

Plato Gold Corp.

Notice of Annual and Special Meeting of Shareholders

Notice is hereby given that the annual and special meeting (the “Meeting”) of shareholders of **Plato Gold Corp.** (the “Corporation”) will be held at the **offices of Cassels Brock & Blackwell LLP, 40 King Street West, Suite 2100**, Toronto, Ontario, Canada, on **May 30, 2007** at 4:30 p.m. Eastern Daylight Time for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2006, together with the report of the auditors thereon;
2. to elect the directors for the ensuing year;
3. to consider, and if thought advisable, to pass with or without amendment, a resolution ratifying the Corporation's stock option plan;
4. to appoint Smith Nixon LLP, Chartered Accountants, as auditors and to authorize the directors to fix their remuneration; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the meeting are set forth in the management information circular (the “Circular”) accompanying this notice.

The Corporation's annual financial statements and management's discussion and analysis (the “MD&A”) and the Circular accompany this notice.

Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and to return it in the envelope provided for that purpose.

Proxies to be used at the Meeting must be deposited with the Corporation, c/o the Corporation's transfer agent, Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto ON M5H 4H1, prior to 5:00 p.m. (Eastern Daylight Time) on Monday, May 28, 2007 or any adjournment thereof is held, or with the chairman of the Meeting at any time prior to the commencement of the Meeting or any adjournment thereof.

DATED at Toronto, Ontario this 24th day of April, 2007.

By Order of the Board of Directors



Robert E. Van Tassell
Corporate Secretary

PLATO GOLD CORP.

**MANAGEMENT INFORMATION CIRCULAR
APRIL 24, 2007**

SOLICITATION OF PROXIES

This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Plato Gold Corp. (the “Corporation”) for use at the annual and special meeting (the “Meeting”) of shareholders (“Shareholders”) of the Corporation to be held at the **offices of Cassels Brock & Blackwell LLP, 40 King Street West, Suite 2100, Toronto, Ontario, Canada** on **May 30, 2007** at 4:30 p.m. Eastern Daylight Time, and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual and Special Meeting (the “Notice of Meeting”). The solicitation will be primarily by mail but may also be solicited by telephone, electronic means of communication or in writing by directors, officers or designated agents of the Corporation. The cost of solicitation will be borne by the Corporation. The information contained herein is given as of April 24, 2007, unless otherwise indicated.

RECORD DATE

The board of directors of the Corporation (the “Board of Directors”) has fixed April 30, 2007, as the record date for the purpose of determining Shareholders entitled to receive the Notice of Meeting and to vote at the Meeting. Each Shareholder is entitled to one vote for each common share in the capital of the Corporation (a “Common Share” and collectively the “Common Shares”) held and shown as registered in such holder’s name on the list of Shareholders prepared as of the close of business on the record date. The list of Shareholders will be available for inspection during usual business hours at the principal office of the Corporation’s transfer agent, Equity Transfer & Trust Company, in Toronto, Ontario and will also be available for inspection at the Meeting.

PROXY INSTRUCTIONS

Shareholders who are unable to attend the Meeting and vote in person may still vote by appointing a proxyholder.

The persons specified in the enclosed form of proxy are directors and/or officers of the Corporation.

A Shareholder has the right to appoint a person or company, who need not be a Shareholder, to represent such Shareholder at the Meeting or any adjournment thereof other than the persons specified in the enclosed form of proxy. Such right may be exercised by inserting such person’s name in the blank space provided in the form of proxy or by completing another proper form of proxy. For Shareholders who wish to appoint a proxyholder, the completed form of proxy must be mailed in the enclosed envelope and received by Equity Transfer & Trust Company at the address on the proxy envelope provided prior to 5:00 p.m. (Eastern Daylight Time) on the last business day preceding the date of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting before the commencement of the Meeting.

Enquiries regarding proxy forms can be made by Shareholders to the Corporation’s transfer agent, Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto ON M5H 4H1, or by telephone at 1-866-393-4891.

Only registered holders of Common Shares of the Corporation 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”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESP’s and similar plans) that the Non-Registered Holder deals with in respect of the Common Shares, or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Circular, and the enclosed 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 unless a Non-Registered Holder has waived their right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Holders. A Non-Registered Holder who has not waived the right to receive meeting materials will receive from their Intermediary a voting instruction form which must be completed and signed by the Non-Registered Holder and returned in accordance with the directions of the Intermediary. The purpose of this procedure is to permit the Non-Registered Holder to direct the voting of the Common Shares beneficially owned by such person.

Should a Non-Registered Holder wish to attend and vote at the Meeting in person, the Non-Registered Holder should write his, her or its name in the space provided for that purpose on the voting instruction form and return it in accordance with the directions of the Intermediary. The Intermediary will send the Non-Registered Holder a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder and which names the Non-Registered Holder as proxyholder. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder should deposit this form of proxy with the Corporation’s transfer agent, Equity Transfer & Trust Company, in accordance with the instructions set out above.

Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the voting instruction form or form of proxy is to be delivered.

VOTING OF PROXIES

The enclosed form of proxy will be voted or withheld from voting with respect to the Common Shares represented thereby in accordance with the instructions of the Shareholder as indicated on the proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of any specific instructions with respect to a particular matter, the Common Shares represented by such proxies will be voted at the Meeting in accordance with the best judgment of the person or persons voting such proxies.**

The enclosed form of proxy, when properly signed, confers discretionary authority upon the representatives designated therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Corporation does not know of any such amendments, variations or other matters. However, if any such amendments, variations or other matters which are not now known to management of the Corporation should properly come before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted thereon in accordance with the best judgment of the person or persons voting such proxies.

REVOCATION OF PROXIES

A registered holder of Common Shares who has given a proxy may revoke the proxy (a) by completing and signing a proxy bearing a later date and depositing it as aforesaid, or (b) by depositing an instrument in writing executed by such registered holder or by his, her or its attorney authorized in writing (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or (ii) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof, or (c) in any other manner permitted by law.

A Non-Registered Holder who wishes to revoke a voting instruction form or a waiver of the right to receive meeting materials should contact his, her or its Intermediary for instructions.

