any option grant.

As a result of certain policy changes effected in December, 2008, by the TSX Venture Exchange (the “TSXV”), the Board of Directors have approved, subject to the necessary shareholder approval and regulatory acceptance, amendments to the Stock Option Plan (the “Amended Plan”) to (a) extend the period for exercise of outstanding options on termination, (b) extend the maximum term of an option and (c) make certain “house-keeping” changes. See “Particulars of Matters to be Acted Upon – Amendments to Stock Option Plan”.

On May 19, 2009, the directors approved, subject to shareholder and TSXV acceptance, and in accordance with the Company’s Stock Option Plan, and the Amended Plan (i) the repricing of an aggregate 3,950,000 options to purchase common shares held by certain consultants of the Company and an aggregate of 6,785,000 options to purchase common shares held by insiders to \$0.10 per share (see “Particulars of Matters to be Acted Upon – Approval of Amendment of Previously Granted Stock Options”); and (ii) the extension of the maximum term of an option held by a consultant and an insider to ten years.

The following options held by consultants were previously granted pursuant to the Company’s Stock Option Plan on the dates and at the prices, as amended, set forth in the table below:

Option Holder	Date of Grant	Securities Under Options Repriced	Market Price of Securities at Time of Repricing (\$/Security)	Exercise Price at Time of Repricing (\$/Security)	New Exercise Price (\$/Security)	Expiry Date at Time of Amendment	New Expiry Date
Consultants	Aug 17/05	300,000	\$0.08	\$0.20	\$0.10	Aug 17/10	Aug 17/15
	July 24/07	1,050,000	\$0.08	\$0.15	\$0.10	July 24/12	July 24/17
	Nov 06/07	2,100,000	\$0.08	\$0.15	\$0.10	Nov 06/12	Nov 06/17
	Apr 15/08	<u>500,000</u>	\$0.08	\$0.15	\$0.10	Apr 15/13	Apr 15/18
Total		3,950,000					

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

None of the proposed directors (or any of their personal holding companies) of the Company:

- (a) is, or during the ten years preceding the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company, including the Company, that:
 - (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days while the proposed director was acting in that capacity; or
 - (ii) was subject to 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 that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the relevant company and which resulted from an event that occurred while the proposed director was acting in that capacity;
- (b) is, or during the ten years preceding the date of this Information Circular has been, a director or executive officer, of any company, including the Company, that while the proposed director was acting in that capacity or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or
- (c) has, within the ten years preceding the date of this Information Circular, become bankrupt, 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.

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

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

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out below and in this Information Circular, and other than transactions carried out in the ordinary course of business of the 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 or subsidiary of the Company, nor any shareholder beneficially owning, directly or indirectly, common shares of the Company, or exercising control or direction over common shares of the Company, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding shares of the Company nor an associate or affiliate of any of the foregoing persons has since January 1, 2008 (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.

On August 14, 2008, the Company completed a private placement on a non-brokered basis, of 10,000,000 units issued at a price of \$0.20 per unit. Informed persons of the Company, including Brett Taylor, Chief Executive Officer and a director of the Company purchased 2,500,000 units.

Subsequent to the year ended December 31, 2008, on April 22, 2009 the Company completed the first tranche of a private placement on a non-brokered basis, of 12,079,315 common shares issued at a price of \$0.06 per share. Mr. Taylor purchased 1,000,000 common shares and Douglas Evans, a director of the Company, purchased 1,000,000 common shares. In addition the spouse of Dr. Evans purchased an additional 1,000,000 common shares.

Subsequent to the year ended December 31, 2008, on May 19, 2009 the Company amended the extension of the expiry date of up to 33,000,000 warrants, of which 666,667 warrants are held by Mr. Taylor and 175,000 are held by John Anderson, a director of the Company, from October 31, 2009 to October 31, 2012 and the reduction of the exercise price from the current price of \$0.30 per share to \$0.16 per share and the extension of the expiry date of up to 10,000,000 warrants, of which 2,500,000 warrants are held by Mr. Taylor from August 14, 2009 to August 14, 2013.

