



**WASECO**  
RESOURCES INC.

**Notice of  
Meeting**

*And*

**Information  
Circular**

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**2009**

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## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**TAKE NOTICE** that an Annual and Special Meeting of Shareholders (the "Meeting") of WASECO RESOURCES INC. (the "Corporation") will be held at Suite 1010, 55 University Ave. Toronto, Ontario, M5J 2H7, on Tuesday, September 8, 2009, at 10:30 o'clock in the forenoon (Toronto time) for the following purposes:

To receive and consider the President's Report to Shareholders and the audited financial statements of the Corporation for the year ended February 28, 2009, together with the Auditors' Report thereon;

- (a) to elect Directors of the Corporation for the ensuing year;
- (b) to appoint the auditors of the Corporation for the ensuing year and to authorize the Directors to fix the auditors' remuneration;
- (c) to approve the Stock Option Plan; and
- (d) to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Only shareholders of record at the close of business on August 7, 2009 will be entitled to vote at the Meeting. A copy of the Corporation's audited financial statements for the year ended February 28, 2009, together with the Auditors' Report thereon form part of the Corporation's Annual Report and together with the Information Circular, form of Proxy and Supplemental Mail Card are included in the enclosed material distributed to shareholders of the Corporation in respect of this Meeting along with 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 return same in the envelope provided for that purpose. The Directors have fixed the hour of 4:30 o'clock in the forenoon on September 3, 2009 before which time the instrument of proxy to be used at the Meeting must be deposited with the Corporation, **c/o Equity Transfer Services, Inc. Attention: Proxy Department, 200 University Ave. Ste. 400 Toronto, Ontario M5H 4H1.**

**DATED** at Toronto, Ontario, August 4, 2009.

**BY ORDER OF THE BOARD,**  
Richard Williams  
President

## WASECO RESOURCES INC.

### MANAGEMENT INFORMATION CIRCULAR

#### Annual and Special Meeting of Shareholders

**This management information circular (the "Circular") is furnished in connection with the solicitation by the management of Waseco Resources Inc. (the "Corporation") of proxies for use at the annual and special meeting of shareholders of the Corporation to be held at the time and place and for the purposes set forth in the accompanying notice of meeting (the "Notice of Meeting").** Such meeting is hereinafter referred to as the "Meeting". The information contained herein is given as of August 4, 2009, except as otherwise noted. The address of the registered office of the Corporation is 55 University Ave, Suite 1010, Toronto, Ontario M5J 2H7.

### SOLICITATION OF PROXIES

It is expected that the solicitation of proxies will be primarily by mail, but proxies may also be solicited personally or by telephone by employees of the Corporation, or persons retained by the Corporation for that purpose. The cost of soliciting proxies will be borne by the Corporation. The Corporation will reimburse brokers, custodians, nominees and other fiduciaries for their reasonable charges and expenses incurred in forwarding this proxy material to beneficial owners of shares. In addition to solicitation by mail, certain officers, directors and employees of the Corporation may solicit proxies by telephone, telegraph or personally. These persons will receive no compensation for such solicitation.

### MANNER IN WHICH PROXIES WILL BE VOTED

The shares represented by the accompanying form of proxy (if the same is properly executed in favour of Messrs. Richard Williams and James Richardson, the management nominees, and received at the offices of Equity Transfer Services Inc., 200 University Ave. Ste 400, Toronto, Ontario M5H 4H1, (the "**Transfer Agent**") not later than 4:30:30 p.m. (Toronto time) on Thursday, September 3, 2009 (or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting, or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting) will be voted or withheld from voting at the Meeting and, subject to Section 114 of the *Business Corporations Act* (Ontario), where a choice is specified in respect of any matter to be acted upon, will be voted in accordance with the specifications made. **In the absence of such a specification, such shares will be voted in favour of such matter.**

**The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting, and with respect to other matters that may properly come before the Meeting.** At the date hereof, management of the Corporation knows of no such amendments, variations or other matters.

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

### ALTERNATE PROXY

**Each shareholder has the right to appoint a person other than the persons named in the accompanying form of proxy, who need not be a Shareholder, to attend and act for the Shareholder on the Shareholder's behalf at the Meeting.** Any shareholder wishing to exercise such right may do so by inserting in the blank space provided in the accompanying form of proxy the name of the person whom such shareholder wishes to appoint as proxy and by duly depositing such proxy, or by duly

completing and depositing another proper form of proxy and depositing the same with the Transfer Agent at the address and within the time specified under "Manner In Which Proxies Will Be Voted" above.