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

To the knowledge of the directors and executive officers of the Corporation, except as set out herein and except insofar as they may be shareholders of the Corporation, no director or executive officer of the Corporation, or any proposed nominee for director of the Corporation, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS

As of the close of business on April 24, 2007, there were 41,436,289 Common Shares outstanding. Each holder of Common Shares of record at the close of business on April 30, 2007, the record date established for notice of and voting at the meeting, will be entitled to ONE VOTE for each Common Share on all matters proposed to come before the meeting.

To the knowledge of the directors and executive officers of the Corporation, no one person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the voting rights attached to all outstanding Common Shares, with the following exception:

<u>Name and Municipality of Residence</u>	<u>Number of Common Shares</u>	<u>Percentage of Common Common Shares</u>
Anthony J. Cohen Toronto, Ontario	10,058,457	24.27%

MATTERS TO BE ACTED UPON AT THE MEETING

Presentation of Financial Statements

The audited financial statements of the Corporation for the fiscal year ended December 31, 2006 and the report of the auditors thereon are found in the Corporation's annual financial statements and the management's discussion and analysis (the "MD&A") to Shareholders for the fiscal year end 2006, which accompanies this Circular and will be submitted to the Meeting. No vote will be taken on the financial statements.

Election of Directors

The number of directors of the Corporation to be elected at the Meeting is four (4). All nominees for election as directors are currently directors of the Corporation.

The following table lists certain information concerning the persons proposed to be nominated for election as directors. The Corporation is required to have an Audit Committee. The Corporation also has a Compensation Committee and a Corporate Governance and Nominating Committee. The Corporation does not have an Executive Committee. Proxies received in favour of management nominees, will, unless required to be withheld from voting, be voted to elect as directors of the Corporation those persons noted in the below table.

<u>Name</u>	<u>Position with Corporation or Principal Occupation or Business</u>	<u>Director Since</u>	<u>Common Shares Beneficially Owned or Controlled</u>
Anthony J. Cohen Ontario, Canada	President, Chief Executive Officer and Director	May 2005	10,058,457
Luis Navas ^{1 2 3} Ontario, Canada	Chairman and Director	August 2005	3,408,966
John H. Paterson ^{1 2 3} Ontario, Canada	Director	March 2006	83,333
Robert E. Van Tassell ^{1 2 3} Alberta, Canada	Corporate Secretary and Director	May 2005	Nil

¹ Member of the Audit Committee.

² Member of the Compensation Committee.

³ Member of the Corporate Governance and Nominating Committee.

The respective nominees have furnished the information as to Common Shares and principal occupations individually. Each of our directors and executive officers has been engaged in his present principal occupation for the previous five years, except as indicated in the following summaries of the background of each individual:

Anthony J. Cohen, President, Chief Executive Officer and Director. Mr. Cohen is also the Founder, President and Chief Executive Officer of Gulf & Pacific Equities Corp., a publicly listed real estate company. He was a Director of Gendis Inc., a public merchandising and energy company, and was also a Director of Chauvco Resources Ltd., a public oil and gas company. He received a Bachelor of Science, Business Administration degree from Creighton University, Omaha, Nebraska.

Luis Navas, Chairman and Director. Mr. Navas is an independent compensation advisor to boards and management. He most recently was Managing Partner of Executive Risk Governance Advisors, where he had global responsibility for the Executive Compensation and Board Effectiveness Group. He has served for nearly

15 years as an advisor to the top management and boards of major corporations around the world. He is also a director of Gulf & Pacific Equities Corp. and Ontario Air Ambulance Services.

John H. Paterson, Director, is a mining engineer who brings with him a diversity of experience with both major and junior mining companies. As President and CEO of Aurogin Resources Ltd., Mr. Paterson oversees a number of active exploration projects in Guatemala as well as in Nevada. Mr. Paterson also serves on the Boards of McVicar Resources Inc. and Everton Resources Inc. and is a Director of the Prospectors and Developers Association of Canada.

Robert E. Van Tassell, Corporate Secretary and Director, currently serves as a Director of Lexam Explorations Inc., Silver Fields Resources Inc. and Rupert Resources Ltd., junior mining companies listed on the Toronto Stock Exchange. He is also a director of Finmetal Mining and Yukon Gold Corp. listed on the NASDAQ. From 1982 to 1998, he served as Vice President, Exploration for Goldcorp Inc. Mr. Van Tassell holds a Bachelor of Arts degree in Geology from Mount Allison University.

Management does not anticipate that any of the nominees for election as directors will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting of shareholders or until such person's successor is elected or appointed, unless such person's office is earlier vacated.

Annual Ratification of Stock Option Plan

The Corporation established a stock option plan for its directors, officers, employees and consultants (the "Stock Option Plan") which was initially approved by the Shareholders on March 21, 2005. The full text of the corrected Stock Option Plan is appended to this Circular as Appendix "B". The aggregate number of Common Shares issuable upon the exercise of all options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding Common Shares of the Corporation from time to time. Rolling 10% stock options plans such as the Stock Option Plan require annual shareholder approval. The purpose of the Stock Option Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation to acquire Common Shares, thereby increasing their proprietary interest in and encouraging them to remain associated with the Corporation. The Stock Option Plan is administered by the Board of Directors and all stock options granted thereunder are subject to the rules and policies of the TSX Venture Exchange (the "TSX-V"). The exercise price of the Common Shares subject to each option shall be determined by the Board of Directors but in no event shall such exercise price be lower than the exercise price permitted by the TSX-V. No single participant may be granted stock options to purchase a number of Common Shares equaling more than 5% of the issued Common Shares in any one twelve month period without disinterested shareholder approval. Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any twelve month period to any one consultant of the Corporation. Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any twelve month period to employees of the Corporation conducting investor relations activities. The maximum term of any stock options granted may not exceed five years. If the Common Shares are increased, decreased or changed through re-organization, merger, re-capitalization, reclassification, stock dividend, subdivision or consolidation, an appropriate adjustment shall be made by the Board of Directors in the number of shares optioned and the exercise price per share.