MANAGEMENT CONTRACTS

No management functions of the Company or its subsidiaries are to any substantial degree performed by a person or company other than the directors or executive officers of the Company or its subsidiaries.

APPOINTMENT OF AUDITORS

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the reappointment of Smythe Ratcliffe LLP, Chartered Accountants, as auditors of the Company. Smythe Ratcliffe LLP were first appointed auditors of the Company on February 15, 2005. Pursuant to the Articles of the Company, the Directors will set the remuneration of the auditors.

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

No person who has been a director or executive 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, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors. Directors and executive officers may, however, be interested in the amendment of the Company's previously approved Stock Option Plan and amendment of stock option grants as detailed below.

PARTICULARS OF MATTERS TO BE ACTED UPON

Amendments to Stock Option Plan

The Company has a stock option plan (the "**Stock Option Plan**") in place, which superseded and replaced the Company's 2003 stock option plan. The Stock Option Plan was approved by the shareholders on June 25, 2008. The Stock Option Plan is a "rolling" plan reserving a maximum of 10% of the issued shares of the Company (on a non-diluted basis) at the time of a stock option grant. The purpose of the Stock Option Plan is to allow the Company to grant options to directors, officers, consultants, employees and management company employees as additional compensation and as an opportunity to participate in the profitability of the Company. The granting of such options is intended to align the interests of such persons with that of the Company.

The Stock Option Plan contains the following terms and conditions:

1. the maximum aggregate number of shares reserved for issuance pursuant to the Stock Option Plan or any other share compensation arrangement (pre-existing or otherwise) to insiders of the Company ("Insiders"), shall not exceed 10% of the Shares outstanding at any time unless the Company has obtained prior approval of the disinterested shareholders of the Company;

2. the aggregate number of shares issued and options granted pursuant to the Stock Option Plan or any other share compensation arrangement (pre-existing or otherwise) to Insiders within any one-year period shall not exceed 10% of the shares outstanding unless the Company has obtained prior approval of the disinterested shareholders of the Company;
3. the total number of Common Shares reserved for issuance pursuant to the Stock Option Plan or any other share compensation arrangement (pre-existing or otherwise) to any one individual within any twelve months period shall not exceed 5% of the Common Shares outstanding at any time unless the Company is classified as a "Tier 1" issuer and has obtained prior approval of the disinterested shareholders of the Company;
4. the maximum aggregate number of shares reserved for issuance pursuant to the Stock Option Plan or any other share compensation arrangement (pre-existing or otherwise) to any one consultant during any 12-month period may not exceed 2% of the issued Common Shares of the Company;
5. the maximum aggregate number of shares reserved for issuance pursuant to the Stock Option Plan or any other share compensation arrangement (pre-existing or otherwise) to optionees employed to provide investor relations activities during any 12-month period may not exceed, in aggregate, 2% of the issued Common Shares of the Company;
6. the exercise price of an option may not be less than market price, as defined, prevailing on the trading day immediately preceding the day on which the option is granted, less the applicable discount permitted by the TSXV;
7. the Stock Option Plan does not contain any mandated vesting provisions except as required by TSXV policies for persons providing investor relations services to the Company which must be subject to a twelve months vesting schedule whereby no more than 25% of the options granted may be vested in any three-month period;
8. the options are non-assignable and non-transferable. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Stock Option Plan;
9. if an eligible optionee ceases to be an optionee due to death, the options held by such optionee will be exercisable for a period of one year from the date of such death by such optionee's legal heirs or representatives;
10. the exercise price and the number of common shares which are subject to an option may be adjusted from time to time for share dividends, and in the event of reclassifications, reorganizations or changes in the capital structure of the Corporation;
11. on the occurrence of a takeover bid, or tender offer made for all or any of the issued and outstanding Common Shares, the Board of Directors will have the right to accelerate the date on which any option becomes exercisable; and
12. if any option is exercised, forfeited, terminated or cancelled, or otherwise expires for any reason whatsoever, will automatically be available for future option grants.

