

MBMI RESOURCES INC.

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MANAGEMENT INFORMATION CIRCULAR

Dated June 29, 2012

For the Annual and Special Meeting of the Shareholders
to be held on Monday, July 30, 2012

GENERAL PROXY INFORMATION

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF MBMI RESOURCES INC. (THE "COMPANY") OF PROXIES TO BE USED AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD ON MONDAY, JULY 30, 2012 AT THE OFFICES OF ORMSTON LIST FRAWLEY LLP, SUITE 720, 40 UNIVERSITY AVENUE, TORONTO, ONTARIO, AT 9:30 A.M. (TORONTO TIME), AND AT ANY ADJOURNMENT THEREOF (THE "MEETING") FOR THE PURPOSES SET OUT IN THE ENCLOSED NOTICE OF MEETING (THE "NOTICE OF MEETING"). It is expected that the solicitation will be primarily by mail but proxies may also be solicited personally or by telephone by the directors, officers and employees of the Company who will not receive any additional compensation for such services. The cost of solicitation by management will be borne by the Company.

The record date for determining holders (the "**Shareholders**") of common shares (the "**Common Shares**") in the capital of the Company entitled to notice of, and to attend and vote their shares at, the Meeting is June 29, 2012 (the "**Record Date**").

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers or directors of the Company. **A SHAREHOLDER DESIRING TO APPOINT A PERSON OTHER THAN THE PERSON NAMED ON THE FORM OF PROXY TO ATTEND AND ACT ON HIS, HER OR ITS BEHALF AT THE MEETING MAY DO SO** either by striking out the names of management's designees and inserting such person's name in the blank space provided in the accompanying form of proxy or by completing another proper form of proxy and, in either case, either delivering the completed proxy to Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, or submitting the form of proxy by phone or internet to Computershare Investor Services Inc. in accordance with the instructions on the form of proxy, not later than 4:30 p.m., Toronto time, on Thursday July 26, 2012, two business days preceding the date of the Meeting, or in the event of an adjournment of the Meeting, by 4:30 pm two business days preceding the date of the adjournment, or delivered to the chairman on the day of the Meeting or any adjournment thereof.

Each Shareholder is entitled to appoint a person to represent such Shareholder at the Meeting, who need not be one of the persons named in the accompanying form of proxy.

A proxy must be signed in writing or, subject to the means of electronic signature permitting a reliable determination that the document was created or communicated by or on behalf of the Shareholder or the attorney, as the case may be, by electronic signature by the Shareholder or an attorney who is authorized by a document that is signed in writing or by electronic signature or, if the Shareholder is a body corporate, by an officer or attorney of the body corporate duly authorized.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the Shareholder or by his, her, or its attorney authorized in writing, and deposited either at Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, or the registered office of the Company, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of such Meeting on the day of the Meeting, or adjournment thereof, or in any other manner permitted by law.

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 the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

The shares voted at the Meeting will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for. Where a choice is specified on a proxy, securities represented by the proxy will be voted in accordance with the choice so specified in the proxy. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE ITEM OF BUSINESS AS SET OUT IN THE NOTICE OF MEETING AND AS STATED ELSEWHERE IN THIS MANAGEMENT INFORMATION CIRCULAR.**

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matter identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting, in such manner as such nominee in his or her judgment may determine. **IF OTHER MATTERS WHICH ARE NOT PRESENTLY KNOWN TO 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.** As of the date of this management information circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the accompanying Notice of Meeting.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The authorized capital of the Company consists of an unlimited number of Common Shares without nominal or par value. As at June 29, the Record Date, the Company had issued and outstanding 22,000,968 Common Shares, each carrying one vote per share.

To the knowledge of management of the Company, relying on publicly available information, no person beneficially owns, directly or indirectly, or has control or direction over, 10% or more of the Common Shares of the Company, except as follows:

Name	Number of Common Shares	Percentage
Gwynneth Gold Limited	3,913,581	17.8%
Kam Yuen Capital Ltd.	3,618,967	16.5%

The Company will prepare a list of all persons who are registered holders of Common Shares as of the Record Date, and the number of Common Shares registered in the name of each person on such date. Each Shareholder is entitled to one vote for each Common Share registered in such Shareholder's name as it appears on the list.

VOTING BY NON-REGISTERED SHAREHOLDERS

These securityholder materials are being sent to both registered and Non-Registered Holders (as defined below) of the securities. If you are a Non-Registered Holder, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Only registered Shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares of the Company beneficially owned by a person (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of the Common Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101, the Company will have distributed copies of the Notice of Meeting, this management information circular and the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the "**Voting Instructions Form**") which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

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

REQUIRED SHAREHOLDER APPROVALS

Unless otherwise noted under "PARTICULARS OF MATTERS TO BE ACTED UPON", all resolutions submitted to the Shareholders must be approved by a majority of the votes cast by holders of Common Shares of the Company present in person or represented by proxy at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or officer of the Company, no proposed nominee for election to the board of directors of the Company (the "**Board**"), and no associate or affiliate of any such person has any material interest, direct or indirect, in any matter to be acted upon at the Meeting.

The above information was supplied by the management of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

FINANCIAL STATEMENTS

Shareholders of the Company will be asked to review and consider the audited financial statements and the Management's Discussion and Analysis of the Company for the financial year ended January 31, 2012, together with the Auditor's Report thereon, copies of which accompany this management information circular and are available at www.sedar.com.

ELECTION OF DIRECTORS

The articles of incorporation of the Company provide that the Board shall consist of not less than three and not more than ten directors. The Company currently has six directors.

The term of office of each of the present six directors expires at the Meeting, all of which are proposed for re-election.

Each director elected will hold office until the next annual meeting of the Company or until his successor is elected or appointed ("**End of Term**"), unless his office is vacated before his End of Term in accordance with the articles of incorporation of the Company or the provisions of *Business Corporations Act* (Ontario).

In accordance with the Company's articles of incorporation, six persons are nominated as directors of the Company. The following table sets forth the name of each person nominated by management of the Company for election as a director, his principal occupation, business or employment, his current position with the Company, if any, the period of time for which he has been a director of the Company, and the number of shares of the Company beneficially owned, directly or indirectly, or subject to control or direction, by such person as of June 29, 2012.

Name, Municipality and Province of Residence & Positions with Company	Director Since	Shares Beneficially Owned	Principal Occupation and Past Experience
John Hoi Charm Wong Ontario, Canada President, Chief Executive Officer and Director	September 29, 2011	4,500 Common Shares ⁽⁴⁾	Mr. John H. Wong holds a Bachelor's degree in Finance and a Master degree of Business Administration. Mr. Wong has accumulated over 20 years of international experience in diversified investment projects in Europe, America, Asia and Africa. He has been involved in feasibility studies, management, marketing and financial control in various industries and his diverse worldwide investment experience strengthens his global view and analytical abilities. Mr. Wong is chairman of the board of directors of Kam & Ronson Media Group Inc., a company listed on the TSX Venture Exchange, and President of SinoCan Capital Inc. which provides financial advisory services to Chinese, Hong Kong and other Pacific Rim entities.
Sam Yim Chiu Kwan Ontario, Canada Chief Financial Officer and Director ⁽³⁾⁽²⁾	July 29, 2011	Nil	Mr. Kwan has extensive financial experience in external audit, taxation, accounting and corporate finance. He has been involved in international business and is specialized in foreign exchange risk management and hedging strategy implementation. Mr. Kwan is the President of Horwath Global Advisors Inc., which provides financial advisory services to Chinese, Hong Kong and other Pacific Rim entities. Mr. Kwan is a Chartered Accountant and Certified Public Accountant of Illinois in the U.S. who had practiced in major international accounting firms. As a director and Audit Committee Chairman of Kam and Ronson Media Group Limited., a company listed on the TSX Venture Exchange, he has a sound appreciation of corporate governance and the ability to communicate effectively with the Board.
Ning, Yat Hoi Hong Kong, China Director and Chairman ⁽²⁾	July 29, 2011	1,618,967 Common Shares ⁽⁵⁾	Mr. Ning Yat Hoi is the Director of the Nonferrous Metals Society of China, a technological organization of scientists and technologists engaged in the nonferrous metals industry. He is also the Chairman of Hoi Mor Industrial (Group) Ltd., a privately owned mining firm which specializes in the metals and mining industry. Mr. Ning was appointed the non-executive director on June 7, 2012 by Mwana Africa PLC listed on the London Stock Exchange.
John Cook Ontario, Canada Director ⁽¹⁾⁽³⁾	March 31, 2003	174,500 Common Shares	Mr. Cook has been the President of Tormin Resources Limited, a private mining engineering consulting company, since 1994.