Pursuant to TSX-V Policy 4.4, all rolling stock option plans, such as the Stock Option Plan, must receive yearly approval by the Shareholders. Shareholders will therefore be asked at the Meeting to consider and, if thought fit, to ratify the Stock Option Plan by passing the following resolutions:

"BE IT RESOLVED THAT:

1. the Stock Option Plan of the Corporation as attached as Appendix "B" to the Management Information Circular of the Corporation dated April 24, 2007 be and is hereby ratified and approved; and

2. the board of birectors of the Corporation be and it is hereby authorized to cause all such documents, instruments and other writings to be executed and delivered and to cause all such acts and things to be done, all for and on behalf of the Corporation, as the board may consider necessary or desirable to give effect to the foregoing Resolution."

In order to be approved, the foregoing resolutions must be passed by a simple majority of the votes cast by shareholders of the Corporation who vote in person or by proxy in respect of those resolutions.

Appointment of Auditors

On December 8, 2005, Smith Nixon LLP were appointed to act as auditors of the Corporation.

At the Meeting, it is proposed to appoint Smith Nixon LLP, Chartered Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholders at remuneration to be fixed by the Board of Directors. In the absence of instructions to be withheld from voting, the persons designated by management of the Corporation in the enclosed form of proxy, intend to vote to approve the appointment of Smith Nixon LLP as the Corporation's auditors and to authorize the Board of Directors to fix the auditors' remuneration.

For the Corporation's fiscal year ended 2006, fees for audit and audit related services provided by Smith Nixon LLP for the Corporation and its subsidiaries were approximately \$21,742.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation of Executive Officers

The following table sets forth the compensation earned during the last three fiscal years by the Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers (other than the Chief Executive Officer and the Chief Financial Officer) whose total salary and bonus exceeded Cdn. \$150,000 (collectively, the "Named Executive Officers").

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Options Granted (#)	Restricted Stock or Stock Units (\$)	LTIP Payouts (\$)	All Other Compensation (\$)
Anthony J. Cohen President and Chief Executive Officer	2006	\$125,000	\$ 0	\$ 0	450,000	\$ 0	\$ 0	\$ 0
	2005 ⁽¹⁾	\$72,917	\$ 0	\$ 0	306,356	\$ 0	\$ 0	\$ 0
Greg K. W. Wong Chief Financial Officer	2006	\$ 0	\$ 0	\$120,000	375,000	\$ 0	\$ 0	\$ 0
	2005 ⁽²⁾	\$ 0	\$ 0	\$ 14,000	250,000	\$ 0	\$ 0	\$ 0
Robert E. Van Tassell Corporate Secretary	2006	\$ 0	\$ 0	\$5,000	350,000	\$ 0	\$ 0	\$ 0
	2005 ⁽³⁾	\$ 0	\$ 0	\$ 2,917	250,000	\$ 0	\$ 0	\$ 0

Notes:

- (1) Anthony J Cohen was appointed President and Chief Executive Officer and a Director of the Corporation on May 30, 2005.
(2) Greg K. W. Wong was appointed Chief Financial Officer of the Corporation on May 30, 2005, pursuant to a consulting agreement.
(3) Robert E. Van Tassell was appointed Corporate Secretary and a Director of the Corporation on May 30, 2005, pursuant to a consulting agreement.

Option Grants During the Financial Year Ended 2006

The following table sets forth information concerning options granted by the Corporation to each of the Named Executive Officers during the financial year ended December 31, 2006.

<u>Name</u>	<u>Securities Under Options Granted (#)</u>	<u>% of Total Options Granted to Employees in Financial Year⁽¹⁾</u>	<u>Exercise or Base Price (\$ /Common Share)</u>	<u>Market Value of Securities Underlying Options on the Date Immediately Preceding the Date of Grant (\$/Common Share)</u>		<u>Expiration Date</u>
				<u>(\$/Common Share)</u>	<u>Date</u>	
Anthony J. Cohen	150,000	5.2%	\$0.175	\$0.175	April 5, 2011	November 16, 2011
	300,000	10.5%	\$0.105	\$0.105		
Robert E. Van Tassell	150,000	5.2%	\$0.175	\$0.175	April 5, 2011	November 16, 2011
	200,000	7.0%	\$0.105	\$0.105		
Greg K. W. Wong	150,000	5.2%	\$0.175	\$0.175	April 5, 2011	November 16, 2011
	225,000	7.9%	\$0.105	\$0.105		

Note:

(1) Based on options to acquire a total of 2,850,000 Common Shares granted to the Corporation's employees, directors and consultants during fiscal 2006.

Compensation of Directors

Each of the Corporation's directors who is not one of the Corporation's employees or consultants or a nominee of a shareholder who has requested and received a right to representation on the Board of Directors is remunerated for payments of travelling and other out-of-pocket expenses. In addition, each director so entitled to receive remuneration is entitled to an annual grant of Options as determined by the Board of Directors. A total of 1,950,000 options were granted to directors in 2006.

Directors' and Officers' Liability Insurance

The Corporation is a named insured under a directors' and officers' liability insurance policy maintained by the Corporation for itself and its respective directors and officers, which has an annual aggregate policy limit of \$2 million, subject to a corporate deductible of \$25,000 per loss. Generally, under this insurance coverage, the Corporation is reimbursed for indemnity payments made to its directors or officers as required or permitted by law or under by-law indemnity provisions for losses, including legal costs incurred by directors and officers in their capacity as such. This policy also provides coverage directly to individual directors and officers without any deductible if they are not indemnified by the Corporation. The insurance coverage for directors and officers has certain exclusions including, but not limited to, those acts determined to be deliberately fraudulent or dishonest or to have resulted in personal profit or advantage. The policy was effective March 23, 2007 for a period of 12 months with terms and premiums to be established on each renewal. The premium for this policy is \$13,500 per annum.

AUDIT COMMITTEE DISCLOSURE

Audit Committee Charter

The Audit Committee's mandate is to provide assistance to the board of directors of the Corporation in fulfilling its financial reporting and control responsibility to the shareholders and the investment community.

The Audit Committee Charter is attached to this Circular as Appendix "C".