In December, 2008, the TSXV approved various changes to its policies in respect of incentive stock options. The Company is proposing a number of amendments to the Stock Option Plan as a result of such policy changes. Accordingly, at the Meeting, shareholders will be asked to approve the following amendments to the Stock Option Plan:

1. to make an administrative amendment to paragraph 6.1 of the Stock Option Plan to remove reference to "Tier "1" issuer";

2. to extend from 90 days to a maximum of one year the period during which an optionee may exercise his or her options once such optionee ceases to be a director, officer, employee, consultant or management company employee of the Company or any of its subsidiaries;
3. to extend from 30 days to a maximum of one year the period during which a person engaged in investor relations activities may exercise his or her options once such optionee ceases to be employed to provide investor relations activities;
4. to increase the maximum term of options granted under the Stock Option Plan from five years to ten years; and
5. to make such other “house-keeping” changes as requested by the Exchange.

The existing options which are outstanding under the Stock Option Plan will be incorporated into the amended Stock Option Plan and will be governed by the amended Stock Option Plan. Disinterested shareholder approval, as set forth below under “Approval of Amendment of Previously Granted Stock Options” will be obtained at the Meeting for existing options held by Insiders amended as a result of the changes to the Stock Option Plan.

A copy of the Stock Option Plan, as amended, may be inspected at the offices of Gowling Lafleur Henderson LLP, Suite 2300, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5 during normal business hours and at the Meeting. In addition, a copy of the Stock Option Plan, as amended, will be mailed, free of charge, to any holder of common shares who requests a copy, in writing, from the Secretary of the Company. Any such requests should be mailed to the Company, at its head office, to the attention of the Secretary.

The policies of the TSXV require the shareholders to ratify the Stock Option Plan, as amended on an annual basis at the annual meeting. In addition, under TSXV Policy 4.4, the Company is required to obtain the approval by a majority of the votes cast by all shareholders, other than insiders and their associates, by ordinary resolution, to any amendment of terms of their stock option agreement. A total of 17,472,533 Common Shares held directly or indirectly by insiders and their associates will not be voted with respect to the resolution 2 below approving the extension of the length of the term of the stock option.

Accordingly, the shareholders of the Company will be asked to approve the following ordinary resolution:

“BE IT RESOLVED as an ordinary resolution that:

1. The Company is hereby authorized to delete paragraph 6.1 of the Plan in its entirety and replace it with the following:

“6.1 Unless the Company has received approval by the “disinterested shareholders” (as defined in the TSX Corporate Finance Manual) of the Company, the total number of Shares reserved for issuance to any one individual pursuant to Options or any other share compensation arrangements of the Company in any twelve (12) month period shall not exceed five (5%) percent of the number of issued and outstanding Shares from time to time.”
2. The Company is hereby authorized to delete paragraph 8.1 of the Stock Option Plan in its entirety and replace it with the following:

“8.1 The Option Period for an Option shall be determined by the Committee at the time the Option is granted and shall be up to ten (10) years from the date the Option is granted. At the time an Option is granted, the Committee may determine that, with respect to that Option, upon the occurrence of one of the events described in subsection 10.1 there shall come into force a time limit for exercise of such Option which is different than the Option Period, and in the event of such a determination, the Option Agreement for such Option shall contain provisions which specify the events and time limits related to that

determination. Subject to the applicable maximum Option Period provided for in this subsection 8.1 and subject to applicable regulatory requirements and approvals, the Committee may extend the Option Period of an outstanding Option beyond its original expiration date, (whether or not such Option is held by an Insider). In addition, the following restrictions shall apply:

- (a) Options granted to any Optionee who is a Director, Employee, Consultant, Management Company Employee, or an Optionee who is engaged in Investor Relations Activities must expire within one (1) year after the Optionee ceases to be in at least one of those categories; and
 - (b) Options granted to a Consultant who is engaged in Investor Relations Activities must be subject to a twelve (12) month vesting schedule, whereby no more than 25% of the options granted may be vested in any three-month period.”
3. the Company’s “rolling” Stock Option Plan and the amendments as described in the Company’s Information Circular dated May 11, 2009 be and is hereby approved;
 4. the number of common shares of the Company reserved for issuance under the amended Stock Option Plan shall be no more than 10% of the Company’s issued and outstanding share capital at the time of any stock option grant
 5. the Board of Directors of the Company be authorized to make any changes to the amended Stock Option Plan as may be required by the TSX Venture Exchange; and
 6. Any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.”