Name, Municipality and Province of Residence & Positions with Company	Director Since	Shares Beneficially Owned	Principal Occupation and Past Experience
Joseph Chan Ontario, Canada Director ⁽¹⁾⁽²⁾⁽³⁾	April 15, 2011	Nil	Mr. Chan is an Executive Director of Harmony Asset Ltd., and has been involved in strategic investment and planning for stock exchange listed and non-listed companies since December 2006. Mr. Chan is also the Qualified Accountant of Harmony Asset Ltd. Mr. Chan has over 30 years of accounting and management experience and obtained his MBA from Heriot-Watt University, Edinburgh Business School, Scotland. Mr. Chan is an associate member of The Institute of Chartered Accountants in England and Wales, a Fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants, as well as a member of the Certified General Accountants' Association of Canada.
Christopher Aiello Director ⁽¹⁾ Hong Kong, China	December 15, 2011	Nil	Mr. Aiello graduated from University of Minnesota in United States, and further earned a post-graduate degree in Derivatives and Risk Management from the Hong Kong University of Science and Technology. He has previously worked as the founder and Managing Director /CIO of two alternative investment management companies, Centurion Global Capital Group Ltd. and Genesis Capital Management Ltd. funds.

- (1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Governance Committee.
(4) These Common Shares are owned by Mr. Wong's spouse, Bonnie Wong.
(5) These Common Shares are held in the name of Kam Yuen Capital Ltd.

Pursuant to Item 7.2 of National Instrument 51-102F5 – Continuous Disclosure Obligations, the following disclosure is being made with respect to persons proposed to be nominated by management of the Company for election as a director.

Mr. John Cook was the director of the Company when it was subject of a cease trade order issued on September 21, 2007 relating to the filing of technical reports pursuant to National Instrument 43-101 on the Company's Philippine Nickel laterite properties. The cease trade order was revoked on November 8, 2007 on the Company's filing of an amended technical report and news releases related thereto.

Mr. John Cook was, at the relevant time, a director of GLR Resources Inc. ("GLR") which was subject to cease trade orders issued by the Ontario Securities Commission and the British Columbia Securities Commission on April 14, 2009, the Autorité des marchés financiers du Québec on April 15, 2009, and the Alberta Securities Commission on November 13, 2009. Such orders against GLR were issued as a result of GLR's failure to file certain continuous disclosure materials including the audited annual financial statements, management's discussion and analysis, CEO and CFO certificates and its annual information form for the year ended December 31, 2008, which was caused by financial difficulties experienced by GLR as a result of its inability to raise funds given 2008 market conditions. Effective March 22, 2010, GLR had filed all outstanding continuous disclosure materials required to be filed under applicable securities laws and the cease trade orders were each lifted by the Ontario Securities Commission in an

order dated September 27, 2010, the British Columbia Securities Commission in an order dated September 28, 2010 and the Alberta Securities Commission in an order dated September 30, 2010. On June 5, 2009, GLR filed a proposal (the "Proposal") under the *Bankruptcy and Insolvency Act* (Canada). Some minor amendments were made to the Proposal which were filed on July 20, 2009. The sale of certain of GLR's assets under the Proposal was completed on August 20, 2009. Effective on the close of trading on January 7, 2009, GLR's common shares were delisted from the Toronto Stock Exchange (the "TSX") for failure to meet certain continued listing requirements of the TSX.

Unless a proxy specifies that the shares it represents are to be withheld from voting in favour of any the candidates proposed above, the proxies named in the accompanying form of proxy intend to vote in favour of all of the candidates proposed above.

APPOINTMENT OF AUDITOR

Shareholders of the Company will be asked to approve the appointment **MNP LLP** as the auditor of the Company to hold office until the close of the next annual meeting of the Shareholders of the Company and to authorize the Board to fix the remuneration to be paid to the auditor. The Company's current auditor, Grant Thornton LLP, whose term as auditor of the Company expires at the Meeting, is not being proposed for re-appointment as auditor. A Change of Auditor Notice is attached as Schedule "A" to this management information circular.

Unless a proxy specifies that the shares it represents are to be withheld from voting in favour of the appointment of MNP LLP as the auditor of the Company, the proxies named in the accompanying form of proxy intend to vote in favour of the appointment of MNP LLP as auditor of the Company and the authorization of the Board to fix the remuneration paid to the auditor.

APPROVAL OF STOCK OPTION PLAN

The Company has in place a "rolling" stock option plan (the "**Option Plan**"), recently amended and restated, pursuant to which the directors are authorized to grant up to 10% of the issued and outstanding shares of the Company as it may be from time to time. The Option Plan, as amended and restated, has been designated the "Stock Option Plan-2012 Amended and Restated". A copy of the Option Plan is attached as Schedule "B".

Under the policies of the TSX Venture Exchange, the Company is required to obtain annual approval of its Shareholders for its rolling Option Plan. Accordingly, the Shareholders will be asked to approve the Option Plan. The Option Plan is further described in this management information circular under "Stock Option Plan".

At the requested of the TSX Venture Exchange, the Company has updated section 5.4(e) of the Option Plan to reflect the requirement of the TSX Venture Exchange that the minimum exercise price of stock options must not be less than the greater of (i) \$0.10 per share; and (ii) the closing price of the Common Shares on the TSX Venture Exchange on the trading day immediately preceding the date of grant of the Option, less any applicable discount permitted under the policies of the TSX Venture Exchange.

Shareholders are asked to pass the following ordinary resolution (meaning a resolution passed by the majority of votes cast in person or by proxy at the Meeting) authorizing the approval of the Option Plan:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the current Stock Option Plan of the Company as amended and restated in 2012 be approved; and
2. any director or officer of the Company is hereby authorized to execute (whether under the corporate seal of the Company or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with such approval, the execution of any such document of the doing of any such other act or thing by any director or officer of the Company being conclusive evidence of such determination."

Unless a proxy specifies that the shares it represents are to be withheld from voting in favour of the approval of the Company's Option Plan, the proxies named in the accompanying form of proxy intend to vote in favour of approval of the Option Plan.

INFORMATION CONCERNING THE COMPANY

EXECUTIVE COMPENSATION

Compensation of Executive Officers

Compensation Discussion and Analysis

The Board has established a Compensation Committee to evaluate the compensation of the executive officers of the Company and assure that they are compensated fairly in a manner consistent with the compensation strategy of the Company, internal equity considerations, and the competitive environment.

Objectives

The Company's compensation objectives are:

- (i) to motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met;
- (ii) to encourage commitment to the Company and its objectives;
- (iii) to recruit and retain highly qualified executive officers by offering overall compensation which is competitive with that offered for comparable positions in other comparable companies; and
- (iv) to align the interests of executive officers with the long-term interests of shareholders through participation in the Company's incentive stock option plan.

Currently, the Company's executive compensation package consists of the following principal components: salary and long-term incentive in the form of stock options. In determining compensation, the Compensation Committee has typically referred to industry, local and national surveys, and has historically also relied on reports prepared by independent consultants.

Salaries

Salaries for executive officers are set out in each executive's service contracts, as amended from time to time. Such salaries are to be reviewed on a regular basis by the Board or the Compensation Committee.