Composition of the Audit Committee

The Audit Committee is comprised of three directors of the Corporation, a majority of whom are independent and all of which are financially literate. The members of the Audit Committee are Mr. John H. Paterson (Chair), Mr. Robert E. Van Tassell and Mr. Luis Navas.

External Fees by Audit Category

	Year ended December 31, 2006	Year ended December 31, 2005
Audit Fees	\$21,742	\$125,000
Tax-Related Fees	Nil	Nil
All Other Fees	Nil	\$2,000
Total Fees	\$21,742	\$127,000

Audit Fees

The audit fees are comprised of general audit fees relating to the preparation of the audited financial statements.

All Other Fees

These fees relate to audit work done for the Company's predecessor prior to its amalgamation.

Exemption

The Company is relying upon the exemption contained in section 6.1 of Multilateral Instrument 52-110 – *Audit Committees*.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors believes that sound corporate governance practices are essential to the effective, efficient and prudent operation of the Corporation and to the enhancement of shareholder value. The Board of Directors fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks which the Corporation faces. The directors are kept informed of the Corporation's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Corporation's approach to corporate governance based on the guideline of the Canadian Securities Administrators as described in Appendix A.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No individual who is, or at any time during the most recent completed financial year of the Corporation was, a director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate of any one of them is, or at any time since the beginning of the most recent completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries (other than in respect of amounts which would constitute routine indebtedness) or was indebted to another entity, which such indebtedness is, or was at any time during the most recent completed financial year of the Corporation, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as listed below, there are currently and were no material transactions within the last financial year in which any director, officer or principal shareholder of the Corporation, or any of their associates or affiliates, had any material interest, direct or indirect.

SHAREHOLDER PROPOSALS

Any shareholder's proposal that complies with the provisions of the *Business Corporations Act* (Ontario) and is intended to be presented at the 2007 annual meeting of shareholders must be received by the Corporation no later than November 30, 2007. The proposal can then be included in the management information circular and the proxy for the 2007 annual meeting.

ADDITIONAL INFORMATION

All matters referred to in this Circular for approval by Shareholders require a simple majority of the votes cast at the Meeting, whether in person or by proxy. Except where otherwise indicated, information contained herein is given as of the date hereof.

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Shareholders may also contact the Secretary of the Corporation by phone at 416-968-0608 or by e-mail at info@platogold.com to request copies of these documents.

The Corporation will provide to any person or company, upon receipt of a request to the Secretary of the Corporation, and without charge in the case of a security holder, a copy of: (i) the Corporation's most recently filed comparative annual financial statements, together with the accompanying report of the auditor, and any interim financial statements of the Corporation that have been filed for any period after the end of its most recently completed financial year; and (ii) this Circular.

GENERAL

The Board of Directors of the Corporation has approved the contents and the sending of this Circular.

A copy of the Circular and the Notice of Meeting has been sent to each director, each shareholder entitled to notice of the meeting and the Corporation's auditors.

DATED April 24, 2007



Robert E. Van Tassell
Corporate Secretary

APPENDIX A

CANADIAN SECURITIES ADMINISTRATORS REQUIREMENTS

Statement of Corporate Governance Practices

The board of directors (the "Board" or the "Board of Directors") of Plato Gold Corp. (the "Corporation") believes that sound corporate governance practices are essential to the effective, efficient and prudent operation of the Corporation and to the enhancement of shareholder value. The Board of Directors fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks which the Corporation faces. The directors are kept informed of the Corporation's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

National Policy 58-201 entitled "Corporate Governance Guidelines" ("NP 58-201") sets out guidelines for effective corporate governance. These guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. National Instrument 58-101 entitled "Disclosure of Corporate Governance Practices" ("N1 58-101") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, specified disclosure of the corporate governance practices must be included in its management information circular.

The Corporation and the Board of Directors recognize the importance of corporate governance to the effective management of the Corporation and to the protection of its employees and shareholders. The Corporation's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance shareholder value.

The Corporation's corporate governance practices are, in most respects, in compliance with applicable Canadian requirements. The Board recognizes that, given the size of the Corporation, and pursuant to other applicable securities regulations, a few of the CSA guidelines have not been fully implemented as of the date of the Circular. As the Corporation continues to grow the Board will strive towards full implementation. The Corporation continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

The Board of Directors has considered the guidelines set out in NP 58-201 and believes that its approach to corporate governance is appropriate and works effectively for the Corporation and its shareholders, given its size. The following is a description of the Corporation's corporate governance practices which has been prepared by the Corporate Governance and Nominating Committee of the Board and has been approved by the Board.

The Board of Directors

The Board of Directors is currently comprised of 4 members. Anthony J. Cohen and Robert E. Van Tassell are not independent as they are the President and Chief Executive Officer of the Corporation, and the Corporate Secretary of the Corporation, respectively. Each of Messrs. Luis Navas and John H. Paterson, is independent.

The role of the Corporation's Chairman of the Board of Directors is to chair all meetings of the Board in a manner that promotes meaningful discussion, and to provide leadership to the Board to enhance the Board's effectiveness in meeting its responsibilities. The Chairman's responsibilities include, without limitation, ensuring that the Board of Directors works together as a cohesive team with open communication; working together with the Corporate Governance and Nominating Committee to ensure that a process is in place by which the effectiveness of the Board, its committees and its individual directors can be evaluated on at least an annual basis. The Chairman also acts as a liaison between the Board of Directors and management to ensure that the relationship between the

Board of Directors and management is professional and constructive and ensures that the allocation of responsibilities and the boundaries between Board of Directors and management are clearly understood.

Given the size of the Corporation, the independent directors of the Corporation have not historically met without management present. The Corporation intends to include a separate portion of each regularly scheduled Board meeting to be devoted to a meeting of the independent directors. During the fiscal year ended December 31, 2006, the Board of Directors held four meetings.

Messrs. Anthony J. Cohen, John H. Paterson and Robert E. Van Tassell are current directors of the other reporting issuers set forth below:

Director Name	Directorships with Other Reporting Issuers
Anthony J. Cohen	Gulf & Pacific Equities Corp.
Luis Navas	Gulf & Pacific Equities Corp.
John H. Paterson	Aurogin Resources Ltd. McVicar Resources Inc. Everton Resources Inc.
Robert E. Van Tassell	Lexam Explorations Inc. Silver Field Resources Inc. Rupert Resources Ltd. Finmetal Mining Yukon Gold Corp.