In order to be effective, the foregoing ordinary resolutions must be approved by a simple majority of the votes cast by those shareholders of the Company who, being entitled to do so, vote in person or by proxy at the Meeting in respect of such resolutions. In addition, resolution 2 must also be approved by a simple majority of the votes cast by disinterested shareholders of the Company who, being entitled to do so, vote in person or by proxy at the Meeting in respect of such resolution.

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval of the stock option plan.

Approval of Amendment of Previously Granted Stock Options

The Company believes it is important to align the interests of management and employees with shareholder interests and to link performance compensation to enhancement of shareholder value. This is accomplished through the use of stock options whose value over time is dependent on market value. Accordingly, on May 19, 2009, the directors approved, subject to the acceptance for filing thereof by the TSXV and receipt of disinterested shareholder approval (i) the repricing of an aggregate 6,785,000 options (the “**Options**”) to purchase common shares held by certain insiders of the Company to \$0.10 per share, and (ii) the extension of the maximum term of the option to ten years from the original date of grant (collectively the “**Option Amendment**”). The Options were previously granted pursuant to the Company’s Stock Option Plan on the dates and at the prices, as amended, set forth in the table below:

Option Holders	Optionee	Date of Grant	Securities Under Options Repriced	Exercise Price at Time of Repricing (\$/Security)	New Exercise Price (\$/Security)	Expiry Date at Time of Amendment	New Expiry Date
Officers	Brett Taylor	Sept 30/04	787,500	\$0.20	\$0.10	Sept 30/09	Sept 30/14
		Aug 17/05	230,000	\$0.20	\$0.10	Aug 17/10	Aug 17/15
		July 12/06	180,000	\$0.20	\$0.10	July 12/11	July 12/16
		Nov 06/07	552,500	\$0.15	\$0.10	Nov 06/12	Nov 06/17
	Derick Sinclair	July 24/07	750,000	\$0.15	\$0.10	July 24/12	July 24/17
Directors (who are not also officers)	John Anderson	Nov 06/07	800,000	\$0.15	\$0.10	Nov 06/12	Nov 06/17
	Douglas Evans	Sept 30/04	375,000	\$0.20	\$0.10	Sept 30/09	Sept 30/14
		Aug 17/05	125,000	\$0.20	\$0.10	Aug 17/10	Aug 17/15
		July 12/06	70,000	\$0.20	\$0.10	July 12/11	Jul 12/16
		Nov 06/07	430,000	\$0.15	\$0.10	Nov 06/12	Nov 06/17
	William Goode	Nov 06/07	1,000,000	\$0.15	\$0.10	Nov 06/12	Nov 06/17
	Alan Phillips	Sept 30/04	300,000	\$0.20	\$0.10	Sept 30/09	Sept 30/14
		Aug 17/05	125,000	\$0.20	\$0.10	Aug 17/10	Aug 17/15
		July 12/06	70,000	\$0.20	\$0.10	July 12/11	July 12/16
		Nov 06/07	990,000	\$0.15	\$0.10	Nov 06/12	Nov 06/17
	Total Insiders			6,785,000			

The TSXV requires that all amendments to stock options with respect to insiders (as that term is defined in the Securities Act (British Columbia) of the Company), must be approved by the disinterested shareholders of the Company. Subject to disinterested shareholder approval with respect to insiders and acceptance by the TSXV, the Company has reduced the exercise price of the Options to \$0.10 per share, representing an exercise price which is not less than market price on the trading day immediately preceding the announcement of the repricing on May 19, 2009. In addition, the Company has extended the maximum term of the option to ten years from its respective expiry date. The repricing of the Options and the extension of term is intended to reduce the discrepancy in exercise pricing of stock options that has developed over time between Option holders and to reflect current market prices of the Company's shares and to provide Option holders with a further incentive to promote and serve the Company's interests.