The initial annual salaries of the Company's Named Executive Officers were negotiated at the time of their hiring or on reaching the level in the Company of their current position were based on the Company's evaluation of the responsibilities inherent in the position held and the individual's experience and past performance, as well as by reference to the competitive marketplace for management expertise at other comparable companies.

Bonus Plan

The Compensation Committee has the discretion whether to grant bonuses to executive officers or management from time to time. If bonuses are to be granted, they will be based on the achievement by both the Company and the employee of objectives set out for them at the end of the previous year. The Company currently has no formal bonus plan.

Options

Options to purchase Common Shares are granted to the Named Executive Officers from time to time pursuant to the Company's Option Plan as a means of aligning the interests of such officers with those of shareholders, attracting and retaining personnel, and acting as a longer-term incentive to such personnel to encourage commitment to the Company and its objectives.

The Company has in place an Option Plan, as amended and restated in June 2012, pursuant to which, the directors are authorized to grant up to 10% of the issued and outstanding shares of the Company as it may be from time to time.

The granting of options is entirely at the discretion of the Compensation Committee, subject to Board approval. There is no set time for considering or granting options to employees.

Options to be granted to employees are usually proposed by the management for consideration by the Compensation Committee. Typically, proposals are made for option grants to all Company employees, except in the case of the grant of options to a new hire which is usually made at the time of hire or shortly thereafter. Each individual's grant is based, at a minimum, on such employee's position and level of responsibility in the Company, the duration of the individual's employment with the Company, the number and terms of stock options then held by the employee, the employee's current performance and expected future performance and value to the Company, and the number of options remaining for grant pursuant to the Company's Option Plan.

During the financial year ended January 31, 2012, options were granted primarily to provide an incentive to achieve the Company's goals. All securities under option are Common Shares. Exercise prices are determined by the Compensation Committee, subject to approval by the Board of Directors and may not be less than the closing price of our Common Shares on the day prior to the date of grant.

Indemnity Agreements and Directors' & Officers' Liability Insurance

The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company, to the extent permitted by law, and has entered an Indemnity Agreement with each director and Named Executive Officer. The Company also purchases annual insurance coverage for directors' and officers' liability.

Summary Compensation Table

Pursuant to National Instrument 51-102 Continuous Disclosure Obligations, the Company is required to

disclose all annual and long-term compensation for services rendered to the Company for its three most recently completed financial years, in respect of (i) the CEO, (ii) the CFO and (iii) any other executive officer whose compensation in any of those years exceeded \$150,000 (together, the "Named Executive Officers"). The Company currently has two Named Executive Officers: John Hoi Charm Wong, President and CEO; and Sam Yim Chiu Kwan, Chief Financial Officer.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽⁶⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
John Hoi Charm Wong President and Chief Executive Officer ⁽¹⁾	2012	60,986	Nil	24,610	Nil	Nil	Nil	Nil	85,596
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sam Yim Chiu Kwan Chief Financial Officer ⁽²⁾	2012	40,654	Nil	19,689	Nil	Nil	Nil	Nil	60,343
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael T. Mason Former President and Chief Executive Officer ⁽³⁾	2012	36,472	Nil	Nil	Nil	Nil	Nil	Nil	36,472
	2011	77,369	Nil	28,020	Nil	Nil	Nil	Nil	105,389
	2010	107,767	Nil	26,528	Nil	Nil	Nil	Nil	134,295
Adrian Rothwell Former Chief Financial Officer ⁽⁴⁾	2012	53,571	Nil	Nil	Nil	Nil	Nil	Nil	53,571
	2011	35,750	Nil	15,013	Nil	Nil	Nil	Nil	50,763
	2010	48,250	Nil	13,264	Nil	Nil	Nil	Nil	61,514
Stephen Gledhill Former Chief Financial Officer ⁽⁵⁾	2012	17,047	Nil	Nil	Nil	Nil	Nil	Nil	17,047
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Mr. Wong was appointed the President and Chief Executive Officer of the Company on July 29, 2011.
- (2) Mr. Kwan was appointed the Chief Financial Officer of the Company on July 29, 2011.
- (3) Mr. Mason ceased being the President and Chief Executive Officer of the Company on July 29, 2011.
- (4) Mr. Rothwell resigned as Chief Financial Officer of the Company effective May 24, 2011.
- (5) Mr. Gledhill was appointed the Chief Financial Officer of the Company on July 1, 2011 and resigned effective September 29, 2011.
- (6) During the fiscal year ended January 31, 2012, options to purchase the following number of Common Shares were granted to the Named Executive Officers as follows: John Hoi Charm Wong – 1,250,000 options; and Sam Yim Chiu Kwan – 1,000,000 options. The fair value of options set out in this chart was estimated on the date of grant using the Black-Scholes option pricing model. The assumptions used with the Black-Scholes valuation model for the determination of the fair value for the stock options granted during the year ended January 31, 2012 are disclosed in Note 16(c) of the audited annual financial statements of the Company for the year ended January 31, 2012.

Outstanding share-based awards and option-based awards granted to Named Executive Officers

The following stock options granted to the Named Executive Officers were outstanding at the end of the financial year ended January 31, 2012. The figures below are presented after giving effect to a consolidation of the Company's Common Shares on a 10 to 1 basis, such that one new Common Share was issued in exchange for every 10 pre-consolidation Common Shares outstanding, which was completed on June 22, 2012 (the "**Share Consolidation**"). In accordance with the terms of the Option Plan, the number of stock options outstanding under the Option Plan prior to the date of the Share Consolidation was adjusted by dividing the number of outstanding stock options by 10 and the exercise

price of each stock option was adjusted by multiplying the exercise price by 10.

Name	Option-based awards				Share-based awards	
	Number of securities underlying unexercised options (#) ⁽¹⁾	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)
John Hoi Charm Wong	62,500	1.00	December 14, 2013	Nil	Nil	Nil
	62,500	1.00	December 14, 2016	Nil	Nil	Nil
Sam Yim Chiu Kwan	50,000	1.00	December 14, 2013	Nil	Nil	Nil
	50,000	1.00	December 14, 2016	Nil	Nil	Nil

Incentive plan awards granted to Named Executive Officers – value vested or earned during the year

The following options granted to Named Executive Officers of the Company vested during the financial year ended January 31, 2012.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year
John Hoi Charm Wong	Nil ⁽¹⁾⁽³⁾	Nil	Nil
Sam Yim Chiu Kwan	Nil ⁽²⁾⁽³⁾	Nil	Nil

(1) A total of 67,500 options granted to Mr. Wong vested during the financial year ended January 31, 2012.

(2) A total of 50,000 options granted to Mr. Kwan vested during the financial year ended January 31, 2012.

(3) The figures in notes 1 and 2 above are presented after giving effect to the Share Consolidation.

Compensation of Directors

The following table discloses the compensation provided to the directors of the Company (other than directors who are also Named Executive Officers) for the Company's financial year ended January 31, 2012. (Compensation of directors who are also Named Executive Officers is disclosed under "Executive Compensation – Compensation of Executive Officers". Directors who are also Named Executive Officers do not receive additional compensation for their services as directors.)

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽⁵⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Ning, Yat Hoi ⁽¹⁾	7,500	Nil	9,844	Nil	Nil	Nil	17,344
John Cook	6,000	Nil	9,844	Nil	Nil	Nil	15,844
Joseph Chan ⁽²⁾	7,167	Nil	9,844	Nil	Nil	Nil	17,011

Christopher Aiello ⁽³⁾	1,500	Nil	Nil	Nil	Nil	Nil	1,500
Christopher A. Serin ⁽⁴⁾	2,000	Nil	Nil	Nil	Nil	Nil	2,000
John Seaman ⁽⁴⁾	5,000	Nil	Nil	Nil	Nil	Nil	5,000
Hermes Dichosa ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

⁽¹⁾ Mr. Ning became a director of the Company on July 29, 2011.

