

GLR RESOURCES INC.
P. O. Box 546
4 Al Wende Avenue
Kirkland Lake, Ontario P2N 3J5

MANAGEMENT INFORMATION CIRCULAR
AS AT MAY 17, 2004

SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF GLR RESOURCES INC. (the "Company") of proxies to be used at the Annual and Special Meeting of Shareholders of the Company (the "Meeting") to be held at the Company's offices located at 4 Al Wende Avenue, Kirkland Lake, Ontario, Canada, on June 18, 2004, at 10:00 a.m. (Toronto time) and at any adjournment thereof for the purposes set forth in the enclosed Notice of Meeting. Proxies will be solicited primarily by mail and may also be solicited personally or by telephone by the directors and/or officers of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

The Company may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting shares of the Company (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Information Circular, the Notice of Meeting and form of proxy to the beneficial owners of such shares. The Company will provide, without cost to such persons, upon request to the Secretary of the Company, additional copies of the foregoing documents required for this purpose.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy represent management of the Company. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM AT THE MEETING MAY DO SO** by filling in the name of such person in the blank space provided in the proxy or by completing another proper form of proxy. A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed proxy with the Company's transfer agent and registrar, Equity Transfer Services Inc., Suite 420, 120 Adelaide Street West, Toronto, Ontario M5H 4C3, on or before the close of business of the last day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or deliver it to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy should be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof and thereupon the proxy is revoked.

A shareholder attending the Meeting has the right to vote in person and, if he does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

Only registered holders of class A voting common shares of the Company (the “Common Shares”) or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “Non-Registered Holder”) are registered either: (i) in the name of an intermediary (an “Intermediary”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101, the Company will have distributed copies of the Notice of Meeting, this Information Circular and the form of proxy (collectively, the “meeting materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the meeting materials to Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the “voting instructions form”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the voting instructions form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the voting instructions form.

EXERCISE OF DISCRETION BY PROXIES

The shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by the proxy shall be voted accordingly. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE ELECTION OF DIRECTORS, FOR THE APPOINTMENT OF AUDITORS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION AND FOR EACH ITEM OF SPECIAL BUSINESS, AS STATED ELSEWHERE IN THIS INFORMATION CIRCULAR. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING ACCOMPANYING THIS INFORMATION CIRCULAR AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS JUDGMENT MAY DETERMINE.** At the time of printing this Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

Persons registered on the books of the Company at the close of business on the Record Date (as defined below) and persons who are transferees of any Common Shares acquired after such Record Date and who have produced properly endorsed certificates evidencing such Common Shares or who otherwise establish ownership thereof and demand, not later than ten (10) days before the Meeting, that their names be included in the list of shareholders, are entitled to vote at the Meeting.

VOTING SHARES

As at the date of this Information Circular, 22,052,269 Common Shares were issued and outstanding. Each Common Share entitles the holder thereof to one vote in respect of each matter to be voted upon at the Meeting.

The record date for the purpose of determining the shareholders entitled to receive the Notice of Meeting has been fixed as April 29, 2004 (the "Record Date"). In accordance with the provisions of the *Canada Business Corporations Act* (the "CBCA"), the Company has prepared a list of shareholders as at the close of business on the Record Date. Each holder of Common Shares named in the list will be entitled to vote, on all resolutions put forth at the Meeting for which such shareholder is entitled to vote, the shares shown opposite his or her name on the said list, except to the extent that: (i) the shareholder has transferred any of his or her shares after the Record Date; and (ii) the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he or she owns the shares and demands, not later than ten days before Meeting, that his or her name be included in the list of shareholders before the Meeting, in which case, the transferee will be entitled to vote his or her shares at the Meeting. The failure of a shareholder to receive the Notice of Meeting does not deprive him or her of the right to vote at the Meeting.