The approval of the repricing and extension of the Options requires the affirmative vote of the disinterested holders of a majority of the issued and outstanding common shares of the Company entitled to vote and represented in person or by proxy at the Meeting. At the Meeting, shareholders will be asked to pass an ordinary resolution, with holders of the Options and their respective associates abstaining from voting, approving the Option Amendments. A total of up to 17,472,533 common shares (representing 12.5% of the Company's issued and outstanding share capital) will be excluded from voting on the resolution. Accordingly the Company's disinterested shareholders will be asked to approve the following ordinary resolution:

“RESOLVED, as an ordinary resolution of the disinterested shareholders, that:

1. subject to the acceptance by the TSX Venture Exchange, the amendment of the exercise price of an aggregate of 6,785,000 options, as set forth in the information circular dated May 11, 2009, to \$0.10 per share (the “Exercise Price”) be and is hereby ratified, confirmed and approved;
2. subject to the acceptance by the TSX Venture Exchange, the amendment of the extension of the maximum term of 6,785,000 options to ten years from their respective expiry dates (the “Option Extension”) be and is hereby ratified, confirmed and approved.
3. the Board of Directors of the Company be authorized to make any changes to the Exercise Price and the Option Extension as may be required by the TSX Venture Exchange; and

4. any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.”

The Directors of the Company believe the passing of the foregoing ordinary resolution is in the best interest of the Company and recommend that shareholders of the Company vote in favour of the resolution. If approved by the disinterested shareholders of the Company, the Option Amendment will take effect upon approval by the TSXV. If the foregoing ordinary resolution is not passed, the exercise price and the term of the Options will continue to be at their respective exercise price, termination period and expiry dates.

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.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the SEDAR website located at www.sedar.com “Company Profiles – Cadan Resources Corporation”. The Company’s financial information is provided in the Company’s audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company’s financial statements and related management discussion and analysis by contacting the Company at Suite 916 - 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2 (Phone: (604) 687-0760).

Schedule “A”

Audit Committee

Composition of the Audit Committee

Following the election of the directors pursuant to this Information Circular, the following will be the members of the Audit and Disclosure Committee (“Audit Committee”):

Alan Philips	Independent ⁽¹⁾	Financially literate ⁽²⁾
Douglas L. Evans	Independent ⁽¹⁾	Financially literate ⁽²⁾
John Anderson	Non-Independent ⁽³⁾	Financially literate ⁽²⁾

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company that could, in the view of the Board of Directors, reasonably interfere with the exercise of a member’s independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.
- (3) Mr Anderson provides advisory services under a consulting agreement to the Company and as such is not considered independent pursuant to NI 52-110. Mr. Anderson is not involved in the day to day management of the Company and the Audit Committee does not believe that Mr. Anderson’s agreement materially affects the Audit Committees independence from management of the Company.

Relevant Education and Experience

Mr. Philips is a businessman, with over 30 years experience in the mining industry and with public companies in both Canada and Australia. Mr. Anderson is a businessman, who has experience with other TSX Venture Exchange listed resource companies. In these positions, Mr. Philips and Mr. Anderson have been responsible for receiving information relating to other companies and obtaining an understanding of the balance sheet, income statements and statements of cash flows and how these statements are integral in assessing the financial condition of the Company and its operating results. Dr. Evans has been a director of the Company since 2004 and has been an active investor in the Company for six years. Each member has an understanding of the mineral exploration and mining business in which the Company is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Company’s financial disclosures and internal control systems.

The Audit Committee’s Charter

The following is the text of the Audit Committee’s Charter.

1. INTENT

The Board of Directors (the “Board”) is committed to sound Fiscal and Disclosure practices which are both in the interest of its shareholders and contribute to the effective and efficient decision-making.

The primary function of the Audit Committee (the “Committee”) of Cadan Resources Corporation (the “Company”) is to assist the Board in fulfilling its financial and disclosure oversight responsibilities by performing the following:

- (a) Reviewing the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company’s process for monitoring compliance with laws and regulations.
- (b) Assist the Board in its oversight of other financial matters affecting the Company;
- (c) Reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; and

- (d) Review and implement the Company Whistle Blower Policy

Consistent with these functions, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels.