⁽²⁾ Mr. Chan became a director of the Company on April 15, 2011,

⁽³⁾ Mr. Aiello became a director of the Company on December 15, 2011.

⁽⁴⁾ Mr. Serin, Mr. Seaman and Mr. Dichosa ceased to be directors of the Company on July 29, 2011.

⁽⁵⁾ The fair value of options set out in this chart was estimated on the date of grant using the Black-Scholes option pricing model. The assumptions used with the Black-Scholes valuation model for the determination of the fair value for the stock options granted during the year ended January 31, 2012 are disclosed in Note 16(c) of the audited annual financial statements of the Company for the year ended January 31, 2012.

During the financial year ended January 31, 2012, from February 1, 2011 to July 31, 2011, the remuneration of directors of the Company was initially set at, \$1,000 per quarter for each director and a further \$1,000 per quarter for a director who was acting as chairman of a committee or \$1,500 for a director who was acting as chairman of the Audit Committee. However, only 50% of such fees were payable to the directors since, effective May 1, 2009, the directors waived payment of 50% of their fees, and agreed that the decrease would continue until the Company's financial situation improves.

Effective August 1, 2011, the remuneration of the directors was set at \$1,000 per month.

The Company may also grant stock options under the Option Plan to directors from time to time.

Directors of the Company are entitled to reimbursement for expenses incurred by them on behalf of the Company.

Outstanding share-based awards and option based awards granted to directors

The following stock options granted to the directors of the Company (other than directors who are also the Named Executive Officers) were outstanding at the end of the financial year ended January 31, 2012. (Compensation of directors who are also Named Executive Officers is disclosed under "Executive Compensation – Compensation of Executive Officers". Directors who are also Named Executive Officers do not receive additional compensation for their services as directors.) The figures below are presented after giving effect to the Share Consolidation.

Name	Option-based awards				Share-based awards	
	Number of securities underlying unexercised options (#) ⁽¹⁾	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)
Ning, Yat Hoi	25,000	\$1.00	December 14, 2013	Nil	Nil	Nil
	25,000	\$1.00	December 14, 2016	Nil	Nil	Nil
John Cook	25,000	\$1.00	December 14, 2013	Nil	Nil	Nil
	25,000	\$1.00	December 14, 2016	Nil	Nil	Nil
	17,500	\$2.60	June 15, 2015	Nil	Nil	Nil
	25,000	\$1.00	April 13, 2014	Nil	Nil	Nil
	5,000	\$20.00	August 27, 2012	Nil	Nil	Nil
Joseph Chan	25,000	\$1.00	December 14, 2013	Nil	Nil	Nil
	25,000	\$1.00	December 14, 2016	Nil	Nil	Nil

(1) On June 22, 2012, the Company completed a consolidation of its Common Shares on a 10 to 1 basis, such that one new Common Share would be issued in exchange for every 10 pre-consolidation Common Shares outstanding. In accordance with the terms of the Option Plan, the number of stock options outstanding prior to the date of the share consolidation was adjusted by dividing the number of outstanding stock options by 10 and the exercise price of each stock option was adjusted by multiplying the exercise price by 10.

Incentive plan awards to directors – value vested or earned during the year

The following options granted to directors of the Company (other than directors who are also Named Executive Officers) vested during the financial year ended January 31, 2012. (Compensation of directors who are also Named Executive Officers is disclosed under "Executive Compensation – Compensation of Executive Officers". Directors who are also Named Executive Officers do not receive additional compensation for their services as directors.)

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾⁽²⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year
Ning, Yat Hoi	Nil	Nil	Nil
John Cook	Nil	Nil	Nil
Joseph Chan	Nil	Nil	Nil

(1) 25,000 options granted to each of the directors named above vested during the financial year ended January 31, 2011.

(2) The figures in note 1 above are presented after giving effect to the Share Consolidation.

Termination and Change of Control Benefits

The Company is a party to consulting agreements for the services of John Hoi Charm Wong and Sam Yim Chiu Kwan as officers of the Company.

Pursuant to those agreements, Mr. Wong and Mr. Kwan are entitled to benefits upon their termination or

the change and control of the Company under certain circumstances. The agreements define "**change of control**" as a change in the majority of the members of the Company's Board that occurs at once or in a series of events during any twelve month period.

If the Company terminates or declines to renew the consulting agreement with the applicable executive officer less than 12 months after a "change of control" of the Company, or if the executive officer determines to resign from his engagement with the Company for any reason or for no reason during the first 12 months following a "change of control", the Company is required to pay that executive officer a lump sum of money equal to the aggregate consulting fees that would be payable by the Company to the executive officer during a period of one year following termination, up to a maximum of \$120,000 for Mr. Wong, and up to a maximum of \$89,600 for Mr. Kwan.

STOCK OPTION PLAN

Description of the Option Plan

The Company has in place an Option Plan, as amended and restated in 2012 pursuant to which, the directors are authorized to grant up to 10% of the issued and outstanding shares of the Company as it may be from time to time.

The Option Plan is administered by the Board of Directors or a committee thereof who have the authority to grant options to directors, officers, employees, and consultants. At the time an option is granted, the Board will determine the exercise price, which shall not be less than the closing price of the Common Shares traded on the TSX Venture Exchange on the day immediately preceding the date of the grant, and any vesting criteria or other restrictions with respect to the exercise of the options. Subject to the restrictions contained in the Option Plan, the Board of Directors or a committee thereof may also impose such other terms and conditions as it shall deem necessary or advisable at the time of the grant. A copy of the Option Plan is attached as Schedule "B".

Stock Options Granted and Outstanding

A total of 485,000 options were granted during the financial year ended January 31, 2012 under the Option Plan. During that financial year, no options were exercised, and 343,583 options expired.

As of the date hereof, there are options exercisable for 878,699 Common Shares outstanding under the Option Plan. The Company has no equity compensation plans other than the Option Plan.

The following table sets out the number of shares reserved for issuance, the weighted average exercise price, and the number of shares remaining for future issuance under the Company's equity compensation plans as of January 31, 2012.

The figures in this section are presented after giving effect to the Share Consolidation.

Amended and Restated Stock Option Plan Information ⁽¹⁾			
Plan Category	Number of Common Shares to be Issued on the Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance under the Amended and Restated Stock Option Plan
Plans Approved by Shareholders	828,699	\$9.90	987,877
Plans Not Approved by Shareholders	Nil	Nil	Nil
Total	828,699	\$9.90	987,877

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out the aggregate indebtedness to the Company or any of its subsidiaries (or to another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar understanding provided by the Company or any of its subsidiaries) outstanding as at the date of this management information circular of all executive officers, directors, employees and former executive officers, directors and employees of the Company or any of its subsidiaries.

Aggregate Indebtedness (\$)		
Purpose	To the Company or its Subsidiaries	To Another Entity
Share purchases	Nil	Nil
Other	Nil	Nil

The above-noted amount was advanced by the Company to a director of the Company, is non-interest bearing and is repayable on demand.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 – *Corporate Governance Guidelines* has set out a series of guidelines for effective corporate governance. The guidelines address matters such as the constitution and independence of corporate boards, the function to be performed by boards and their committees and the effectiveness of their board members. National Instrument 58-101 - Disclosure of Corporate Governance Practices ("**NI-58-101**") requires the disclosure by each listed corporation of its approach to corporate governance with reference to the guidelines, as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

The Board of Directors

The Board is responsible for overseeing the management of the Company and the conduct of the Company's affairs generally.

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Company. A "material relationship" is defined as a relationship which, in the view of the Board, could be reasonably expected to interfere with such member's independent judgment.