ELECTION OF DIRECTORS

The number of directors to be elected annually to the board of directors (the "Board") is currently set at six (6). As set out under "Number of Directors" under the heading "Special Business", it is proposed that the shareholders pass a resolution to set the number of directors to be elected at the Meeting at five (5). If the resolution is passed, the number of directors to be elected at the Meeting will be five (5). The following table and the notes thereto state the names of all the persons proposed to be nominated by management for election as directors, all other positions and offices with the Company now held by them, their principal occupations, businesses or employments, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

Name & Present Principal Occupation⁽¹⁾	Office Held with the Company	Date First Elected a Director of the Company	Number of Voting Securities Owned, Controlled or Directed as at May 17, 2004⁽²⁾
Robert J. Kasner ⁽³⁾ Self-employed prospector and contractor, and President of R. J. Kasner Co. Ltd. ("Kasco"), a private contracting and exploration company	President, Chief Executive Officer and Director	July 24, 2001	3,462,593 Common Shares
Marvin J. Singer Partner, Goodman and Carr LLP (a law firm) since October 1, 1999. From January 1, 1997 to March 31, 1999, Vice-President of Dragon Management International Services (Canada) Limited	Director	July 24, 2001	25,250 Common Shares
William R. Whitehead ⁽³⁾ Self-employed businessman	Director	July 24, 2001	Nil

<u>Name & Present Principal Occupation⁽¹⁾</u>	<u>Office Held with the Company</u>	<u>Date First Elected a Director of the Company</u>	<u>Number of Voting Securities Owned, Controlled or Directed as at May 17, 2004⁽²⁾</u>
James Kermeen Self-employed professional geological engineer, President of Athabasca Gold Resources Ltd. until November 2, 2002, President and Director of GTO Resources Inc. since August 2003 and President and Director of Breckenridge Resources Ltd. since May 1992	Director	July 24, 2001	Nil
John F. Cook ⁽³⁾ President of Anaconda Uranium Ltd., a mineral exploration Corporation	Director	July 24, 2001	Nil

Notes:

- (1) The principal occupations of the each of the nominees during the past five years is as set forth above.
- (2) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (3) Member of the Audit Committee.

The term of office of each director will be from the date of the meeting at which he is elected until the next annual meeting, or until his successor is elected or appointed.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the shareholder has specified in the proxy that his or her shares are to be withheld from voting in respect of the election of directors.

PRINCIPAL HOLDERS OF SHARES

As at the date of this Information Circular, the only person who, to the knowledge of the directors or senior officers of the Company, beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Company carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Company is as follows:

<u>Name of Registered Holder</u>	<u>Number of Common Shares</u>	<u>Percentage of Class</u>	<u>Percentage of all Voting Rights</u>
Robert J. Kasner ⁽¹⁾	3,462,593	15.7%	15.7%

Note:

- (1) 1,288,493 of the Common Shares are owned through Kasco, a holding company controlled by Robert J. Kasner.

EXECUTIVE COMPENSATION

Compensation Summary

The table below sets forth information concerning the compensation of the Company's Chief Executive Officer for the Company's fiscal years ended December 31, 2003, 2002 and 2001.

Summary Compensation Table

Name and Principal Position	Year	ANNUAL COMPENSATION			LONG TERM COMPENSATION			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options/SARs ⁽²⁾ Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP ⁽³⁾ Payouts (\$)	
Robert J. Kasner, President and Chief Executive Officer	2003	Nil ⁽⁴⁾	Nil	Nil ⁽⁵⁾	500,000	Nil	Nil	Nil
	2002	Nil ⁽⁴⁾	Nil	Nil ⁽⁵⁾	100,000	Nil	Nil	Nil
	2001 ⁽¹⁾	Nil ⁽⁴⁾	Nil	Nil ⁽⁵⁾	550,000	Nil	Nil	Nil

Notes:

- (1) The Company was formed as a result of a plan of arrangement (the "Arrangement") pursuant to the CBCA effective July 24, 2001 among Greater Lenora Resources Corp. ("Greater Lenora"), 3796299 Canada Inc. and 3851419 Canada Inc. As such, amounts listed above relating to the 2001 fiscal year represent amounts paid or payable from July 24, 2001 to December 31, 2001.
- (2) Stock appreciation rights.
- (3) Long term incentive plans.
- (4) Pursuant to a previous agreement adopted by the Company in connection with the Arrangement, Kasco is entitled to be paid \$150,000 per year. The amount of \$428,464 remains unpaid and owing as at the financial year ended December 31, 2003. See "Management Contracts" for details of such agreement.

Long-Term Incentive Plan Awards

The Company does not have any long term incentive plan awards.

