

# **WASECO RESOURCES INC.**

**NOTICE OF  
MEETING  
AND  
INFORMATION  
CIRCULAR**

---

**2004**

---

# **WASECO RESOURCES INC.**

Suite 512, 120 Adelaide St. West., TORONTO, ONTARIO M5H 1T1

## **MANAGEMENT INFORMATION CIRCULAR**

### **Solicitation of Proxies**

**This Information Circular is furnished in connection with the solicitation by the management of Waseco Resources Inc. ("the Corporation") of proxies to be used at the Annual Meeting of Shareholders (the "Meeting") of the Corporation to be held at the time and place and for the purposes set forth in the annexed Notice of Meeting.**

It is expected that the solicitation of proxies will be primarily by mail. Officers of the Corporation at nominal cost may also solicit proxies personally. The cost of solicitation by management will be borne by the Corporation.

### **Appointment and Revocation of Proxies**

The persons named in the enclosed form of proxy are Directors of the Corporation.  
**A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING MAY DO SO BY INSERTING IN THE BLANK SPACE PROVIDED IN THE ENCLOSED FORM OF PROXY THE NAME OF SUCH PERSON OR BY SUBMITTING A COMPLETED PROPER ALTERNATE FORM OF PROXY. A COMPLETED FORM OF PROXY MUST BE RECEIVED BY THE CORPORATION c/o EQUITY TRANSFER SERVICES INC., ATTENTION: PROXY DEPARTMENT, SUITE 420, 120 ADELAIDE ST. WEST, TORONTO, ONTARIO M5H 4C3, NOT LATER THAN 4:00 P.M. ON THE 26<sup>th</sup> DAY OF OCTOBER, 2004.**

A shareholder who has given a proxy may revoke it by depositing a written notice of revocation, executed by the shareholder or by his duly authorized attorney, either at the head office of the Corporation at any time up to and including the last business day preceding the date 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, prior to the time of voting or in any other manner permitted by law, including without limitation, personal attendance at the Meeting. Where a shareholder is a corporation, an officer or attorney should execute a proxy or a revocation of proxy under corporate seal duly authorized to do so whose title should be given when signing in a representative capacity.

**Exercise of Discretion by Proxies**

The shares covered by all properly executed and unrevoked proxies received in time for the Meeting will be voted in accordance with the directions contained in the proxies.

**IN THE ABSENCE OF SUCH DIRECTIONS, SUCH SHARES WILL BE VOTED FOR EACH OF THE MATTERS REFERRED TO IN THE PROXY.**

The accompanying form of proxy confers discretionary authority upon the persons named therein to exercise their judgement and to vote with respect to amendments or variations to matters identified in the Notice of Meeting or with respect to other matters which may properly come before the Meeting. At the time of printing this Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **HOWEVER, IF ANY AMENDMENTS, VARIATIONS OR 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 JUDGEMENT OF THE PERSON OR PERSONS VOTING THE PROXY UNLESS THE SHAREHOLDER INSTRUCTS OTHERWISE.**

**Voting Shares and Principal Holders Thereof**

As of September 22<sup>nd</sup>, 2004 there are issued and outstanding 26,201,321 common shares (“Common Shares”) of the Corporation, each carrying the right to one vote per share. Shareholders registered on the books of the Corporation (or their nominee) at the close of business on September 22<sup>th</sup>, 2004 (the “Record Date”) are entitled to vote at the Meeting, except to the extent that a shareholder transfers any of his or her shares after such Record Date and the transferee of such shares produces properly endorsed share certificates or otherwise establishes that he or she owns such shares and demands, not later than 10 days before the Meeting, that his or her name be included in the list of shareholders entitled to vote at the Meeting. To the knowledge of the Directors or Officers of the Corporation, there are no persons beneficially owning or exercising control or direction over 10% of the voting rights attaching to any class of outstanding voting securities of the Corporation entitled to be voted at the Meeting.

**(a) Election of Directors**

The articles of the Corporation provide that the Board of Directors shall consist of a minimum of three (3) members and a maximum of twenty (20) members. The number of Directors proposed to be elected is five (5). Each of the persons whose name appears hereunder is proposed to be elected as a Director of the Corporation to serve until the next Annual Meeting of shareholders or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the bylaws.

**Unless authority to do so is withheld, the persons named in the enclosed form of Proxy intend to vote FOR the election of the nominees whose names are set forth below.** The management of the Corporation does not contemplate that any of the nominees 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 unless the Shareholder instructs otherwise.

The following table (to be read together with the notes thereto) states the names of all the persons proposed to be nominated for election as Directors, all other positions and offices with the Corporation now held by them, their municipalities of residence, their present principal occupation or employment, the date on which they first became Directors of the Corporation and the approximate number of common shares of the Corporation beneficially owned directly or indirectly or over which control or direction is exercised by each of them, if any, as of September 30<sup>th</sup>, 2004.