The Board is currently composed of six directors. The four independent directors are Ning, Yat Hoi, John

Cook, Joseph Chan, and Christopher Serin. The other two directors, John Hoi Charm Wong and Sam Yim Chiu Kwan, are considered to be non-independent by virtue of their roles as officers with the Company. Mr. Wong is the President and CEO of the Company and Mr. Kwan is the Chief Financial Officer of the Company. All of the current members of the Board are proposed for re-election to the Board.

Directorships

Certain directors of the Company are also directors of other reporting issuers (or equivalent) in a Canadian jurisdiction or a foreign jurisdiction. The following is a list of those other directorships:

<u>Name of Director</u>	<u>Other reporting issuer (or equivalent in a foreign jurisdiction)</u>
John Hoi Charm Wong	Kam and Ronson Media Group Inc. (TSX-V)
Sam Yim Chiu Kwan	Kam and Ronson Media Group Inc. (TSX-V)
Ning, Yat Hoi	Mwana Africa PLC (LSX)
John Cook	Strategic Resources Inc. (TSX-V) Nord Resources Corporation (TSX) Cerro Resources NL (TSX-V) Aldridge Minerals Inc. (TSX-V) Caracara Silver (TSX-V)
Joseph Chan	Harmony Asset Limited (Hong Kong Stock Exchange and TSX) Champion Minerals Inc. (TSX) Medifocus Inc. (TSX-V) Kaiyue International Inc. (TSX-V.P)
Christopher Aiello	Nil

Orientation and Continuing Education

Management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers, committee members and the Company as a whole. The Company continually reviews the latest securities rules and policies and is on the mailing list of the TSX Venture Exchange to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or circulated in a memorandum.

Ethical Business Conduct

The Company has adopted a Code of Ethics which embodies the following principles:

- Promote honest and ethical conduct, including fair dealing and the ethical handling of actual or apparent conflicts of interest;
- Promote full, fair, accurate, timely and understandable disclosure;
- Promote compliance with applicable laws and governmental rules and regulations;

- Protect the Company's legitimate business interests, including corporate opportunities, assets and confidential information; and
- Deter wrongdoing.

Nomination of Directors

The Company's management is continually in contact with individuals involved in the mining industry and public sector resource issuers. From these sources the Company has made numerous contacts and in the event that the Company is in a position to nominate any new directors, such individuals would be brought to the attention of the directors of the Company. The Company conducts due diligence, reference and background checks on any suitable candidate. The Governance Committee is involved in the selection process and, if selected to be appointed as a Director, the Compensation Committee is then involved to review any proposed compensation.

Compensation

The Company has a Compensation Committee in place, members of which are identified in the table under "Election of Directors" above. See "Statement of Executive Compensation" above for information regarding the Company's compensation of its directors and CEO.

Other Board Committees

The Company currently has an Audit Committee, a Compensation Committee and a Corporate Governance Committee.

Assessments

Being a venture issuer with limited administration resources the directors of the Company work closely with management and each other and as a consequence are in a position to assess individual director's performance on an ongoing basis.

AUDIT COMMITTEE

The Audit Committee Charter

The Company's Audit Committee Charter is set forth below in Schedule "C".

Composition of the Audit Committee and Relevant Education and Experience

The Audit Committee of the Company is currently John Cook, Joseph Chan and Christopher Aiello. In the most recently completed financial year, John Seaman and Chris Serin were also members of the Audit Committee. After the last annual and special shareholders meeting, effective July 29, 2011, Mr. Seaman and Mr. Serin ceased to be directors of the Company and members of the Audit Committee. Subsequently, Mr. Chan and Grant Walsh were appointed to the Audit Committee. Mr. Walsh resigned as a director of the Company and member of the Audit Committee on October 31, 2011. Effective December 15, 2011, Mr. Aiello was appointed as a member of the Audit Committee. All current members of the Audit Committee are "independent" and "financially literate" as such terms are defined in National Instrument 52-110 - Audit Committees ("NI 52-110"). The education and experience of each Audit Committee member are described below and in this Information Circular under the section entitled "Election of Directors".

Relevant Education and Experience

Mr. Cook is a mining engineer who graduated from the University of Sheffield, U.K. Mr. Cook is also a professional engineer in Ontario and C. Eng. in Europe. He has acted as an independent director, president, CFO and chairman of a number of publicly trading mining companies over his career, including Wolfden Resources Inc. from March 2003 to March 2007. He serves on the audit committee of three other companies.

Mr. Chan has over 30 years of accounting and management experience. More recently, he joined Harmony Asset Limited (a company listed on both the TSX and the Hong Kong Stock Exchange) in December 2006 as executive director and has been involved in project analysis & evaluation and strategic planning for listed and unlisted companies. In the past, Mr. Chan had been the director and CFO of several Hong Kong listed companies. He obtained his MBA from Edinburgh Business School, Heriot-Watt University, Scotland, and U.K. He is also a member of The Institute of Chartered Accountants in England and Wales, Hong Kong Institute of Certified Public Accountants, Chartered Institute of Management Accountants, as well as a member of the Certified General Accountants' Association of Canada. As a professional accountant, Mr. Chan has experience in the preparation, analysis and evaluation of financial statements comparable to the breadth and complexity of the Company's financial statements.

Mr. Aiello graduated from University of Minnesota in United States, and further earned a post-graduate degree in Derivatives and Risk Management from the Hong Kong University of Science and Technology. He has previously worked as the founder and Managing Director /CIO of two alternative investment management companies, Centurion Global Capital Group Ltd. and Genesis Capital Management Ltd. funds. Aiello currently serves as an Advisor to The China High Growth Fund which is a private equity and hedge fund management company where Aiello has been focused on the analysis and structuring of the PE fund's resources and mining investments since early 2011.

Audit Committee Oversight

See Schedule "C" under "Role of Audit Committee".

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, it has not relied on the exemptions in section 2.4 (De Minimum Non-audit Services) or an exemption granted under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee approves any requests for audit and non-audit services and fees rendered to the Company and its subsidiaries by the external auditor.

External Auditor Services Fees

The following table sets out the aggregate fees billed by the Company's external auditor in each of the last two financial years.

Category of Fees	Year Ended January 31, 2012	Year Ended January 31, 2011
Audit Fees ⁽¹⁾	(5)	\$173,176
Audit-Related Fees ⁽²⁾	(5)	Nil
Tax Fees ⁽³⁾	(5)	\$13,350
All Other Fees ⁽⁴⁾	(5)	Nil

- (1) Aggregate fees billed by the Company's external auditor in the fiscal year for audit services.
- (2) Aggregate fees billed in the fiscal year for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.
- (3) Aggregate fees billed in the fiscal year for professional services rendered by the Company's external auditor for tax compliance, tax advice, and tax planning.
- (4) Aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than the services reported in the rows above.
- (5) The exact amount of aggregate fees billed by the Company's external auditor in the year ended January 31, 2012 is not yet known, but it is estimated to be approximately \$120,000.

Exemption

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in section 6.1 of NI 52-110, which exempts it from the requirements of Part 3 (Composition of Audit Committees) and Part 5 (Reporting Obligations) of NI 52-110.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this management information circular, no director or officer of the Company, no proposed nominee for election to the Board, no person owning or exercising control over more than 10% of the Company's issued and outstanding shares, and no associate or affiliate of any such person has had any material interest, direct or indirect, in any material transaction involving the Company since the commencement of the financial year ended January 31, 2012.

ADDITIONAL INFORMATION

Additional information relating to the Company is filed on the System for Electronic Data Analysis and Retrieval ("**SEDAR**") and can be accessed on the internet at www.sedar.com, as well as on the Company's website at www.mbmresources.com.

Shareholders may obtain copies of the Company's financial statements and MD&A on SEDAR which can be accessed on the internet at www.sedar.com, or by mailing a request to: MBMI Resources Inc., 30 Wertheim Court, Unit 10 East Office, Richmond Hill, Ontario, Canada L4B 1B9.

BOARD APPROVAL

The contents and sending of this management information circular have been approved by the Board.

DATED as of the 29th day of June, 2012.