Stock Option Plan

As part of the Arrangement, a stock option plan (the "Stock Option Plan") was adopted. The purpose of the Stock Option Plan is to encourage ownership of Common Shares by directors, senior officers and employees of the Company, and its subsidiaries and consultants who are primarily responsible for the management and profitable growth of its business and to advance the interests of the Company by providing additional incentive for superior performance by such persons and to enable the Company and its subsidiaries to attract and retain valued directors, officers, employees and consultants.

Options may be granted under the Stock Option Plan only to directors, senior officers, employees, consultants and personal holding corporations controlled by a director or senior officer of the Company and its subsidiaries as designated from time to time by the Board. The number of Common Shares which may be reserved for issuance under the Stock Option Plan is currently limited to 1,950,000 Common Shares, provided that the Board has the right, from time to time, to increase such number subject to the approval of the shareholders of the Company. The maximum number of Common Shares which may be reserved for issuance to any one person under the Stock Option Plan is 5% of the Common Shares outstanding at the time of the grant (calculated on a non-diluted basis) less the number of Common Shares reserved for issuance to such person under any option to purchase Common Shares granted as a compensation or incentive mechanism. Any Common Shares subject to an option granted under the Stock Option Plan which for any reason is cancelled or terminated prior to exercise shall again be available for the purposes of the Stock Option Plan. No fractional Common Shares shall be issued, and the Board may determine the manner in which fractional share value shall be treated. The option price of any Common Shares cannot be less than the closing price of the shares on the day immediately preceding the day upon which the option is granted. Options granted under the Stock Option Plan may be exercised during a period not exceeding five (5) years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, senior officer, director or consultant of the Company or any of its subsidiaries, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company's capitalization. The Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted thereunder.

As of the date hereof, options to purchase an aggregate of 2,715,000 Common Shares are outstanding under the Stock Option Plan.

The Board has increased the current limit on the number of Common Shares that may be reserved for issuance under the Stock Option Plan, subject to the approval of the Toronto Stock Exchange (the "TSX") and the shareholders of the Company. See "Special Business – Amendment to Stock Option Plan and Ratification of Option Grants".

Stock Option Grants

The following information concerns the grant of options by the Company to the Chief Executive Officer under the Stock Option Plan during the financial year ended December 31, 2003.

Option/SAR Grants During Most Recently Completed Financial Year

Name	Securities Under Options/SARs Granted (#) ⁽¹⁾	% of Total Options/SARs Granted to Employees in Financial Year ⁽²⁾	Exercise or Base Price (\$/Common Share)	Market Value of Securities Underlying Options/SARs on Date of Grant (\$/Common Share)	Expiration Date
Robert J. Kasner	500,000	43.48%	0.60	0.59 ⁽³⁾	December 30, 2008

Notes:

- (1) Freestanding SARs have not been granted.
- (2) Percentages of all options granted during the financial year ended December 31, 2003.
- (3) Based on the closing price of the Common Shares on December 29, 2003, the date prior to the grant of the options.

Stock Options Exercised and Held

The following information concerns each exercise of options during the most recently completed financial year by the Company's Chief Executive Officer and the financial year-end value of unexercised options held, on an aggregated basis.

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

<u>Name</u>	<u>Securities Acquired on Exercise (#)</u>	<u>Aggregate Value Realized (\$)</u>	<u>Unexercised Options/SARs at FY-End (#) Exercisable/Unexercisable</u>	<u>Value of Unexercised in-the-Money Options/SARs at FY-End (\$) Exercisable/Unexercisable</u>
Robert J. Kasner	650,000	265,000	235,000/265,000 ⁽¹⁾	4,700 ⁽²⁾ /5,300 ⁽²⁾

Notes:

- (1) These options have been granted subject to shareholder approval – see “Special Business – Amendment to Stock Option Plan and Ratification of Option Grants”.
- (2) Based on the closing price of the Common Shares on December 31, 2003 of \$0.62 less the exercise price of such options of \$0.60.