2. COMPOSITION AND QUALIFICATIONS

The Committee shall consist of at least three (3) Directors. Ideally, all members of the Committee should be independent directors (pursuant to Multi-Lateral Instrument 52-110) but can be comprise of a majority members who are not officers or employees of the Company or a member of an affiliate of the Company (pursuant to BCBCA).

The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Audit Committee for the ensuing year.

- (a) At least one member of the Committee shall have accounting or related financial management expertise;
- (b) All members of the Committee shall be financially literate, and if not so when appointed, will endeavour to obtain a working familiarity with basic finance and accounting practices within a reasonable time. An individual will be deemed financially literate when he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

3. MEMBER APPOINTMENT AND REMOVAL

- (a) Annually the membership of the Committee shall be selected by the Board at its first meeting following the annual shareholders meeting. Selection is based on recommendations of the existing Committee in consultation with the CEO;
- (b) Consideration will be given to rotating the Committee members periodically; and
- (c) The Board may at any time increase the number of Committee members, remove and or replace any member of the Audit Committee and may fill any vacancy in the Audit Committee.

4. POSITION DESCRIPTION AND RESPONSIBILITIES FOR CHAIRPERSON

The Chairperson shall:

- (a) Work with the Chairperson of the Board and the CEO and CFO, and manage the Audit & Disclosure Committee in an effective and efficient manner which furthers the best interests of the Company;
- (b) Act as the principal sounding board and counsel for the directors and the CEO and CFO with respect to disclosure and audit and financial reporting issues;
- (c) Ensure that, as appropriate, the Chairperson of the Board, CFO and the CEO are aware of concerns of the Committee;
- (d) Provide strong leadership of the Committee;
- (e) To notify the other members of the Audit Committee of any non-audit or additional work that he/she has authorized;

- (f) Work closely with the Chairperson of the Board to coordinate matters to be brought forth to Board meetings from the Committee;
- (g) Communicate with the Board to keep it current on all major developments involving audit and financial reporting matters;
- (h) Set the frequency of the Committee meetings and review such frequency as appropriate; and
- (i) Chair and manage meetings of the Committee.

5. MEETINGS

The Committee will meet quarterly or as often as it deems necessary to fulfill its responsibilities. The Committee may invite such other persons (e.g. the President, CEO or Chief Financial Officer) to its meetings, as it deems appropriate.

Special meetings shall be convened as required. The external auditors or any member of the Audit Committee may request a meeting of the Audit Committee;

As part of its job to foster open communication, the Committee should consider meeting at least annually with the Chief Financial Officer and the external auditors in separate sessions.

The secretary of the Committee shall be designated from time to time from one of the members of the Committee. The proceedings of all meetings of the Audit Committee will be minuted.

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.

6. MANDATE AND AUTHORITY

The purposes and provisions specified in this Charter are meant to serve as guidelines, and the Committee is delegated the authority to adopt such additional procedures and standards as it deems may be appropriate in light of changing business, legislative, regulatory or other conditions to fulfill its responsibilities. Nothing herein is intended to expand applicable standards of liability under applicable law for directors of a corporation.

The Committee the following authority:

- (a) To inspect all of the books and records of the Company and its affiliates and to discuss such accounts and records and any matters relating to the financial position or condition of the Company with the officers and internal and external auditors of the Company and its affiliates;
- (b) To engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (c) An audit committee must recommend to the board of directors:
 - (i) The external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer; and
 - (ii) The compensation of the external auditor.
- (d) To set and pay the ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties;

- (e) To communicate directly with the internal and external auditors. The Board will instruct its external auditors to report directly to the Audit Committee;
- (f) To consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (g) To review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company; and
- (h) Establish procedures to ensure that it is kept fully apprised of all pending Company developments that are material or potentially material in order to evaluate and discuss those events to determine the appropriateness of and timing for public release of information.