### REVOCABILITY OF PROXY

**A shareholder giving a proxy has the power to revoke it.** Such revocation may be made by the shareholder duly executing another form of proxy bearing a later date and duly depositing the same before the specified time, or may be made by written instrument revoking such proxy executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized, and deposited either at the registered office of the Corporation at, 55 University Ave, Suite 1010, Toronto, Ontario M5J 2H7 at any time up to and including 4:30 p.m. (Toronto time) on the last business day preceding the date of the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. If such written instrument is deposited with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

### VOTING BY NON-REGISTERED SHAREHOLDER

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares owned by a person (a "**non-registered holder**") are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the non-registered holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")) 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 this Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to non-registered holders of shares.

Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive Meeting Materials will either:

- a) be given 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 and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or
- b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the non-registered holder and **returned to the Intermediary or its service company** (or as an alternative, votes may often be registered by telephone or over the Internet), will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the non-registered holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered

holder should strike out the persons named in the form of proxy and insert the non-registered holder's name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

## **AUTHORIZED CAPITAL, VOTING SHARES AND PRINCIPAL SHAREHOLDERS**

### **Authorized Capital and Voting Shares**

The authorized capital of the Corporation consists of an unlimited number of common shares (the "**Common Shares**"). As at the date hereof, 30,311,155 Common Shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Corporation.

### **Common Shares**

The holders of the Common Shares are entitled to receive notice of all meetings of shareholders and to attend and vote on the basis of one vote in respect of each Common Share held in connection with each matter to be acted upon at a meeting of the shareholders. Holders of Common Shares are entitled to receive dividends if, as and when declared by the board of directors of the Corporation. In the event of a liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation, the holders of the Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the Corporation has paid out its liabilities.

### **Voting at the Meeting**

A holder of record of Common Shares on August 7, 2009 (the "**record date**") will be entitled to vote such shares in person or by proxy at the Meeting (subject, in the case of voting by proxy, to the timely deposit of his or her executed form of proxy as described herein).

### **Principal Shareholders**

To the knowledge of the directors and officers of the Corporation, there are no persons who beneficially own or exercise control or direction over 10% or more of the outstanding Common Shares at the date hereof.

## **Executive Compensation**

### **Compensation Discussion and Analysis**

#### *Overview*

The Board is responsible for setting the overall compensation strategy of the Corporation and for evaluating and approving the compensation of directors and executive officers. The Corporation has not delegated these responsibilities to a separate board committee. The Board of Directors annually reviews the base salary, incentive compensation and long-term compensation for the Corporation's executive officers to determine if the compensation package for executive officers continues to be appropriate, given the status and activities of the business, or if any modifications are required. Factors considered by the Board of Directors in establishing suitable compensation packages for its executive officers include, the early stage of development of the Corporation, the small number of executive officers, financial resources available to the Corporation, competitive factors and the time committed by the executive officer to the affairs of the Corporation.

### *Objectives of Compensation Program*

It is the objective of the Corporation's compensation program to retain highly qualified executives and to link incentive compensation to performance and shareholder value. It is the goal of the Board of Directors to endeavour to ensure that the compensation of executive officers is sufficient to achieve the objectives of the executive compensation program. The Board of Directors gives consideration to the Corporation's contractual obligations, performance, quantitative financial objectives including relative shareholder return as well as to the qualitative aspects of the individual's performance and achievements.

### *Role of Executive Officers in Compensation Decisions*

The Board of Directors will receive and review any recommendations of the President and Chief Executive Officer relating to the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for executive officers.

### *Elements of the Compensation Program*

The Corporation's compensation program comprises (i) base salary or fees and (ii) long term incentives including an incentive stock option plan (the "Plan"). Each component of the executive compensation program is addressed below.

#### Base Salaries, Fees and Benefits

Salaries or fees for executive officers are reviewed annually based on corporate and personal performance and on individual levels of responsibility. Salaries of the executive officers are not determined based on a specific formula. The Board of Directors considers, and, if thought appropriate, approves salaries recommended by the President and Chief Executive Officer for the other executive officers of the Corporation. As stated above, base salaries are established to retain highly qualified executives. The current compensation programs are significantly less than other junior mining companies and as such are not competitive, however, executives will be compensated through participation in the Plan should there be share appreciation.