Orientation and Continuing Education

The measures that the Board of Directors takes in connection with orienting new Board members regarding the role of the Board, its directors, the committees of the Board and the nature and operation of the Corporation's business include providing each new member with information concerning the role and responsibilities of a public corporation director, providing new members with a complete set of the Corporation's charters, policies and procedures and discussing with new members the Corporation's operations.

With respect to providing continuing education for its directors, the Board ensures that all directors are kept apprised of changes in the Corporation's operations and business, changes in the regulatory environment affecting the Corporation's day to day business both within Canada and within the foreign jurisdictions in which the Corporation does business and changes in their roles as directors of a public Corporation.

The Corporate Governance and Nominating Committee also considers orientation and continuing education for Board members and makes recommendations to the Board of Directors from time to time regarding same.

Ethical Business Conduct

The Board of Directors has adopted a Code of Business Conduct and Ethics for its directors, officers and employees. The Code includes provisions that require directors, officers and employees to inform the Corporation's Chief Executive Officer or other appropriate person of any non-compliance with the Code.

The Board of Directors takes steps to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer of the Corporation has a material interest, which include ensuring that directors and officers are thoroughly familiar with the Corporation's Code of Business Conduct and Ethics and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from the Corporation's Chief Executive Officer or other appropriate person, regarding any potential conflicts of interest.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to employees, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

Nomination of Directors

The Board of Directors, together with its Corporate Governance and Nominating Committee which is composed of a majority of independent directors, is responsible for identifying new candidates for nomination to the Board. The Corporate Governance and Nominating Committee members are Messrs. Robert E. Van Tassell (Chairman), Luis Navas, and John H. Paterson, all of whom are directors and other than Mr. Van Tassell, are independent. In carrying out its mandate, the Corporate Governance and Nominating Committee met once during the year ended December 31, 2006, and all of the members at that time were in attendance. The process by which the Board identifies new candidates is through recommendations of the Corporate Governance and Nominating Committee whose responsibility it is to establish qualification and procedures to identify new candidates based on corporate law and regulatory requirements as well as relevant education and experience related to the business of the Corporation.

The Corporate Governance and Nominating Committee's responsibilities include annually reviewing the charters of the Board of Directors and the Corporate Governance and Nominating Committee; assisting the Chairman of the Board of Directors in carrying out his responsibilities; considering and, if thought fit, approving requests from directors or committee members for the engagement of special advisors from time to time; preparing and recommending to the Board of Directors a set of corporate governance guidelines, a Code of Business Conduct and ethics and annually a statement of corporate governance practices to be included in the Corporation's management information circular; meeting with the Corporation's external corporate counsel to discuss the Corporation's corporate governance policies and practices; recommending procedures to permit the Board of Directors to meet on a regular basis without management present; assisting the Board of Directors by identifying individuals qualified to become Board members and members of Board committees; leading the Board of Directors in its annual review of the Board's performance; and assisting the Board of Directors in monitoring compliance by the Corporation with legal and regulatory requirements.

Compensation

The Board of Directors, together with its Compensation Committee which is composed of a majority of independent directors, among other things, determines appropriate compensation for the Corporation's directors and executive officers. As at April 24, 2007, the Compensation Committee included Messrs. Luis Navas (Chairman), John H. Paterson and Robert E. Van Tassell, the majority of whom are independent directors. The Compensation Committee met once during the year ended December 31, 2006. The process by which appropriate compensation is determined is through periodic and annual reports from the Compensation Committee on the Corporation's overall compensation and benefits philosophies, which are established based, in part, on a review of peer group and mining

industry compensation data. The reports describe processes undertaken by the committee to weight factors and target levels in determining executive compensation.

The Compensation Committee's responsibilities include reviewing and making recommendations to the directors regarding any equity or other compensation plan and regarding the total compensation package of the Chief Executive Officer, and considering and approving the recommendations of the Chief Executive Officer regarding the total compensation packages of the Chief Financial Officer and the Corporate Secretary.

Audit Committee

The purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Corporation and the audits of its financial statements, and thereby assist the Board in monitoring (1) the integrity of the financial statements of the Corporation, (2) compliance by the Corporation with legal and regulatory requirements related to financial reporting, (3) the performance of the Corporation's independent auditors, and (4) performance of the Corporation's internal controls and financial reporting process.

The Audit Committee has the power to conduct or authorize investigations into any matters within its scope of responsibilities, with full access to all books, records, facilities and personnel of the Corporation, its auditors and its legal advisors. In connection with such investigations or otherwise in the course of fulfilling its responsibilities under this charter, the Audit Committee has the authority to independently retain special legal, accounting, or other consultants to advise it, and may request any officer or employee of the Corporation, its independent legal counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Audit Committee has the power to create specific sub-committees with all of the power to conduct or authorize investigations into any matters within the scope of the mandate of the sub-committee, with full access to all books, records, facilities and personnel of the Corporation, its auditors and its legal advisors.

The Corporation's independent auditor is ultimately accountable to the Board of Directors and to the Audit Committee, who, as representatives of the Corporation's shareholders, have the ultimate authority and responsibility to evaluate the independent auditor, appoint and replace the independent auditor, and to determine appropriate compensation for the independent auditor. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee must maintain free and open communication between the Corporation's independent auditors, Board of Directors and Corporation management. The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board of Directors.

While the Audit Committee has the responsibilities and powers set forth in the charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete, accurate, and in accordance with generally accepted accounting principles.

For the fiscal year ended December 31, 2006, the Audit Committee included Messrs. Luis Navas, and Messrs. John Paterson (Chair) and Robert E. Van Tassell, each of whom is a director and other than Mr. Van Tassell, is independent. The Audit Committee met on April 24, 2007 to review the audited financial statements for the year ended December 31, 2006, with all members in attendance, as well as representatives of the auditor, Smith Nixon LLP, present by invitation.