Signed: "*John Hoi Charm Wong*"

John Hoi Charm Wong,
President and CEO

SCHEDULE "A"



30 Wertheim Court, Unit 10 East Office
Richmond Hill, Ontario
Canada L4B 1B9
Tel: 905-886-3888

June 29, 2012

To: Alberta Securities Commission
British Columbia Securities Commission
Grant Thornton LLP
MNP LLP

NOTICE OF CHANGE OF AUDITOR

On June 29, 2012, the board of directors of MBMI Resources Inc. (the "Company") resolved that MNP LLP be proposed for appointment as the auditor of the Company by shareholders of the Company at the annual and special meeting of the shareholders of the Company to be held on July 30, 2012, or any adjournment thereof (the "Meeting"). If appointed, MNP LLP's term as auditor of the Company would be from the date of the Meeting until the next annual general meeting of the shareholders of the Company. The Company's current auditor, Grant Thornton LLP, whose term as auditor of the Company expires at the Meeting, is not being proposed for re-appointment as auditor.

Grant Thornton LLP's auditor's report on the Company's financial statements for the years ended January 31, 2012 and January 31, 2011 did not contain any modified opinion. There are no "reportable events" as defined under section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations*.

Yours truly,

Signed: "John Hoi Charm Wong"

John Hoi Charm Wong
President and Chief Executive Officer

SCHEDULE "B"

STOCK OPTION PLAN 2012 Amended and Restated

The Board of Directors of **MBMI Resources Inc.** (the "Company") have adopted this Stock Option Plan pursuant to which directors, officers, consultants and employees of the Company or any subsidiary of the Company may be granted options to purchase Common Shares in the capital of the Company and thereby share in the future growth and success of the Company.

ARTICLE 1 – DEFINITIONS

- 1.1 In this Plan, unless there is something in the subject matter or context inconsistent therewith:
- (a) "Blackout Period", also known as a "trading ban", means a period during which the Company has voluntarily required its insiders not to trade in its securities, usually pending an announcement of material information;
 - (b) "Board" or "Board of Directors" means the board of directors of the Company;
 - (c) "Common Shares" mean the Common Shares without par value in the capital of the Company as constituted on July 20, 2000, provided that if the rights of any Optionee are subsequently adjusted pursuant to Article 11 hereof, "Common Shares" will thereafter mean the shares or other securities or property which such Optionee is entitled to purchase after giving effect to such adjustment;
 - (d) "Company" means MBMI Resources Inc. and its lawful successors from time to time;
 - (e) "Eligible Persons" means any director, employee or officer of the Company or its subsidiaries or any person or company engaged to provide ongoing management or consulting services for the Company or its subsidiaries or for an entity controlled by the Company;
 - (f) "Option" means an option entitling the holder thereof to purchase Common Shares as described herein and granted to an Eligible Person of the Company pursuant to the terms and conditions hereof and as evidenced by an Option Agreement;
 - (g) "Option Agreement" means an agreement evidencing an Option, entered into by and between the Company and an Optionee;
 - (h) "Option Exercise Price" means the price per Common Share at which an Optionee may purchase Common Shares pursuant to an Option, provided that if such price is adjusted pursuant to Article 11 hereof, "Option Exercise Price" will thereafter mean the price per Common Share at which such Optionee may purchase Common Shares pursuant to such Option after giving effect to such adjustment;
 - (i) "Optionee" means an Eligible Person of the Company who holds an Option under this Plan;
 - (j) "Other Share Compensation Arrangement" means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares;

- (k) "Plan" means this Stock Option Plan, as it may be amended, modified or restated from time to time pursuant to and in accordance with the provisions hereof;
- (l) "President" means the President of the Company appointed by the Board of Directors; and
- (m) "Securities Laws" means the applicable securities laws and regulations of Canada or of the United States, or any political subdivision of either, or the by-laws, rules and regulations of any stock exchange or other trading facilities upon which the Common Shares are listed or traded, as the case may be.

ARTICLE 2 – PURPOSE OF THE PLAN

- 2.1 The purpose of this Plan is to promote the interests of the Company by:
- (a) attracting and retaining persons of outstanding competence to act as Eligible Persons of the Company and its subsidiaries;
 - (b) to further identify the interests of Eligible Persons with those of the shareholders of the Company generally by encouraging Eligible Persons to acquire share ownership in the Company.

The Company believes that these purposes may be best accomplished by granting to Eligible Persons options to purchase Common Shares.

ARTICLE 3 – EFFECTIVE DATE OF THE PLAN

- 3.1 The effective date of this Plan is July 20, 2000.

ARTICLE 4 – SHARES SUBJECT TO THE PLAN

- 4.1 Subject to Article 11, the number of Common Shares, which are subject to options granted pursuant to this Plan shall not exceed 10% of the issued and outstanding shares of the Company as it may be from time to time.
- 4.2 Subject to section 4.1 and Article 11, the number of Common Shares which are subject to options granted to any one person in any 12 month period may not exceed 5% of the issued and outstanding Common Shares of the Company, without disinterested shareholder approval.
- 4.3 Subject to Section 4.1 and Article 11, the aggregate number of Common Shares which are subject to options granted to Insiders under this Plan and any Other Share Compensation Arrangement shall not exceed 10% of the outstanding Common Shares, without disinterested shareholder approval.
- 4.4 Subject to section 4.1 and Article 11, the aggregate number of Common Shares which are subject to options granted to Insiders in any 12 month period under this Plan and any Other Share Compensation Arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant, without disinterested shareholder approval.
- 4.5 Subject to section 4.1 and Article 11, the number of Common Shares which are subject to options granted to any one consultant in any 12 month period may not exceed 2% of the issued and outstanding Common Shares of the Company.

- 4.6 Subject to section 4.1 and Article 11, the aggregate number of Common Shares which are subject to options granted to all employees conducting investor relations activities, in any 12 month period, may not exceed 2% of the issued and outstanding Common Shares of the Company.
- 4.7 Subject to section 4.4, options issued to consultants performing investor relations activities shall vest in stages over a 12 month period with no more than one-quarter (1/4) of the options vesting in any three month period.

ARTICLE 5 - ADMINISTRATION OF PLAN

- 5.1 This Plan shall be administered by the Board of the Company, who, subject to the provisions of this Plan, may establish from time to time such rules and regulations, make such determinations and to take such steps in connection with the Plan as in the opinion of the Board are necessary or desirable for the proper administration of this Plan.
- 5.2 The Board may, from time to time, appoint a committee of the Board made up of one or more directors for purposes of reviewing and making recommendations to the Board with respect to the administration of the Plan.
- 5.3 The Company shall, for stock options granted to employees, consultants or management Company employees, represent that the Optionee is bona fide employee, consultant or management Company employee, as the case may be.
- 5.4 The Board Committee shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:
- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
 - (b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Option granted pursuant to the Plan, and any such interpretation, construction or termination made by the Committee shall be final, binding and conclusive for all purposes;
 - (c) to determine to which Eligible Persons options are granted and to grant options;
 - (d) to determine the number of shares covered by each Option;
 - (e) to determine the Option Exercise Price for each Option, provided that such Option Exercise Price shall not be less than the greater of (i) \$0.10 per share; and (ii) the closing price of the Common Shares on the TSX Venture Exchange on the trading day immediately preceding the date of grant of the Option, less any applicable discount permitted under the policies of the TSX Venture Exchange;
 - (f) to determine the time or times when Options will be granted and exercisable;
 - (g) to determine if the Common Shares that are subject to an Option will be subject to any restrictions upon the exercise of such Option; and
 - (h) to prescribe the form of the instruments relating to the grant, exercise and other terms of the Options.