The Corporation does not provide any pension or retirement benefits to its executive officers.

#### Long Term Incentives and Stock Option Plan

The Board of Directors administers the Plan that is designed to provide a long-term incentive that is linked to shareholder value. The Board of Directors determines the number of options to be granted to each executive officer based on the level of responsibility and experience required for the position. The Board of Directors regularly reviews and where appropriate adjusts the number of options granted to individuals and determines the vesting provisions of such options. The Board of Directors sets the number of options as appropriate designed to attract and retain qualified and talented personnel. The Board of Directors also takes account of the Corporation's contractual obligations and the award history for all participants in the Plan.

#### Option based awards

A description of the process that the Corporation uses to grant option-based awards to executive officers including the role of the Board of Directors and executive officers, is included under the heading "*Compensation Discussion and Analysis – Elements of Compensation Program – Long Term Incentives and Stock Option Plan*" above. Also for an additional description of the stock option plan of the Corporation see "*Stock Option Plan*" below.

The Corporation granted a total of 1 million options exercisable at \$0.25 per share for a period of three years to executive officers during the year ended February 28, 2009.

## Summary Compensation

Securities legislation requires the disclosure of compensation received by each “Named Executive Officer” of the Corporation for the three most recently completed financial years. “Named Executive Officer” is defined by the legislation to mean (i) each of the Chief Executive Officer and the Chief Financial Officer of the Corporation (ii) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

The following table sets forth a summary of all compensation for services earned during the three most recently completed financial years ended on February 28, 2009 by Richard Williams, who served as President and Chief Executive Officer and James Richardson, who served as Chief Financial Officer, during the financial year (collectively the “Named Executive Officers”).

**Summary Compensation Table**

Name and principal position	Fiscal Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(1)</sup>	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Richard Williams President and Chief Executive Officer <sup>(3)</sup>	2009	\$16,000	Nil	Nil	Nil	Nil	Nil	Nil	\$16,000
	2008	\$12,000	Nil	Nil	Nil	Nil	Nil	Nil	\$12,000
	2007	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Richardson Chief Financial Officer	2009	\$12,000	Nil	Nil	Nil	Nil	Nil	Nil	12,000
	2008	\$9,000	Nil	Nil	Nil	Nil	Nil	Nil	\$9,000
	2007	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of the total annual salary for each of the Named Executive Officers.

(2) Options to acquire common shares granted on June 27, 2009, exercisable at a price of \$0.25 per common share and expiring on June 27, 2012. The value of the option-based award is calculated using the grant date fair values (\$0.08-0.13) multiplied by the number of options granted. The grant date fair value of \$0.08-.013 for each option has been calculated using the Black-Scholes Option Pricing Model using the following assumptions: risk-free interest rate of 2.89-3.30%; volatility of 105 to 104%; expected dividend yield of Nil; and expected option life of 3 years.

## **Incentive Plan Awards**

### Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

There were no share-based awards and option-based awards outstanding at the end of the financial year ended February 28, 2009 in favour of the Named Executive Officers of the Corporation other than each of the five (5) directors received 200,000 options exercisable at \$0.25 for a period of 3 years.

### Incentive Plan Awards – Value Vested or Earned During the Year

There was no value vested or earned during the year ended February 28, 2009 in respect of option-based awards, share-based awards and non-equity incentive plan compensation by Named Executive Officers of the Corporation.

## **Pension Plan Benefits**

### Defined Benefit Plans Table

The Corporation does not have any pension or retirement plans.

### Deferred Compensation Plans

The Corporation does not have any deferred compensation plans.

## **Termination and Change of Control Benefits**

The Corporation does not have in place any compensatory plan or arrangement with any Named Executive Officer that would be triggered by the resignation, retirement or other termination of employment of such officer, from a change of control of the Corporation or a change in the executive officer's responsibilities following any such change of control.

## **Director Compensation**

Directors of the Corporation are not currently paid any fees for their services as directors, except for the Chairman, who receives \$2,000 per quarter and all directors are reimbursed for out-of-pocket expenses incurred in connection with such duties. However, directors are eligible to participate in the Corporation's stock option plan. See "Stock Option Plan". Directors are also entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such directors for such services to arm's length parties. Except as otherwise disclosed herein, during the year ended February 28, 2009, no compensation was paid or payable to directors or entities controlled by directors for services rendered.

### Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

There were no share-based awards and option-based awards outstanding at the end of the financial year ended February 28, 2009 to the directors of the Corporation (who are not also Named Executive Officers) other than 200,000 options exercisable at

### Incentive Plan Awards – Value Vested or Earned During the Year

There was no value vested or earned during the year ended February 28, 2009 in respect of option-based awards, share-based awards and non-equity incentive plan compensation by directors of the Corporation (who are not also Named Executive Officers). other than the 200,000 options each director was granted, exercisable at \$0.25 for a period of 3 years.



### **Director and Officer Liability Insurance**

The Corporation does not maintain insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers.

### **Stock Options**

As of the date hereof, the Corporation has 1 million issued and outstanding stock options.

The Corporation recognizes the importance of the contributions of its directors, officers, employees and consultants to the success of the Corporation. The board of directors, in its discretion, has in the past and may in the future grant options to purchase Common Shares to directors, senior officers, employees and consultants of the Corporation.

### **Securities Authorized for Issuance under Equity Compensation Plans**

As at February 28, 2009, there were no equity compensation plans under which equity securities of the Corporation were authorized for issuance.

### **INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS**

No director, officer or employee or former director, officer or employee of the Corporation was indebted to the Corporation as of February 28, 2009.

### **AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER**

Multilateral Instrument 52-110 (“**MI 52-110**”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in MI 52-110) be included in the management information circular sent to shareholders in connection with the issuer’s annual meeting.

#### **Audit Committee Charter**

The full text of the charter of the Corporation’s Audit Committee is attached hereto as Exhibit “A”.

#### **Composition of the Audit Committee**

<b>Name</b>	<b>Independent</b>	<b>Financially Literate</b>
<b>Derek Bartlett</b>	<b>Yes</b>	<b>Yes</b>
<b>Richard Ekstein</b>	<b>Yes</b>	<b>Yes</b>
<b>A.C.A. Howe</b>	<b>Yes</b>	<b>Yes</b>

#### **Relevant Education and Experience**

Set out below is a description of the education and experience of each of the Corporation’s directors, which is relevant to the performance of his audit committee type responsibilities on the board of directors.

Derek Bartlett has a bachelor degree in Geology from the University of New Brunswick. He has had more than 30 years experience in the public mining sector as an officer, director and consultant. He has been the President and CEO of junior

mining companies. His experience includes financing various junior mining companies and acquiring, joint venturing and disposing of mining assets and analyzing their financial impact. In the course of his work, he had to review the financial situation of the companies and study and analyze their financial statements. Therefore, Mr. Barlett had to review and understand financial statements of similar complexity as the financial statements of the Company.

Richard Ekstein graduated from York University in 1978 with a B.A. in Political Science. He is currently co-owner and President of Weston Forest Group and has more than 25 years experience in the private sector as an officer and a director of private companies. His experience includes financing various companies and acquiring, joint venturing and disposing of resource assets and analyzing their financial impact. In the course of his work, he had to review the financial situation of the companies and study and analyze their financial statements. Therefore, Mr. Ekstein had to review and understand financial statements of similar complexity as the financial statements of the Company.

A.C.A (Peter). Howe graduated as a Professional Mining Engineer from the Royal School of Mines, Imperial College, London University in 1949. He was the founder of A.C.A. Howe International Ltd. in the early 1960's has been a senior mining executive since 1980 and active in reviewing financial situations within companies which required the study and analysis of their financial statements. Mr. Howe has advised several mining companies on financings and has served on audit committees. Therefore, Mr. Howe has the competence to understand financial statements of similar complexity as the financial statements of the Company.

### **Reliance on Certain Exemptions**

The Company is relying upon the exemptions from the requirements of MI 52-110 relating to the composition and reporting obligations of the Audit Committee provided in Section 6.1 of MI-52-110.

### **Audit Fees**

The following table provides detail in respect of audit, audit related, tax and other fees paid by the Corporation to the external auditors for professional services:

	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
<b>Year ended February 28, 2009</b>	<b>\$19,500</b>	<b>Nil</b>	<b>Not yet ascertained</b>	<b>Nil</b>
<b>Year ended February 29, 2008</b>	<b>\$18,250</b>	<b>Nil</b>	<b>\$ 2,450</b>	<b>Nil</b>

*Audit Fees* – Audit fees were paid for professional services rendered by the auditors for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.