Board Assessments

The Board of Directors, its committees and its individual directors are assessed regularly, on at least an annual basis, as to their effectiveness and contribution. The process by which such assessments are made is through questionnaires developed by the Board and its Corporate Governance and Nominating Committee, which are distributed to each director and/or committee member for review and completion each year. In addition, the Chairman of the Board and the Chair of each committee encourages discussion amongst the Board or the committee, as the case may be, as to their evaluation of their own effectiveness over the course of the year. All directors and/or committee members are free to make suggestions for improvement of the practice of the Board and/or its committees at any time and are encouraged to do so.

The Corporate Governance and Nominating Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of prospective board members as well as the composition of the Board as a whole. This assessment will include member's contribution, qualification as independent, as well as consideration of diversity, age, skills and experience in the context of the needs of the board.

APPENDIX "B"

STOCK OPTION PLAN

STOCK OPTION PLAN FOR DIRECTORS, OFFICERS, EMPLOYEES AND CONSULTANTS PLATO GOLD CORP.

PART 1 - INTRODUCTION

1.1 Purpose

The purpose of this Stock Option Plan (the "Plan") is to establish a plan pursuant to which Designated Participants, as herein defined, are granted options ("Options") to purchase common shares ("Common Shares") in the capital of Plato Gold Corp. (the "Corporation") on the terms and conditions set forth in this Plan and in a resolution of either the board of directors or the shareholders of the Corporation.

1.2 Designated Participants

"Designated Participants" entitled to participate in the Plan shall be those directors, officers, employees or consultants of the Corporation, or any of its affiliates, (i) who are designated as Designated Participants by resolution of the board of directors of the Corporation from time to time; or (ii) whose Options are approved by resolution of the shareholders of the Corporation.

PART 2 - TERMS RELATING TO THE PLAN

2.1 Shares

Subject to the terms hereof, the board of directors of the Corporation will reserve for issuance that number of Common Shares for the purpose of the Plan that it considers appropriate, in accordance with Section 2.3 provided that, with respect to Options which are surrendered or terminated or that expire without being exercised in whole or in part, new Options may be granted covering the Common Shares not purchased under such lapsed Options.

2.2 Participant

The participants in the Plan will be persons who are directors, officers, employees or consultants of the Corporation, or of an affiliate of the Corporation, provided in the case of a consultant such person has either performed services for the Corporation on an ongoing basis or has provided, or is expected to provide, a service of value to the Corporation or to an affiliate of the Corporation. In the case of a consultant, a stock exchange on which the Corporation's shares are listed may require shareholder approval before exercise. For stock options granted to employees, consultants or management company employees, the Corporation shall represent, in each case, that the Designated Participant is a bona fide employee, consultant or management company employee.

2.3 Number and Price of Optioned Common Shares

The number of Shares subject to an Option to a Designated Participant and the Option price per Common Share shall be determined in the resolution of the board of directors or shareholders, as the case may be, provided that:

- a. Options granted and outstanding at any time may not exceed 10% of the issued and outstanding Common Shares of the Corporation (on a non-diluted basis);

- b. the number of shares reserved for issuance pursuant to stock options granted to Insiders or Designated Participants shall at no time exceed 10% of the issued and outstanding Common Shares of the Corporation (on a non-diluted basis);
- c. the Corporation shall not grant to Insiders, in aggregate, within a one year period, a number of options exceeding 10% of the issued and outstanding Common Shares of the Corporation (on a non-diluted basis) pursuant to the exercise of stock options;
- d. the Corporation shall not issue to any one Insider and such Insider's associates, within a one year period, a number of shares exceeding 5% of the issued and outstanding Common Shares of the Corporation (on a non-diluted basis) pursuant to the exercise of stock options;
- e. no Designated Participant shall be granted an Option or shall hold in aggregate Options which exceed 5% of the issued and outstanding Common Shares of the Corporation (on a non-diluted basis), within a one year period;
- f. no one consultant shall be granted an Option or shall hold in aggregate Options which exceed 2% of the issued and outstanding Common Shares of the Corporation (on a non-diluted basis), within a one year period;
- g. no consultants or persons engaged in investor relations activities shall, as a group, be granted an Option or shall hold in aggregate Options which exceed 2% of the issued and outstanding Common Shares of the Corporation (on a non-diluted basis), within a one year period; and
- h. the Option price per Common Shares shall be established based on the average closing price of the Common Shares on any stock exchange for the five days prior to the date of grant or such other method of pricing as may be acceptable to the stock exchange on which the Common Shares are listed.

2.4 Option Period, Consideration and Payment

The Option term shall be a maximum of five years from the date the Option is granted, provided that the Option term shall be reduced with respect to any Option as provided in Sections 2.6 and 2.7 covering cessation as a director, officer, employee or consultant of the Corporation or death of the Designated Participant.

An Option shall vest and may be exercised (in each case to the nearest full Common Share) in whole or in part during the Option Period at any time after the date of the grant as determined by the resolution of the board of directors or shareholders granting the option. To the extent required by any stock exchange on which the Common Stocks are listed, no Options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.

Except as set forth in Sections 2.6 and 2.7, no Option may be exercised unless the Designated Participant is at the time of such exercise a director, officer, employee or consultant to the Corporation or an affiliate.

The exercise of any Option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Common Shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft payable to the Corporation for the full purchase price of such Common Shares with respect to which the Option is exercised. No Designated Participant or his legal representatives, legatees or distributees will be, or will be deemed to

be, a holder of any Common Shares subject to an Option under this Plan, unless and until certificates for such Common Shares are issued to him or them under the terms of the Plan.

2.5 Transferability

All benefits, rights and options accruing to any Designated Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of a Designated Participant any benefits, rights and Options may only be exercised by the Designated Participant, except as set forth in Sections 2.6 and 2.7.

2.6 Ceasing to be a Director, Officer, Employee, Consultant

If a Designated Participant shall cease to be a director, officer or employee of the Corporation or of an affiliate for any reason (other than death, disability or dismissal for cause), he may but only within thirty days (or such shorter period as may be established in the specific Stock Option Agreement) next succeeding his ceasing to be a director, officer or employee, exercise his Option to the extent that he was entitled to exercise it at the date of such cessation.