7. RESPONSIBILITIES

To fulfill its responsibilities and duties, the Committee shall:

- (a) Review the Company's financial statements, MD&A, any annual and interim earning statements and press releases before the Company publicly discloses this information and any reports, prospectus or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors;
- (b) To review, prior to issuance or submission to the Audit Committee or Board:
 - (i) Annual and Interim Filings, management information circulars, material change reports, annual information forms, and any other information filed with securities regulators;
 - (ii) Presentations and reports containing financial information broadly disseminated to analysts, creditors and investors, including financial information displayed on the Company website;
 - (iii) All material estimates included in the financial statements;
 - (iv) All forward looking information and earnings guidance included in public disclosures;
 - (v) All material business risks ensuring that they have been thoroughly identified and analyzed for disclosure purposes.
- (c) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements;
- (d) Obtain explanations from management on all the significant variances between comparative reporting periods and, in respect the annual financial statements, question management and the external auditor regarding the significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (e) Before the submission of the audited annual financial statements to the Board, review the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (f) Obtain annually a formal written statement from the external auditors setting forth all relationships between the external auditors and the Company;

- (g) Review and discuss with the external auditor's any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (h) Determine that the external auditors have a process in place to address the rotation of the lead partner and other audit partners serving the account as required under Canadian independence standards;
- (i) Recommend to the Board annually or as they may otherwise determine, a duly qualified external auditor to be nominated (for appointment or retention) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- (j) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (k) Recommend to the Board the termination and replacement of the external auditors if and when such need arises;
- (l) Consult with the external auditors about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (m) Recommend compensation to the Board for the external auditors;
- (n) Financial Reporting Processes:
 - (i) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external; and
 - (ii) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments; and
- (o) Directly oversee the work of the external auditors, including reviewing the Company's critical accounting policies and practices, material alternative accounting treatments and material written communications between the external auditors and management, and the resolution of disagreements between management and the external auditor regarding financial reporting;
- (p) Review all post-audit or management letters containing the recommendations of the external auditor and management's response or follow-up of any identified weakness;
- (q) Meet separately, periodically, with management, with internal auditors (or other personnel responsible for the internal audit function) and with external auditors;
- (r) Establish 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;
- (s) Enquire as to the adequacy of the Company's system of internal controls; and
- (t) Review and update this Charter annually.

8. REPORTING

The Committee has a duty to report to the Board all matters that it considers to be important for Board consideration.

All minutes of the Committee should be attached to the Board minutes and forwarded to each member of the Board by the Secretary in a timely manner.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve, in advance, provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work that the Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
2008	\$38,000	\$2,100	\$2,000	Nil
2007	\$53,000	Nil	\$1,200	Nil

(1) The aggregate audit fees billed.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements that are not included under the heading "Audit Fees".

(3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

(4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

Reliance on Exemption in Section 6.1 of NI 52-110

The Company has relied upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers from the requirement to comply with the restrictions on the composition of its audit committee and the disclosure requirements of its audit committee in an annual information form as prescribed by NI 52-110.

Schedule “B”

Statement of Corporate Governance Practices

Corporate governance relates to the activities of the Board of Directors of the Company (the “Board”), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making. National Policy 58-201, *Corporate Governance Guidelines*, establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices for Venture Issuers in Form 58-101F2, which disclosure is set out below.

Board of Directors

Structure and Compensation

The Board is currently composed of five (5) directors. All of the proposed nominees for election as director at the Meeting are current directors of the Company.

National Policy 58-201 suggests that the Board of Directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under National Instrument 52-110 (“NI 52-110”), which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. “Material relationship” is defined as 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. Of the current directors, three (3) directors, the President and CEO, William Goode the Director Technical Development and John Anderson the Director, Corporate Development are “inside” or management directors and accordingly are considered not “independent”. The two (2) remaining current directors are considered by the Board to be “independent”, within the meaning of NI 52-110.

In assessing National Policy 58-201 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. Following the Meeting, the Board will continue to have a majority of independent directors.

The Board does not currently have a Chair. The independent directors exercise their responsibilities for independent oversight of management, and are provided with leadership through their position on the Board and ability to meet independently of management whenever it is deemed necessary.

The Corporation does not currently pay its directors any remuneration, as such, and the only compensation received by non-management directors is through the grant of incentive stock options. The Board has established a Governance, Nominating and Compensation Committee (the “GNC Committee”). As of the date hereof, the GNC Committee is composed of Messrs Anderson, Evans and Philips, all of whom are independent directors. The quantity and quality of the Board compensation will be reviewed by the GNC Committee at least annually. The number of options to be granted, including those to be granted to “management” directors, is determined by the GNC Committee, thereby providing the independent directors with significant input into compensation decisions.