*Audit-Related Fees* – Audit-related fees would be those paid for professional services rendered by the auditors.

*Tax Fees* – Tax fees were paid for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

*All Other Fees* – would comprise primarily of the review of quarterly financial statements and related documents.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 – “Disclosure of Corporate Governance Practices” (“**NI 58-101**”) and National Policy 58-201 – “Corporate Governance Guidelines” (“**NP 58-201**”) set out a series of guidelines for effective corporate governance. Each reporting issuer, including the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted.

The Corporation’s annual disclosure of its corporate governance practices in accordance with Form 58-101F2 - *Corporate Governance Disclosure* under NI 58-101 is set forth in Exhibit “B” to this Circular. The board of directors does not have other standing committees other than the Audit Committee.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### ANNUAL BUSINESS

#### PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the fiscal year ended February 28, 2009 and the report of the auditors thereon, will be presented at the Meeting.

#### APPOINTMENT OF AUDITOR

parker simone LLP., Chartered Accountants, have been the auditors of the Corporation since July 2004. **Unless the shareholder directs that his or her Common Shares are to be withheld from voting in connection with the appointment of auditors, the persons whose names are printed in the form of proxy intend to vote for the re-appointment of parker simone LLP. Chartered Accountants as auditors of the Corporation until the next annual meeting of shareholders and to authorize the board of directors to fix their remuneration.**

#### ELECTION OF DIRECTORS

A board of **five** directors is to be elected at the Meeting. **Unless the shareholder directs that his or her Common Shares are to be withheld from voting in connection with the election of directors, the persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below.** All of the nominees set forth below are now directors of the Corporation and have been directors since the dates indicated. Management 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. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation.

The following information relating to the nominees as directors is based partly on the Corporation's records and partly on information received by the Corporation from such persons and is given as of the date hereof.

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),(4) Director Mississauga, Ontario	Independent Geologist;	May 8, 1996	500
Richard Ekstein (3)(4) Toronto, Ontario	President of Weston Forest Group	Nominee	416,000
A.C.A. ("Peter") Howe(3)(4) Chairman and Director Toronto, Ontario	Mining Engineer and Consultant;	May 8, 1996	290,000
James Richardson Director, CFO Sec-Treas Toronto, Ontario	Chartered Accountant; CFO Waseco Resources Inc. First Metals Inc.	August 24, 2000	1,149,000
Richard Williams President and Director Toronto, Ontario	Solicitor; President of Blackwell Investor Relations Corp.	February 27, 1995	2,761,581

Notes:

- (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 Guyana Goldfields Inc., Sparton Resources Inc. First Metals Inc. and Claim Post Resources Inc. Mr. Richardson is a director of First Metals Inc., Roxmark Mines Ltd. and Cadman Resources Inc.. He has been Chairman of Manaca Inc, Company Doctors, since 1995 to 2005. Mr. Bartlett is a director of Newport Gold Inc., Kingsman Resources Inc. Oromin Explorations Ltd., Saville Resources Inc., X-Cal Resources Ltd. and Cadman Resources Inc. Mr. Howe is a director of Mantis Mineral Corp. and of Ateba Technology and Environmental Inc and formerly was a director and officer of Diadem Resources Ltd.
- (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.
- (4) Member of the Corporate Governance/Compensation Committee

None of the Nominees is as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company, including any personal holding company of such director, chief executive officer or chief financial officer, that was subject to an order that was issued while that person was acting in that capacity, or was subject to an order, that was issued after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in such capacity other than Mr. Williams who was a director and officer of First Metals Inc. when a management cease trade order was issued by the Ontario Securities Commission (which has since lapsed) for failure by the company to file financial statements by the statutory deadline date.

None of the Nominees is as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company, including any personal holding company of such director or executive officer, that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such company other than:

Messrs Richardson and Williams, who were directors of @rgentum Management and Research Corporation which was the subject of a freeze order and an order to cease activity in respect of securities transactions issued by the bureau de decision et revision at the request of the autorite des marches financiers. The fund was also subject of a cease trade order in Ontario and was subsequently placed into bankruptcy by the Ontario Securities Commission. Both are also directors of First Metals Inc. which filed a Notice of Intention to Make a Proposal under the Bankruptcy and Insolvency Act. The filing was made in order to facilitate the company's ability to implement a restructuring plan.