Nothing contained in the Plan, nor in any Option granted pursuant to the Plan, shall confer upon any Designated Participant any right with respect to continuance as a director, officer, employee or consultant of the Corporation or of any affiliate.

If a consultant ceased to be a consultant or an officer or an employee is dismissed for cause, his Option expires immediately on ceasing to act as a consultant and is thereafter void and of no affect.

2.7 Death or Disability of Designated Participant

In the event of the death or disability of a Designated Participant, the Option previously granted to him shall be exercisable only within the earlier of (i) twelve months next succeeding such death or disability and (ii) the expiry date, and then only:

- a. by the person or persons to whom the Designated Participant's rights under the Option shall pass by the Designated Participant's will or the laws of descent and distribution or, in the case of disability, the person's trustee; and
- b. if and to the extent that he was entitled to exercise the Option at the date of his death.

2.8 Adjustment in Common Shares Subject to the Plan

In the event there is any change in the Common Shares of the Corporation through the declaration of stock dividends or stock subdivisions or consolidations or reconstruction, reorganization or recapitalization of the Corporation (other than issuance of additional shares), the number of Common Shares available for Option, the Common Shares subject to any Option, and the Option price thereof shall be adjusted appropriately by the Board of Directors of the Corporation and such adjustment shall be effective and binding for all purposes of the Plan.

2.9 Amendment or Termination of the Plan

Subject to the prior consent of all stock exchanges on which the Common Shares are listed, the Board of Directors reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board of Directors, except with respect to any Options then outstanding under the Plan.

PART 3 - GENERAL

3.1 Record Keeping

The Corporation shall maintain a register in which shall be recorded the name and address of each Designated Participant and the number of Options granted to a Designated Participant and the number of Options outstanding.

3.2 Necessary Approvals

The obligation of the Corporation to issue and deliver Common Shares in accordance with the Plan is subject to any approvals, which may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. Disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Designated Participant is an insider of the Corporation at the time of the proposed amendment. If any Common Shares cannot be issued to any Designated Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any monies paid to the Corporation to exercise an Option will be returned to the Designated Participant.

3.3 Common Shares

As used in the Plan "Common Shares" means common shares without nominal or par value in the capital of the Corporation as constituted January 29, 2003, subject to Sections 2.8 and 3.4.

3.4 Amalgamation or Merger

If the Corporation amalgamates or merges with or into another corporation, which it reserves the right to do, any Option granted under the Plan shall immediately vest and may be exercised by the Designated Participant. If such option is not exercised it shall expire and be of no further force or effect immediately prior to the record date applicable to such amalgamation or merger. The provisions of this Section 3.4 shall not be applicable if, in the sole discretion of the Board of Directors, such options are dealt with as part of the amalgamation or merger in a manner that is equitable to the Designated Participants.

3.5 Decision of Directors

For purposes of the Plan, but subject to applicable corporate law, those Designated Participants who are eligible for selection as persons to whom Common Shares may be issued or to whom Options or rights may be granted pursuant to the Plan entitling the participants therein to acquire Common Shares, shall be eligible to, and may participate in the decision of the Board of Directors to issue any Common Shares or grant any Options under the Plan.

3.6 Administration of the Plan

The Plan will be administered by the senior officers of the Corporation subject to direction and supervision by the Board of Directors. The Corporation shall effect the grant of Options under the Plan by execution of an option agreement in the form approved, and which shall give effect to the provisions of this Plan. The Board of Directors is authorized to interpret the Plan and may, from time to time, amend or rescind rules and regulations required for carrying out the Plan. Any such interpretation or construction of any provision of the Plan shall be final and conclusive. The Corporation shall pay all administration costs of the Plan. The senior officers of the Corporation are authorized and directed to do all things and execute and deliver all instruments, undertakings and applications and writing as they in their absolute discretion consider necessary for the implementation of the rules and regulations established for administering the Plan.

3.7 No Representation or Warranty

The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provision of the Plan nor in regard to the tax implication thereof.

3.8 Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

3.9 Stock Exchange Rules

The rules of any stock exchange upon which the Corporation's Common Shares are listed shall be applicable relative to options granted to Designated Participants.

3.10 Escrow and Restriction on Transferability

Common Shares to be issued upon exercise of an Option shall be escrowed or legended as to restrictions on transferability if required by any applicable legislation, regulatory body or stock exchange, and the Designated Participant shall, upon request by the Corporation, execute an escrow agreement in form required or requested by such legislation, regulatory body, stock exchange or the Corporation and no Common Shares shall be issued on exercise of an Option if a required escrow agreement is not entered into by the Designated Participant.

3.11 Affiliate

The term "affiliate" and "insider", when used herein, shall have the same meaning as the definition thereof in the *Securities Act* (Ontario).

APPENDIX "C"

PLATO GOLD CORP.
(the "Company")

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

I. PURPOSE

The Audit Committee is a committee of the Board of Directors. The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by:

- reviewing the financial reports and other financial information provided by the Company to any governmental body or the public and other relevant documents;
- recommending the appointment and reviewing and appraising the audit efforts of the Company's independent auditor and providing an open avenue of communication among the independent auditor, financial and senior management and the Board of Directors;
- serving as an independent and objective party to monitor the Company's financial reporting process and internal controls;
- encouraging continuous improvement of, and fostering adherence to, the Company's policies, procedures and practices at all levels.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section III of this Charter. The Audit Committee's primary function is to assist the Board of Directors in fulfilling its responsibilities and it recognizes that the Company's management is responsible for preparing the Company's financial statements and that the Company's independent auditors are responsible for auditing those financial statements.

II. COMPOSITION AND MEETINGS

The Audit Committee shall be comprised of a minimum of three directors as determined by the Board, all of whom shall be "independent" directors as such term is defined in Schedule "A". All members of the Committee shall, to the satisfaction of the Board of Directors, be "financially literate" as such term is defined in Schedule "A".

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances require. The Committee shall meet prior to the filing of quarterly financial statements to review and discuss the unaudited financial results for the preceding quarter and the related Management Discussion & Analysis and shall meet prior to filing the annual audited financial statements to review and discuss the audited financial results for the year and related Management Discussion & Analysis.