Management Contracts

Pursuant to an agreement (the “Kasner Agreement”) made effective as of January 1, 1995, as amended, between Greater Lenora (the predecessor to the Company) and Kasco, Greater Lenora appointed Kasco to provide managerial and consulting services to the Corporation, including currently providing the services of Robert J. Kasner as Chief Executive Officer of Greater Lenora. As part of the Arrangement, the Kasner Agreement was assumed by the Company. The Kasner Agreement may be terminated effective December 31st of any year by written notice given by either party on or prior to September 1st in such year. Kasco is to be paid a base rate of \$150,000 per year, with an annual increase determined by Kasco and the Company. Pursuant to the Kasner Agreement, in the event that the Kasner Agreement is terminated prior to the end of its term without Kasco's consent, Kasco is entitled to receive a lump sum payment. The Kasner Agreement will be deemed to be terminated if a Fundamental Change (as defined below) occurs or if two or more persons are elected or appointed directors of the Company who are not nominees proposed by at least a majority of the incumbent directors of the Company for election or appointment at any meeting of shareholders or directors. For these purposes, a “Fundamental Change” means a merger, consolidation or amalgamation which results in a person or group of persons beneficially owning securities carrying in the aggregate more than 20% of the votes which may be cast for the election of directors of the Company (other than any person or group of persons who beneficially owned such number of securities immediately prior to such transaction), a transaction or series of transactions pursuant to which the Company sells all or substantially all of its assets, or any change in the beneficial ownership of the securities of the Company which results in a person or group of persons

beneficially owning securities carrying in the aggregate more than 20% of the votes which may be cast for the election of directors of the Company.

Compensation of Directors

Directors of the Company are entitled to receive a fee of \$100.00 for each meeting of the Board, committee of the Board and shareholders attended. Directors also participate in the Company's Stock Option Plan. During the financial year ended December 31, 2003 no options to purchase Common Shares were granted to directors (excluding the Chief Executive Officer). During such fiscal year, no options to purchase Common Shares were exercised by directors.

The law firm of which Marvin J. Singer is a partner received \$22,324.95 in respect of legal fees and disbursements during the most recently completed financial year.

APPOINTMENT OF AUDITORS

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF PARKER SIMONE CHARTERED ACCOUNTANTS LLP, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Parker Simone Chartered Accounts LLP were first appointed as auditors of the Company effective April 27, 2001.

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

The 2003 Annual Report, including the financial statements for the fiscal year ended December 31, 2003 and the report of auditors thereon will be submitted to the shareholders at the Meeting. Receipt at the Meeting of the auditors' report and the Company's financial statements for its most recently completed fiscal period will not constitute approval or disapproval of any matters referred to therein.

SPECIAL BUSINESS

Number of Directors

Shareholders are being asked to consider and, if deemed advisable, pass, with or without variation, a resolution determining that the number of directors to be elected at the Meeting shall be five (5) and empowering the directors of the Company to determine the number of directors within the minimum and maximum number set out in the Company's articles, by resolution of the directors. Management is requesting shareholders to pass the following resolutions:

“RESOLVED THAT:

1. *the number of directors of the Company to be elected at the annual and special meeting of shareholders to be held on June 18, 2004 is hereby determined to be five (5);*
2. *the directors of the Company be and they are hereby empowered, by resolution of directors, to determine, from time to time, the number of directors of the Company and the number of directors to be elected at meetings of the shareholders of the Company subsequent to June 18, 2004 within the minimum and maximum number of directors of the Company provided for in the articles of the Company; and*
3. *any director and/or officer of the Company be and is hereby authorized and directed to execute such documents and do such acts and things as are necessary in connection with the foregoing resolution.”*

Empowering the directors of the Company to determine the number of directors within the minimum and maximum range will permit management of the Company to offer seats on the Board to qualified and interested individuals without the delay and expense of seeking shareholder approval to an increase in the size of the Board or alternatively without requesting an incumbent director to resign in order to create a vacancy. The directors of the Company recommend that shareholders vote in favour of the resolution.

In order to approve the above resolution, a majority of the votes cast at the Meeting must be voted in favour thereof. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE ABOVE RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST THIS RESOLUTION.