Name, Current Position with the Corporation and Municipality of Residence	Principal Occupation (1)	Date on Which First Elected As a Director	Shares of the Corporation Beneficially Owned or Over Which Control or Direction is Exercised (2)
Derek Bartlett (3), Director Mississauga, Ontario	Independent Geologist;	May 8, 1996	62,500
Michael Bird, Vice-President, Asia and Director Jakarta, Indonesia	Independent Geologist	May 8, 1996	163,000
A.C.A. ("Peter") Howe, Chairman and Director Toronto, Ontario	Mining Engineer and Consultant; Director of Diadem Resources Ltd. and Ateba Mines Inc.	May 8, 1996	Direct 137,245 Indirect 464,230
Jay Richardson (3) Director Toronto, Ontario	Chartered Accountant; Managing Director of Merchant Capital Group Inc.	August 24, 2000	928,000
Richard Williams (3) President and Director Toronto, Ontario	Solicitor; President of Blackwell Investor Relations Corp.	February 27, 1995	1,532,400

- (1) All of the directors and officers have held their principal occupations as set out above for more than the last five years. Mr. Williams currently serves as a director of Langis Silver and Cobalt and Western International Explorations Ltd. Mr. Richardson is a director of Datalex Corp. (2000-present); he was a director of Plaintree Systems Inc. (1999-2003) and also a director of Houston Lake Mining Inc. (1999-2000) and has been Managing Director of Merchant Capital Group Inc. since 2000, prior to which he was Chairman of Manaca Inc., Company Doctors, for the previous 5 years, a position he continues to hold.
- (2) The information as to shares beneficially owned directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective proposed Directors individually.
- (3) Members of the Audit Committee.

## Statement of Executive Compensation

### Summary Compensation Table

The following table (presented in accordance with the regulation (the "Regulation") made under the Securities Act (Ontario)) sets forth all compensation for services earned in respect of the fiscal years ended February 29<sup>th</sup>, 2004, February 28, 2003, and February 28, 2002, for the named executive officers of the Corporation (1):

Name and Principal Position (1)	Year	Financial Compensation			Long Term Compensation Awards/ Securities under Options Granted (2)
		Salary	Bonus	Other Comp.	
A.C.A. Howe, Chairman and C.E.O.	2004	Nil	Nil	Nil	Nil
	2003	Nil	Nil	Nil	Nil
	2002	Nil	Nil	Nil	200,000
Richard Williams President and C.O.O.	2004	Nil	Nil	Nil	Nil
	2003	Nil	Nil	Nil	Nil
	2002	Nil	Nil	Nil	200,000

**Notes:**

(1) For the relevant periods, no executive officer earned compensation in excess of \$100,000.00

(2) These options were granted pursuant to and are governed by the Corporation's Stock Option Plan.

**Long-Term Incentive Plan**

The Corporation does not presently have a long-term incentive plan for its executive officers.

**Options Granted in Last Fiscal Year**

There were no options granted during the last fiscal year.

**Aggregated Option Exercises in last Fiscal Year and Fiscal Year-end Option Values**

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Year End (#)	Value of Unexercised in the money Options at year end(\$)
A.C.A. Howe	65,000	Nil	200,000	Nil
S. Baran	62,500	Nil	200,000	Nil
D. Bartlett	87,500	Nil	200,000	Nil
M. Bird	87,500	Nil	200,000	Nil
J. Richardson	72,500	Nil	200,000	Nil
R. Williams	180,000	Nil	200,000	Nil

Note: All options were exercised at times when the then current share price was in excess of the exercise price.

**Compensation of Directors and Senior Officers**

The Directors and Officers of the Corporation were not paid any cash remuneration during the year ended February 29, 2004 for acting as Directors and Officers of the Corporation. Directors and Officers participate in the Corporation's Stock Option Plan.

**Indebtedness of Directors and Senior Officers**

None of the Directors or Senior Officers of the Corporation or any associates or affiliates of any of them is or has been indebted to the Corporation at any time since the beginning of the last completed financial year of the Corporation.

**Compensation Committee**

The Corporation did not have a Compensation Committee in 2003. The Board of Directors of the Corporation determines the terms of employment, salaries and other remuneration of executive officers of the Corporation.

**(b) Appointment of Auditors**

**Unless authority to do so is withheld, it is intended that the persons named in the proxy will vote FOR the appointment of Parker, Simone, LLP. Chartered Accountants, to serve as Auditors of the Corporation until the next Annual Meeting of Shareholders, and will vote to authorize the Directors to fix their remuneration. Parker, Simone LLP. Chartered Accountants have been the Auditors of the Corporation since July, 2004.**

**Interests of Certain Persons in Matters to Be Acted Upon**

No person who has been a director or an officer of the Corporation at any time since the beginning of its last completed financial year or any associate of any such director or officer 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.

**General**

Information contained herein is given as of the Record Date. Except where noted, Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of the Meeting. However, if any matters which are not now known should properly come before the Meeting, the accompanying form of Proxy will be voted on such matters in accordance with the best judgement of the person voting it unless the shareholder has indicated their desire to the contrary. The Directors of the Corporation have approved the content and sending of this Information Circular.

By Order of the Board  
September 30, 2004

A.C. A. ("Peter") Howe,  
Chairman