As part of its job to foster open communication, the Committee should meet at least annually with management and the independent auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their oversight related duties, members of the Committee shall have full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and independent auditors of the Company.

Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee or such greater number as the Audit Committee shall by resolution determine.

Meetings of the Audit Committee shall be held from time to time and at such place as the Audit Committee or the Chairman of the Committee shall determine upon a seven (7) days prior notice, in the regular course of the Committee's affairs, or a 48 hours notice in cases where necessity requires, to each of the members. The notice period may be waived by the members of the Committee. Each of the Chairman of the Committee, members of the Committee, Chairman of the Board, independent auditors, Chief Executive Officer, Chief Financial Officer or Secretary shall be entitled to request that the Chairman of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

1. Create an agenda for the ensuing year.
2. Review and update this Charter at least annually, as conditions dictate.
3. Describe in the Company's Management Information Circular or its Annual Information Form the Committee's composition and responsibilities and how they were discharged and otherwise assist management in providing the information required by Form 52-110F1 in the Company's Annual Information Form or such other disclosure document required by Multilateral Instrument 52-110.
4. Report periodically to the Board of Directors.

Documents/Reports Review

5. Review the Company's interim and annual financial statements as well as all interim and annual MD&A's and interim and annual earnings press releases prior to their publication and/or filing with any governmental body, or the public.
6. Satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in paragraph 5, and periodically access the adequacy of such procedures.

Independent Auditor

7. Recommend to the Board of Directors the selection of the independent auditor, considering independence and effectiveness and approve the fees and other compensation to be paid to the independent auditor. Instruct the independent auditor that the Board of Directors, as the shareholders' representative, is the independent auditor's client.
8. Monitor the relationship between management and the independent auditor including reviewing any management letters or other reports of the independent auditor and discussing and resolving any material differences of opinion between management and the independent auditor.

9. Review and discuss, on an annual basis, with the independent auditor all significant relationships they have with the Company to determine their independence.
10. Pre-approve all non-audit services to be provided to the Company or its subsidiaries by the independent auditor.
11. Oversee the work and review the performance of the independent auditor and approve any proposed discharge of the independent auditor when circumstances warrant. Consider with management and the independent auditor the rationale for employing accounting/auditing firms other than the principal independent auditor.
12. Periodically consult with the independent auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
13. Ensure that the independent auditor reports directly to the Audit Committee and arrange for the independent auditor to be available to the Audit Committee and the full Board of Directors as needed.
14. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's independent auditor.

Financial Reporting Processes

15. In consultation with the independent auditor review the integrity of the organization's financial reporting processes, both internal and external.
16. Consider the independent auditor's judgments about the quality and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices or are minority practices.
17. Consider and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested by management with the concurrence of the independent auditor and ensure that the management's reasoning is described in determining the appropriateness of changes in accounting principles and disclosure

Process Improvement

18. Establish regular and separate systems of reporting to the Audit Committee by each of management and the independent auditor regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
19. Review the scope and plans of the independent auditor's audit and reviews prior to the audit and reviews being conducted. The Committee may authorize the independent auditor to perform supplemental reviews or audits as the Committee may deem desirable.
20. Following completion of the annual audit and quarterly reviews, review separately with each of management and the independent auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the independent auditor received during the course of the audit and reviews.

21. Review and resolve any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.
22. Where there are significant unsettled issues the Committee shall ensure that there is an agreed course of action for the resolution of such matters.
23. Review with the independent auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.
24. Review activities, organizational structure, and qualifications of the chief financial officer and the staff in the financial reporting area and see to it that matters related to succession planning within the Company are raised for consideration at the full Board of Directors.

Ethical and Legal Compliance

25. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting internal controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
26. Review and update periodically a Code of Ethical Conduct and ensure that management has established a system to enforce this Code. Review through appropriate actions taken to ensure compliance with the Code of Ethical Conduct and to review the results of confirmations and violations of such Code.
27. Review management's monitoring of the Company's system in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy legal requirements.
28. Review, with the organization's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the organization's financial statements.

Risk Management

29. Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage.

General

30. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities.

The committee shall be empowered to retain and compensate independent counsel, accountants and other professionals to assist it in the performance of its duties as it deems necessary.
31. Perform any other activities consistent with this Charter, the Company's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.

Dated: August 25, 2005

Schedule “A” to Appendix “C”

Independence Requirement of Multilateral Instrument 52-110

A member of the Audit Committee shall be considered “independent”, in accordance with *Multilateral Instrument 52-110 - Audit Committees* (“MI 52-110”), subject to the additional requirements or exceptions provided in MI 52-110, if that member has no direct or indirect relationship with the Company, which could reasonably interfere with the exercise of the member’s independent judgment. The following persons are considered to have a material relationship with the Company and, as such, can not be a member of the Audit Committee:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the Company;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Company;
- (c) an individual who:
 - (i) is a partner of a firm that is the Company’s internal or external auditor;
 - (ii) is an employee of that firm; or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Company’s audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the Company’s internal or external auditor;
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Company’s audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Company’s current executive officers serves or served at the same time on the entity’s compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Company received, more than \$75,000 in direct compensation from the Company during any 12 month period within the last three years, other than as remuneration for acting in his or her capacity as a member of the Board of Directors or any Board committee, or the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service for the Company if the compensation is not contingent in any way on continued service.

In addition to the independence criteria discussed above, any individual who:

- (a) has a relationship with the Company pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary entity of the Company, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee; or as a part-time chair or vice-chair of the board or any board or committee, or
- (b) is an affiliated entity of the Company or any of its subsidiary entities,

is deemed to have a material relationship with the Company, and therefore, is deemed not to be independent.

The indirect acceptance by an individual of any consulting, advisory or other fee includes acceptance of a fee by:

- (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
- (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company or any subsidiary entity of the Company.

Financial Literacy Under Multilateral Instrument 52-110

“Financially literate”, in accordance with MI 52-110, means that the director has the ability to read and understand a set of financial statements that present a breadth and level 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.