Advance Shareholder Approval for the Issuance of Shares by Private Placement

The Company from time to time investigates opportunities to raise financing on advantageous terms. It expects to undertake one or more financings over the next year and expects some of them to be structured as private placements. Under the rules of the TSX, the aggregate number of shares of a listed company which are issued or made subject to issuance (i.e., issuable under a share purchase warrant or option or other convertible security) by way of one or more private placement transactions during any particular six-month period must not exceed 25% of the number of shares outstanding (on a non-diluted basis) prior to giving effect to such transactions (the “TSX 25% Rule”), unless there has been shareholder approval of such transactions.

The application of the TSX 25% Rule may restrict the availability to the Company of funds which it may wish to raise in the future by private placement of its securities.

In particular, management of the Company considers it to be in the best interests of the Company to solicit private placement funds for working capital and its operations. The TSX has a working practice that it will accept advance approval by shareholders in anticipation of private placements that may exceed the TSX 25% Rule, provided such private placements are completed within 12 months of the date such advance shareholder approval is given.

THE COMPANY'S ISSUED AND OUTSTANDING SHARE CAPITAL IS CURRENTLY COMPRISED OF 22,052,269 COMMON SHARES AND THE COMPANY PROPOSES THAT THE MAXIMUM NUMBER OF SHARES WHICH EITHER WOULD BE ISSUED OR MADE SUBJECT TO ISSUANCE UNDER ONE OR MORE PRIVATE PLACEMENTS IN THE TWELVE MONTH PERIOD COMMENCING ON JUNE 18, 2004 WOULD NOT EXCEED 22,052,269 SHARES, OR 100% OF THE COMPANY'S ISSUED AND OUTSTANDING COMMON SHARES AS AT MAY 17, 2004.

Any private placement proceeded with by the Company under the advance approval being sought at the Meeting will be subject to the following additional restrictions:

- (a) it must be substantially with parties at arm's length to the Company;
- (b) it cannot materially affect control of the Company;
- (c) it must be completed within a twelve month period following the date the shareholder approval is given; and
- (d) it must comply with the private placement pricing rules of the TSX which currently require that the issue price per Common Share must not be lower than the closing market price of the Common Shares on the TSX on the trading date prior to the date notice of the private placement is given to the TSX (the "Market Price"), less the applicable discount, as follows:

<u>Market Price</u>	<u>Maximum Discount</u>
\$0.50 or less	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

(for these purposes, a private placement of unlisted convertible securities is deemed to be a private placement of the underlying listed securities at an issue price equal to the lowest possible price at which the securities are convertible by the holders thereof).

In any event, the TSX retains the discretion to decide whether or not a particular placement is "substantially" at arm's length or will materially affect control, in which case specific shareholder approval may be required.

In anticipation that the Company may wish to enter into one or more private placements in the next twelve months that will result in it issuing and/or making issuable such number of its Common Shares, taking into account any shares that may be issued upon exercise of any warrants, options or other rights granted in connection with the private placements, that will exceed the TSX 25% Rule, management is requesting shareholders to pass the following resolution:

***"RESOLVED** that the issuance by the Company in one or more private placements during the twelve month period commencing June 18, 2004 of such number of securities that would result in the Company issuing or making issuable a number of class A voting common shares aggregating up to 100% of the number of issued and outstanding class A voting common shares as at May 17, 2004, being the date of the Information Circular describing the advance approval, as more particularly described in and subject to the restrictions described in the Company's Information Circular dated May 17, 2004, is hereby approved."*

The directors of the Company believe the passing of the foregoing resolution is in the best interests of the Company and recommends that shareholders vote in favour of the resolution. In the event the resolution is not passed, the TSX will not approve any private placements that result in the issuance or possible issuance of a number of Common Shares which exceed the TSX 25% Rule, without specific shareholder approval. Such restriction could impede the Company's timely access to required funds on favourable terms.

In order to approve the above resolution, a majority of the votes cast at the Meeting must be voted in favour thereof. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE ABOVE RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST THIS RESOLUTION.

Amendment to Stock Option Plan and Ratification of Option Grants

The maximum number of Common Shares which may be set aside for issuance under the Stock Option Plan had been initially fixed at 1,950,000 Common Shares. The Stock Option Plan permits the Board to increase such maximum number, from time to time, subject to the approval of the TSX and the shareholders of the Company. Effective December 30, 2003, the Board amended the Stock Option Plan (the "Amendment") by increasing such maximum number to 3,000,000 Common Shares. The Board determined that it was in the best interests of the Company to increase the number of Common Shares available to be issued pursuant to the Stock Option Plan in order to have options available to compensate directors, senior officers and employees of the Company and to attract additional personnel necessary to manage the expansion of the Company's business. The number of Common Shares which are or may be reserved for issuance under the Stock Option Plan, as amended, represent approximately 13.6% of the issued and outstanding Common Shares as at May 17, 2004.