Mr. Richardson was Interim CEO of Plaintree Systems Inc. ("**Plaintree**") when it filed a proposal under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") as part of a financial reorganization in 1999. All of Plaintree's commitments under the proposal were fulfilled, it was refinanced and its market capitalization increased by 100-fold. Subsequently, Mr. Richardson was a member of Plaintree's Board of Directors when its new management filed a second proposal under the BIA in 2002. All of Plaintree's commitments to its creditors under the second proposal were similarly fulfilled.

Mr. Richardson became a member of the Board of Directors of Datalex Inc. ("**Datalex**") (MX) following the suspension of its shares from trading, and the company was subsequently delisted. Subsequently, having arranged a refinancing transaction, Datalex filed a proposal with its creditors under the BIA, fulfilled all of its terms and is up to date with all of its creditors.

Mr. Richardson became a member of the Board of Directors of Argus Corporation ("**Argus**") in January 2005. Subsequently, in May 2005 Argus, by court order, was added to the receivership proceedings of The Ravelston Corporation. Previously, in August 2004 Mr. Richardson was added to a MCTO that had previously been issued against certain Officers, Directors and others of Hollinger Inc., Hollinger International, The Ravelston Corporation, Argus Corporation and others, as a result of having been retained in July 2004 in his company doctor capacity to assist in the management of Hollinger Inc.

None of the Nominees nor any personal holding company of the Nominees has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual or their personal holding company.

None of the Nominees has been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Stock Option Plan**

Shareholder approval for our current Stock Option Plan (the "Plan") 2004 was obtained at our Annual and Special meeting held on September 10, 2004. The purpose of the Stock Option Plan is to encourage ownership of Waseco's common shares by persons ("Eligible Persons") who are directors, senior officers and key employees of, as well as consultants and employees of management companies providing services to Waseco. It is these individuals who are primarily responsible for the management and profitable growth of Waseco's business. Management hopes that the Stock Option Plan will advance the interests of Waseco by providing additional incentive for superior performance by all eligible recipients.

The aggregate number of common shares in the capital of Waseco reserved for issuance under the Stock Option Plan is a maximum of 10% of the issued and outstanding shares of Waseco at the date of grant. If any options granted expire or terminate for any reason without having been exercised in full, the unpurchased shares will again be available under the Stock Option Plan. As our Stock Option Plan is a "rolling plan", the policies of the TSX Venture Exchange (the "Exchange") provide that we must seek shareholder approval of the plan annually. The Stock Option plan is subject to Exchange approval.

## Terms of the Stock Option Plan

The following summary is a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for shareholders to review at the Meeting:

1. The maximum number of shares that may be issued upon the exercise of stock options previously granted and those granted under the Stock Option Plan will be a maximum of 10% of the issued and outstanding common shares at the time of the grant.
2. Stock options can be issued to persons who are directors, senior officers, employees and consultants of, or employees of management companies providing services to Waseco.
3. The option price of any common share in respect of which an option may be granted under the Stock Option Plan shall be fixed by the Board of Directors but shall be not less than the minimum price permitted by the Exchange or, if the shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
4. The number of options granted to any one individual may not exceed 5% of the outstanding listed shares in any 12 month period.
5. The number of options granted to any one consultant may not exceed 2% of Waseco's outstanding listed shares in any 12 month period.
6. All options granted under the Stock Option Plan may not have an expiry date later than five years from the date on which the Board of Directors grant and announce the granting of the option.
7. If the optionee ceases to be (other than by reason of death) an eligible recipient of options, then the option granted shall expire within 30 days after the date that the option holder ceases to be eligible, subject to the terms and conditions set out in the Stock Option Plan.
8. If an optionee ceases to be an eligible recipient of option by reason of death, an optionee's heirs or administrators shall have until the earlier of:
  - (a) one year from the death of the option holder; and
  - (b) the expiry date of the options

in which to exercise any portion of options outstanding at the time of death of the optionee.

9. The Stock Option Plan will be administered by Waseco's Board of Directors who will have the full authority and sole discretion to grant options under the Stock Option Plan to any eligible recipient, including themselves.
10. The options are not assignable or transferable by an optionee.
11. The Board of Directors may from time to time, subject to regulatory approval, amend or revise the terms of the Stock Option Plan.