ARTICLE 6 – TERM AND TRANSFERABILITY OF OPTIONS

- 6.1 Each Option granted pursuant to this Plan shall, subject to early termination in accordance with Article 7 hereof and subject to the provisions of Article 8 hereof, expire automatically on the earlier of:
- (a) the date on which such Option is exercised in respect of all of the Common Shares that may be purchased thereunder; and
 - (b) the expiry date of such Option as determined by the Board which in no event may exceed ten years from the date of the original grant of the Option.
- 6.2 In the event that the expiry date of an Option as determined by the Board falls within a Blackout Period or within four business days of the end of a Blackout Period, such expiry date shall be deemed, for purposes of section 6.1(b) above, to be until 5:00 pm local time on the fifth business day following the end of such Blackout Period.
- 6.3 All Options shall be non-transferable and non-assignable.

ARTICLE 7 – EARLY TERMINATION OF OPTIONS

- 7.1 Each Option shall terminate on the earlier of the Expiry Date and:
- (a) the 90th day after the date on which the Optionee is no longer a director of the Company or a subsidiary, provided, however, that where a participant is both a director and an officer or employee of the Company or a subsidiary, such option shall not expire pursuant to this subparagraph (a) where such participant remains an officer of or employed by the Company or a Subsidiary;
 - (b) the 30th day after the date of retirement or termination of employment, other than for cause, of a participant who is an employee or officer of the Company or a subsidiary or who is providing ongoing management or consulting services for the Company or any entity controlled by the Company;
 - (c) one day after the date of termination of employment for cause, in the case of a participant who is an employee or officer of the Company or a Subsidiary, or who is providing ongoing management or consulting services for the Company or any entity controlled by the Company;

provided that if such Optionee ceases to be an Eligible Person of the Company by reason of the death or permanent disability of such Optionee, all or any of the Common Shares then covered by such Option may be purchased by the legal representative of such Optionee, or by the person or persons to whom the rights of such Optionee under the Option Agreement entered into with such Optionee have passed by will or the laws of devolution or distribution and descent, until the earlier of:

- (i) the date that is 365 days after the date of the death of such Optionee; and
- (ii) the Expiry Date;

provided, that in respect of any Option which would expire pursuant to Article 7.1 (a) and (b) above, the Board may extend the expiry date in its discretion to any date being lesser than of:

- (i) the Expiry Date; and
- (ii) one year from the date of retirement or termination.

7.2 The retirement of any Optionee as a director of the Company at any annual meeting of the Company as required by the Articles of the Company shall not result in the termination of the Option granted to such Optionee provided that such Optionee is re-elected at such annual meeting as a director of the Company.

ARTICLE 8 – EXERCISE OF OPTIONS

8.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Company and its registered office of written notice of exercise addressed to the Secretary of the Company specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by cash, certified cheque or bank draft made payable to the Company, representing payment in full of the Option Exercise Price of the Common Shares to be purchased. Certificates for such Common Shares shall be issued and delivered to the Optionee within reasonable time following the receipt of such notice and payment.

8.2 Notwithstanding any of the provisions contained in the Plan or in any Option, the Company's obligation to issue Common Shares to an Optionee pursuant to the exercise of an Option shall be subject to:

- (a) completion of such registration or other qualification of such Common Shares or obtaining approval of such governmental authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on any stock exchange on which the Common Shares may be then listed; and
- (c) the receipt from the Optionee of such representations, agreements and undertaking, including as to future dealings in such Common Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the Securities Laws of any jurisdiction.

In this connection, the Company shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with applicable Securities Laws and for the listing of such Common Shares on any stock exchange on which the Common Shares are then listed.

- 8.3 Subject to the Article 6 and Article 7, all options that have been cancelled or that have expired without being exercised shall continue to be issuable under this Plan in which they were approved.

ARTICLE 9 – NOTICE TO COMMISSIONS AND EXCHANGES

- 9.1 The Company will give notice to all applicable securities commissions and other regulatory bodies in Canada and the United States and all applicable stock exchanges and other trading facilities upon which the Common Shares are listed or traded, as may be required, of its adoption of this Plan and its entering into Option Agreements with Eligible Persons and the terms and conditions for the purchase of Common Shares under such Option Agreements, and will use all reasonable efforts to obtain any requisite approvals as may be required from such bodies, exchanges and trading facilities.

ARTICLE 10 – SUSPENSION, AMENDMENT OR TERMINATION

- 10.1 The Board of Directors shall have the right at any time to suspend, amend or terminate this Plan in any manner including, without limitation, to reflect any requirements of applicable regulatory bodies or stock exchanges, and on behalf of the Company to enter into amendments to any Option Agreement, subject to the prior written consent of the TSX Venture Exchange or such other stock exchange having jurisdiction over the Company, but shall not, make a material amendment to any Option Agreement without such shareholder approvals as are required pursuant to TSX Venture Exchange policy.

ARTICLE 11 – ADJUSTMENT

- 11.1 The Option Exercise Plan and the number of Common Shares to be purchased by an Optionee upon the exercise of an Option will be adjusted, with respect to the then unexercised portion thereof, by the Company from time to time (on the basis of such advice as the Company considers appropriate, including, if considered appropriate by the Company, a certificate of the auditors of the Company) in the events and in accordance with the provisions and rules set out below. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Company, and any such determination will be binding on the Company, the Optionee and all other affected parties.
- 11.2 Disinterested shareholder approval will be obtained for any reduction in the Option Exercise Price if the Optionee is an insider of the Company at the time of the proposed adjustment.
- 11.3 In the event that a dividend is declared upon the Common Shares payable in Common Shares (other than in lieu of dividends paid in the ordinary course), the number of Common Shares then subject to any Option shall be adjusted by adding to each such Common Share the number of Common Shares which would be distributable thereon if such Common Share has been outstanding on the date fixed for determining shareholders entitled to receive such stock dividend.
- 11.4 In the event that the outstanding Common Shares are changed into or exchanged for a different number of kind of Common Shares or other securities of the Company or of another company, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then there shall be substituted for each Common Share subject to any Option the number and kind of Common Shares or other securities of the Company or another Company into which each outstanding Common Share shall be so changed or for which each such Common Share shall be exchanged.

- 11.5 In the event that there is any change, other than as specified above in this Article 11, in the number or kind of outstanding Common Shares or of any securities into which such Common Shares shall have been changed or for which they shall have been exchanged, then, only with the prior written consent of the TSX Venture Exchange, or such other stock exchange having jurisdiction over the Company, if the Company determines that such change equitably requires an adjustment to be made in the number or kind of Common Shares, an equitable adjustment shall be made in the number or kind of Common Shares, such adjustment to be reasonably determined by the Company and to be effective and binding for all purposes, subject to the prior consent of the TSX Venture Exchange.
- 11.6 In the case of any such substitution or adjustment as provided for in this Article 11, the Option Exercise Price in respect of each Option for each Common Share covered thereby prior to such substitution or adjustment will be proportionately and appropriately varied. Such variation shall generally require that the number of Common Shares or securities covered by the Option after the relevant event multiplied by the varied Option Exercise Price shall equal the number of Common Shares covered by the Option prior to the relevant event multiplied by the original Option Exercise Price.
- 11.7 In the event that the Company distributes by way of a dividend, or otherwise, to all or substantially all holders of Common Shares, property, evidence of indebtedness or shares or other securities of the Company (other than Common Shares) or rights, options or warrants to acquire Common Shares or securities convertible into or exchangeable for Common Shares or other securities or property of the Company, other than as a dividend in the ordinary course, then, if the Company determines that such action equitably requires an adjustment in the Option Exercise Price or number of Common Shares subject to any Option, or both, such adjustment shall be made by the Company and shall be effective and binding for all purposes.
- 11.8 No adjustment or substitution provided for this Article 11 shall require the Company to issue a fractional share in respect of any Option and the total substitution or adjustment with respect to each Option shall be limited accordingly.
- 11.9 In the event that, at the time of exercise of an Option, there is no public market for the Common Shares or for securities substituted therefore as provided by this Article 11, the obligations under the Option shall be met by a payment in cash in such amount as is reasonably determined by the Company to be fair and equitable in the circumstances.
- 11.10 All adjustments or substitutions provided for in this Article 11 are subject to the pre-clearance of the TSX Venture Exchange, or such other stock exchange or regulatory body having jurisdiction over the Company.