Subsequent to the approval of the Amendment by the Board, options to purchase an aggregate of 765,000 Common Shares were granted pursuant to the Stock Option Plan, as amended, subject to the approval of the TSX and the shareholders of the Company. As part of the resolution approving the Amendment, shareholders are being requested to approve the granting of the foregoing options. Set forth below is a summary of the 765,000 options to purchase Common Shares which require approval:

Issued to Insider/Non- Insider	Number of Options	Date of Grant	Expiry Date	Exercise Price
Insider	265,000	December 30, 2003	December 30, 2008	\$0.60
Non-Insider	100,000	February 1, 2004	February 1, 2009	\$0.55
Non-Insider	400,000	March 1, 2004	March 1, 2005	\$0.60

The TSX has approved the Amendment and the prior grant of an aggregate of 765,000 options conditional upon the approval by the shareholders of the Company of the resolution approving the Amendment and receipt by the TSX of all requisite documentation necessary to list the additional Common Shares issuable pursuant to the Amendment.

In the event that the Amendment is approved, shareholder approval will not be required for the granting of options to purchase an aggregate of 3,000,000 Common Shares under the Stock Option Plan, as amended. However, in the event that the Board determines to further increase the maximum number of Common Shares subject to the Stock Option Plan, such increase will be subject to the further approval of the Company's shareholders. As a result, management is requesting shareholders to pass the following resolutions:

“RESOLVED that

1. *the amendment to the stock option plan of the Company (the “Plan”) to set the number of common shares of the Company issuable pursuant to the Plan at 3,000,000 common shares, subject to any limitations imposed by applicable regulations, laws, rules and policies and as more particularly described in the Company's Information Circular dated May 17, 2004, is hereby ratified and approved; and*
2. *the prior issuance of options to purchase 765,000 common share pursuant to the Plan be hereby ratified and confirmed.”*

The directors of the Company believe the passing of the foregoing resolution is in the best interests of the Company and recommends that shareholders vote in favour of the resolution.

In accordance with the requirements of the TSX, in order to approve the above resolution the shareholders of the Company are required to approve the Amendment by a majority of the votes cast at the Meeting, other than the votes attaching to securities beneficially owned by insiders of the Company to whom Common Shares may be issued pursuant to the Stock Option Plan and their associates. To the Company's knowledge, as at the date hereof, the number of Common Shares beneficially owned by such shareholders is 3,487,843 Common Shares. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE AMENDMENT TO THE STOCK OPTION PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION. In the event shareholder approval is not given to the Amendment, the Amendment will not be effective, the maximum number of Common Shares which may be set aside for issuance under the Stock Option Plan will remain at the current number and the options granted in anticipation of the approval of the Amendment will terminate.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No director, executive officer, senior officer or any proposed nominee for election as a director, nor any of their associates is currently or has been indebted to the Company since the beginning of the last completed financial year of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or senior officer of the Company at any time since the beginning of the Company's last completed financial year, and no proposed nominee for election as a director of the Company, or any associate of any such director, senior officer or proposed nominee has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Information Circular.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

No insider or proposed nominee for election as a director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year or in any proposed transaction which in either such case has materially affected or will materially affect the Company.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The TSX has set out a series of guidelines for effective corporate governance (the “TSX Guidelines”). The TSX Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. The TSX requires the disclosure by each listed corporation of its approach to corporate governance with reference to the TSX Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance. The Ontario Securities Commission released corporate governance guidelines for comment on January 16, 2004 (the “OSC Guidelines”). The OSC Guidelines have been proposed in order to improve corporate governance practices in light of recent corporate governance related developments in Canada and in the United States. While the proposed OSC Guidelines are not yet in force, the Board has undertaken to re-examine its corporate governance practices in the context of the proposed OSC Guidelines in order to improve its corporate governance practices and will implement any applicable changes to its practices where appropriate.