Accordingly, Shareholders will be asked to consider and, if thought appropriate, to approve, with or without amendment, the following resolution:

## **Stock Option Plan Resolution**

“BE IT RESOLVED that:

1. The Stock Option Plan be approved and that the Board of Directors of the Corporation be authorised in their absolute discretion to establish and administer the Stock Option Plan in accordance with its terms and conditions;
2. The Board of Directors be authorised on behalf of the Corporation to make any amendments to the Stock Option Plan as may be required by regulatory authorities, without further approval of the Corporation’s Shareholders, in order to ensure adoption of the Stock Option Plan; and

Any two directors of the Corporation be and are hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in their opinion may be necessary to give effect to this resolution.”

### **INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS**

Other than those transactions referred to elsewhere in this Circular or disclosed in a prior information circular of the Corporation, no person who has been a director or an officer of the Corporation at any time since the beginning of its last completed fiscal year nor any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any such director, 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.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No “informed person” (as such term is defined under applicable securities laws), proposed nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed nominee has or had a material interest, direct or indirect, in any transaction since the beginning of the Corporation’s last fiscal year or in any proposed transaction which has materially affected or would materially affect the Corporation except as disclosed elsewhere in this Circular or any prior management information circular of the Corporation.

### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management of the Corporation 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 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.

### **ADDITIONAL INFORMATION**

The Corporation will provide to any shareholder, upon written request to the President of the Corporation at 55 University Ave. Ste. 1010, Toronto, Ont. M5J 2H7 a copy of:

- (a) the audited comparative consolidated financial statements of the Corporation for its most recently completed financial period, together with the management’s discussion and analysis of such financial results and the auditor’s report thereon, and one copy of any interim financial statements subsequent to the financial statements of the Corporation that have been filed for any period after the end of its most recently completed financial period; and

(b) a copy of the Notice of Meeting and this Circular.

**Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Corporation may be found in the Corporation's consolidated financial statements and management's discussion and analysis for its most recently completed financial period.**

#### **GENERAL**

Unless otherwise stated, information contained herein is given as of the date hereof. The contents and the sending of this Circular have been approved by the board of directors of the Corporation.

By Order of the Board of Directors

Toronto, Ontario  
August 4, 2009

*(signed) "Richard Williams"*  
President & Chief Executive Officer



## **SCHEDULE “A”**

### **TO THE MANAGEMENT INFORMATION CIRCULAR**

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

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#### **I. PURPOSE**

The Audit Committee (the “Committee”) is a committee of the board of directors. The primary function of the Committee is to assist the board of directors in fulfilling its financial reporting and controls responsibilities to the shareholders of the Company and the investment community. The external auditors will report directly to the Committee. The Committee’s primary duties and responsibilities are:

- Overseeing the integrity of the Company’s financial statements and reviewing the financial reports and other financial information provided by the Company to any government body or the public and other relevant documents;
- Recommending the appointment and reviewing and appraising the audit efforts of the Company’s external auditors, overseeing the external auditors’ qualifications and independence and providing an open avenue of communication among the external auditors, financial and senior management and the board of directors;
- Monitoring the Company’s financial reporting process and internal controls, its management of the business and financial risk, and its compliance with legal, ethical and regulatory requirements.

#### **II. COMPOSITION**

The Committee shall consist of a minimum of three directors of the Company the majority of whom shall not be officers or “control persons”, as such term is defined hereunder, of the Company. All members shall, to the satisfaction of the board of directors, be “financially literate” as such term is defined hereunder.

The members of the Committee shall be appointed by the board of directors. The board of directors may remove a member of the Committee at any time in its sole discretion by resolution of the board.

#### **III. DUTIES AND RESPONSIBILITIES**

1. The Committee shall review and recommend to the board for approval:
  - (a) The Company’s financial statements (annual and quarterly), MD&A and earnings releases to be filed with regulatory bodies such as securities commissions prior to the release of earnings.
  - (b) Documents referencing, containing or incorporating by reference the annual audited consolidated financial statements or interim financial results (e.g., prospectuses, press releases with financial results) prior to their release.
2. The Committee, in fulfilling its mandate, will:
  - (a) Satisfy itself that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required

under securities laws.