ARTICLE 12 – WITHHOLDING TAXES

- 12.1 For any grants of Options made to an Optionee, the Company shall have the authority to take reasonable steps for the deduction and withholding, or for the advance payment or reimbursement by the Optionee to the Company, of any taxes and other required source deductions which the Company is required by law or regulation of any governmental whatsoever to remit in connection with this Plan, any Option or Other Share Compensation Arrangement. Without limiting the generality of the foregoing, the Company may, in its sole discretion:

- (a) in the event of any Option granted under this Plan resulting in a payment to be made to the Optionee in cash, deduct and withhold therefrom an amount sufficient in its opinion to satisfy any and all withholding taxes and other source deductions;
- (b) require, as a condition of the issuance of Common Shares to an Optionee that the Optionee make a cash payment to the Company equal to the amount required to be withheld and remitted by the Company for the account of the Optionee to the appropriate governmental authority and the Company, in its discretion, may withhold the issuance or delivery of Common Shares until the Optionee makes such payment to the Company for an amount in the Company's opinion that would satisfy any and all such withholding taxes;
- (c) sell, on behalf of the Optionee, all or any portion of Common Shares otherwise deliverable to the Optionee in such manner, in such amounts and at such prices as the Company shall determine in its sole discretion, until the net proceeds of sale equal or exceed the amount which in the Company's opinion would satisfy any and all withholding taxes and other source deductions for the account of the Optionee, and shall remit such amount of such withholding taxes to the appropriate governmental authorities and deliver any excess net proceeds to the Optionee.

ARTICLE 13 – REFERENCE

- 13.1 The holders of an Option shall not have any rights as a shareholder of the Company with respect to any Common Shares covered by the Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Option Exercise Price of the Common Shares in respect of which the Option is being exercised) and the Company shall issue such Common Shares to the Optionee in accordance with the terms of the Plan in those circumstances.
- 13.2 Nothing in the Plan or any Option shall confer upon any Optionee any right to continue in the employ of the Company or any Subsidiary of the Company or affect in any way the right of the Company or any such Subsidiary to terminate his employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any such Subsidiary to extend the employment of any Optionee beyond the time that he would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or any Subsidiary or any present or future retirement policy of the Company or any Subsidiary or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Company or any Subsidiary.
- 13.3 References herein to any gender include all genders.

SCHEDULE "C"

AUDIT COMMITTEE CHARTER

This Charter of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of MBMI Resources Inc. (the "Company") was adopted by the Board on June 13, 2011.

Role of Audit Committee

The Committee shall assist the Board in fulfilling its responsibility for oversight of the Company's financial accounting and reporting, the system of internal controls established by management, and the adequacy of internal and independent auditing relative to these activities.

Authority to Retain Experts

The Committee shall have the authority to retain outside counsel or other experts as necessary to assist the Committee in fulfilling its responsibilities.

Reporting

The Audit Committee shall report to the Board.

Appointment and Composition

The Committee and its Chair shall be appointed by the Board. The Chair shall be a member of the Committee. The Committee shall consist of at least three directors, the majority of whom are outside, or non-management, directors, and a majority of whom are unrelated, that is, who are independent of management and are free from any interest and any business or other relationship which could, or might reasonably be perceived to, materially interfere with their ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding.

Each of the members of the Committee shall have a working familiarity with basic finance and accounting practices, and shall have experience with reviewing and approving public company financial statements, either as part of management or as a member of a public company's audit committee.

Duties

The Committee shall:

1. Provide for an open avenue of communications between the independent auditors, management and the Board and, at least once annually, meet with the independent auditors independently of management.
2. Review the qualifications and evaluate the performance of the independent auditors and make recommendations to the Board regarding the selection, fee arrangements, appointment or termination of the independent auditors. The independent auditors shall be ultimately accountable to the Board and the Committee, as representatives of the Shareholders.
3. Receive on an annual basis a formal written statement from the independent auditors that they are in fact independent, and discuss with the auditors any relationships that may impact the auditor's independence and recommend to the Board any actions necessary to oversee the auditor's independence.
4. Review and approve the independent auditors' annual engagement letter.

5. Review with the independent auditors (1) the proposed scope of their examination with emphasis on accounting and financial areas where the Committee, the independent auditors or management believe special attention should be directed, (2) the results of their audit, including their letter of recommendations for management (3) their evaluation of the adequacy of the Company's system of internal controls, (4) significant areas of disagreement, if any, with management (5) cooperation received from management in the conduct of the audit and (6) significant accounting, reporting, regulatory or industry developments affecting the Company.
6. Discuss with management and the independent auditors any issues regarding significant business risks or exposures and assess the steps management has taken to minimize such risk.
7. Review with management the Company's unaudited quarterly financial statements and the Company's audited annual financial statements, interim and annual MD&As and any related profit/loss press releases and make a recommendation to the Board as to approval thereof.
8. In reviewing the quarterly and annual financial statements, include a review of estimates, reserves, accruals, write-downs, judgmental areas, audit adjustments, difficulties encountered in performing any audit, and such other review as may be appropriate.
9. Pre-approve any non-audit services to be provided to the Company or any of its subsidiaries by the independent auditors.
10. Perform such other functions as assigned by law, the Company's bylaws or as the Board deems necessary and appropriate.

Committee Meetings and Board Reporting

Meetings will be held as required, but not less than quarterly. Minutes will be recorded and reports of committee meetings will be presented at the next regularly scheduled Board meeting.

Committee Charter Review and Approval

This Audit Committee Charter shall be reviewed, reassessed and approved by the Board annually.

Whistleblower Policy

The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters. A copy of the procedures is attached as Schedule "A".

SCHEDULE "A"
To the Audit Committee Charter
**Procedures for the Submission of Complaints or Concerns Regarding Accounting,
Internal Accounting Controls, Auditing Matters**

The Audit Committee of the Board of Directors of **MBMI Resources Inc.** (the "Company") has established procedures for: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the submission by employees of the Company and others, on a confidential and anonymous basis, of concerns regarding questionable accounting or auditing matters.

In accordance with National Instrument 52-110, the Audit Committee has adopted the following procedures:

1. The Company shall promptly forward to the Audit Committee any complaints that it has received regarding financial statement disclosures, accounting, internal accounting controls or auditing matters.
2. Any employee of the Company may submit, on a confidential, anonymous basis if the employee so desires, any concerns (the "concern") regarding financial statement disclosures, accounting, internal accounting controls or auditing matters. All such concerns shall be set forth in writing and forwarded in a sealed envelope to the Chairman of the Audit Committee, in care of the Company's Audit Committee at:

MBMI Resources Inc.
30 Wertheim Court, Unit 10 East Office
Richmond Hill, Ontario
Canada L4B 1B9
Attention: Chairman of the Audit Committee

If an employee would like to discuss the concern with a member of the Audit Committee, the employee should indicate this in the submission and include a telephone number at which he or she might be contacted if the Audit Committee deems it appropriate.

3. Following the receipt of any concern submitted hereunder (the "submission"), the Audit Committee will investigate each matter so reported and take such steps, actions or institute such procedures as the Audit Committee deems appropriate.
4. The Audit Committee may enlist employees of the Company and/or outside legal, accounting or other advisors, as appropriate, to conduct any investigation of the submission and such other outside advisors shall use reasonable efforts to protect the confidentiality and anonymity of the complainant.
5. The Board of Directors stands behind this policy and guarantees that no retaliation of any kind will be taken or permitted to be taken against employees with respect to any submission made in good faith.
6. The Audit Committee shall retain the submission and the documentation related thereto as part of the records of the Audit Committee.

AUDIT COMMITTEE
MBMI RESOURCES INC.