Set out below is a description of the Corporation's approach to corporate governance in relation to the TSX Guidelines:

Mandate of the Board

The mandate of the Board is to supervise the management of the business and affairs of the Company. In fulfilling its mandate, the Board is responsible for, among other things:

- overseeing strategic planning
- monitoring the performance of the Company's assets
- evaluating the principal risks and opportunities associated with the Company's business and overseeing the implementation of appropriate systems to manage these risks
- approving specific acquisitions and divestitures
- appointing, training and monitoring senior management
- ensuring the integrity of the Company's internal control systems

Board Composition

The Board currently consists of five (5) individuals. The Board examines its size on an ongoing basis and the directors believe that the current size of the Board facilitates effective decision making. The directors are of the opinion that three (3) directors, including Messrs. Whitehead, Kermeen and Cook are “unrelated directors” and that the remaining two (2) directors, Messrs. Kasner and Singer, are “related directors”, within the meaning of the TSX Guidelines. Accordingly, a majority of the Board of directors is comprised of individuals who qualify as “unrelated directors”.

The TSX Guidelines define an unrelated director as a director who is independent of management and free from any business or other relationship which could, or could be reasonably perceived to, materially interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholding.

The Company does not have a significant shareholder, as defined in the TSX Guidelines.

Mr. Robert J. Kasner, the Chief Executive Officer of the Company, is Chairman of the Board.

The Board has in place appropriate structures and procedures to ensure that it can function independently of management. The unrelated directors will, in appropriate circumstances, meet separately from the related directors as an ad hoc subcommittee of the Board. In addition, individual directors may, in appropriate circumstances, engage an outside advisor at the expense of the Company, subject to the approval of the Audit Committee.

The directors believe that the Board, as presently constituted, functions independently of management.

Board Committees

The Board has one standing committee: the Audit Committee. From time to time, *ad hoc* committees of the Board are established.

The Audit Committee is composed of a majority of unrelated directors. The Audit Committee is responsible for reviewing and assessing the Company's financial reporting procedures, internal accounting control procedures, the performance of the Company's auditors, the nature and scope of the annual audit as proposed by the auditors and management, and, in consultation with management, the risks inherent in the Company's business. The Committee also reviews the annual and interim financial statements of the Company and makes recommendations to the Board with respect thereto. The Committee meets regularly with the Company's auditors in the absence of management, and has direct access to management in order to review specific issues.

Given the size of the Board and the stage of development of the Company, the Board has not had and does not currently intend to establish a Compensation Committee. Presently, the full Board takes responsibility for reviewing the adequacy and form of compensation of directors and senior management of the Company.

In addition, the full Board takes responsibility for developing, monitoring and assessing the Company's corporate governance system and for identifying and nominating directors. When considering new directors, the Board considers the expertise required of, and the qualification and experience brought by, a prospective new director. The Company currently has an informal orientation and education program for new members of the Board.

Decisions Requiring Board Approval

In addition to those matters which must be approved by the Board by law, management is also required to seek Board approval for material acquisitions, dispositions and transactions outside the ordinary course of the Company's business. Changes in senior management are also required to be approved by the Board. The Board has delegated to senior management the authority to enter into various types of transactions subject to specified limitations, including acquisitions of mineral exploration properties that do not require material expenditures or payments.

Board Performance

Currently the full Board takes responsibility for monitoring and assessing its effectiveness as a whole and the performance of individual directors, including reviewing the Board's decision making processes and the quality of information provided by management.

Response to Shareholders

Shareholder inquiries and concerns are dealt with promptly by senior management of the Company. To date, the Board has not needed to take an active role in responding to shareholder inquiries and concerns.

Expectations of Management

The Board expects the Company's management to take the initiative in identifying opportunities and risks affecting the Company's business and recommending appropriate and effective responses thereto. The Board also expects management to perform its duties in an efficient, diligent and professional manner. The Board is responsible for reviewing and approving corporate objectives which the Chief Executive Officer is expected to meet.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

The management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

GENERAL

Except where otherwise indicated, information contained herein is given as of May 17, 2004.

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

DATED this 17th day of May, 2004.

“Robert J. Kasner”

Robert J. Kasner
President and Chief Executive Officer