- (b) Recommend to the board of directors the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor.
- (c) Monitor the relationship between management and external auditor including reviewing any management letters or other reports of the external auditor, and discussing and resolving any material differences of opinion or disagreements between management and the external auditor.
- (d) Periodically consult with the external 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 financial statements.
- (e) Obtain and review annually a report prepared by the external auditors summarizing the auditors' internal quality-control procedures and processes.
- (f) Review the scope of the external audit, including the fees involved.
- (g) Review the report of the external auditor on the annual audited financial statements.
- (h) Review the problems identified during audit, and, if any, the limits and restrictions imposed by management and any significant accounting matters for which management sought a second opinion.
- (i) Review and approve requests for any management consulting engagement to be performed by the external auditor and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter and related fees.
- (j) Review with management, the external auditors and legal counsel, any litigation, claims or other contingency, including tax assessments, which could have a material effect upon the financial position or operating results of the Company, and whether these matters have been appropriately disclosed by the financial statements.
- (k) Review with management their approach with respect to business ethics and corporate conduct.
- (l) Review periodically legal and regulatory requirements that if breached, could have a significant impact on the Company's published financial reports or reputation. Inquire on the extent of the compliance with security policies.
- (m) Review with management the accuracy and timeliness of filings with regulatory authorities.
- (n) Review annually general insurance coverage of the Company to ensure adequate protection of major corporate assets including but not limited to D&O coverage.

3. Annually, the Committee will review its Charter and, where appropriate, recommend changes to the board of directors.

#### **IV. MEETINGS**

1. The Committee shall meet no less than four times per year. At least annually, the Committee shall meet separately with management and with the external auditors.

2. The external auditors of the Company will receive notice of every meeting of the Committee. The external auditors may

also call a meeting of the Committee.

3. The board shall be kept informed of the Committee's activities by copies of minutes, at the next board meeting following each Committee meeting or by an oral report.

## **V. QUORUM**

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.

## **VI. DEFINITIONS**

In accordance with *Multilateral Instrument 52-110-Audit Committees*.

**"Financially literate"** 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."

**"Control Person"** means "any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company except where there is evidence showing that the holder of those securities does not materially affect the control of the Company."

## **APPROVED BY THE BOARD OF DIRECTORS**

August 4, 2009

## **EXHIBIT "B"**

### **CORPORATE GOVERNANCE PRACTICES**

#### **General**

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose annually the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The board of directors of the Corporation believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "CSA") have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA has implemented Form 58-101F2 under NP 58-101 which prescribes the disclosure required to be made by the Corporation about its corporate governance practices. This section sets out the Corporation's approach to corporate governance and addresses the Corporation's compliance with NI 58-101.

## **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the board examines the effectiveness of the Corporation's internal control processes and management information systems. The board reviews executive compensation and recommends stock option grants.

The only independent members of the board currently are Derek Bartlett, Peter Howe and Richard Ekstein. The non-independent directors are Richard Williams, by virtue of his position as the President and Chief Executive Officer of the Corporation, James Richardson by virtue of his position as the Secretary-Treasurer. A majority of the board is therefore independent.

## **Orientation and Continuing Education**

While the Corporation currently has no formal orientation and education program for new Board members, sufficient information is available and will be provided to any new Board member to ensure that the new directors are familiarized with the Corporation's business and the procedures of the Board. The Board ensures that every director possesses the capabilities, expertise, availability and knowledge required to fill this position adequately.

## **Ethical Business Conduct**

The Corporation has adopted a Code of Ethics (the "Code") in order to encourage and promote a culture of ethical business conduct. The Code is available at the Corporate offices.

## **Nomination of Directors**

The Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Corporation's development. While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with a wealth of business knowledge and a particular knowledge of the Corporation's industry or other industries, which provide knowledge which would assist in guiding the officers of the Corporation. As such, nominations tend to be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration of the Board as a whole.

## **Compensation**

The directors decide as a Board the compensation for the Corporation's officers, based on levels expected to be less than industry standards and the Corporation's financial situation. The directors currently do not receive any cash remuneration for their acting in such capacity, however, they are entitled to participate in the Corporation's stock option plan.

## **Other Board Committees**

The Board has no standing committees other than the Audit Committee and the Corporate Governance and Compensation Committee.

## **Assessments**

The Board assesses, on an annual basis, the contributions of the Board as a whole, any committees of the Board and each of the directors, in order to determine whether each is functioning effectively.