Except for Alan Phillips and John Anderson the directors of the Company are not currently directors of other reporting issuers. Alan Phillips is the President CEO and director of International Gold (mining Ltd. (TSXV), a director of Macarthur Minerals Limited (TSXV), a director of Salmon River Resources Ltd. (TSXV) and a director of Liberty Resources Ltd. (Australia - ASX) and John Anderson is a director of J-Pacific Gold Inc (Canada), a director Wescorp Energy, Inc. (US OTC.BB) and a director of Strategic Resources, Ltd. (US OTC.BB).

Mandate of the Board

The mandate of the Board is to oversee the conduct of the business and to monitor the management of the Company in discharging its duty of stewardship of the Company for the benefit of the Company's shareholders. The Board has the responsibility to act honestly and in good faith with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through the Audit and Disclosure Committee and the GNC Committee. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan; reviewing and approving the annual corporate budget and forecast; reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable.

In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company's internal control and management information systems and for the Company's policies respecting corporate disclosure and communications.

Each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

The positions of President and CEO are combined. The Board believes the Company is well served and the independence of the Board from management is not compromised by the combined role. The Board believes that its current composition, in which only two (2) of five (5) is a member of management, is sufficient to ensure that the Board can function independently of management.

Nomination, Orientation and Assessment

The GNC Committee has been delegated the responsibility to consider and recommend a desirable balance of skills and experience among Board members; and to seek out and attract qualified candidates to fill Board positions. The Board determines new nominees to the Board on the recommendations of the GNC Committee.

The GNC Committee has been delegated the responsibility of establishing and administering a process (including a review by the full Board and discussion with management) for assessing the effectiveness of the Board as a whole and the committees of the Board and to assist the Board in overseeing the process of evaluation of the Board, its committees and individual directors.

New directors are provided with information respecting the functioning of the Board and its committees. In addition, new directors receive copies of Board materials, corporate policies and procedures, and other information regarding the business and operations of the Company. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current level of operations.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies in the natural resource sector. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have access to legal counsel to the Company in the event of any questions or matters relating to the Board members' corporate and director responsibilities and to keep themselves current with changes in legislation. Board members have full access to the Company's records and general industry information and material of interest is circulated to directors on a regular basis. Reference is made to the table under the heading "Election of Directors" in the Information Circular for a description of the current principal occupations of the Company's Board.

Expectations of Management and Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. The Board has adopted a written Code of Business Conduct and Ethics which is available on the SEDAR website located at www.sedar.com "Company Profiles – Cadan Resources Corporation".

Committee Responsibilities and Activities

Committees of the Board are an integral part of the Company's governance structure. At the present time, the only standing committees are the Audit and Disclosure Committee and the GNC Committee. Please see the table under the heading "Election of Directors" in this Circular for disclosure of the membership of each committee. Disclosure with respect to the Audit Committee, as required by NI 52-110 – Audit Committee, is contained in Schedule "A" to this Information Circular.

The GNC Committee is responsible for: (i) developing and recommending to the Board a set of corporate governance principles applicable to the Company to ensure that the Company's corporate governance system is effective in discharge of its obligations to the Company's stakeholders; (ii) identifying individuals qualified to become new Board members and to recommend to the Board new director nominees from time to time; (iii) establishing and administering a process (including a review by the full Board and discussion with management) for assessing the effectiveness of the Board as a whole and the committees of the Board; (iv) assisting the Board in overseeing the process of evaluation of the Board, its committees and individual directors; (v) establishing, administering and evaluating the compensation philosophy, policies and plans for non-employee directors and executive officers; (vi) ensuring that the Company has in place programs to attract and develop management of the highest calibre and a process to provide for the orderly succession of management; and (vii) making recommendations to the Board regarding director and executive compensation based on a review of the performance of the directors and executive officers.

As the Company grows, and its operations and management structure became more complex, the Board will likely find it appropriate to make changes to its current committees and to constitute additional formal standing committees, and to ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.