

**POWERTECH URANIUM CORP.**  
**FORMERLY POWERTECH INDUSTRIES INC.**  
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**INFORMATION CIRCULAR**  
Dated June 5, 2006 (unless otherwise noted)

## **INTRODUCTION**

This Information Circular accompanies the Notice of Annual and Special General Meeting (the “Notice”) and is furnished to the shareholders (the “Shareholders”) holding common shares (the “Common Shares”) in the capital of Powertech Uranium Corp., formerly Powertech Industries Inc. (the “Company”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual and special general meeting (the “Meeting”) of the Shareholders to be held at 10:00 a.m. on Friday, June 30, 2006 at 800-885 West Georgia Street, Vancouver, British Columbia or at any adjournment or postponement thereof.

The last annual and special meeting of the Company was held on October 13, 2004. Under section 182 of the British Columbia *Business Corporations Act*, the directors of the Company were required to call the next annual meeting of the Company no later than 15 months after the holding of the last annual and special meeting. Accordingly, the Company obtained an extension from the Registrar of Companies dated January 26, 2006, extending the time for holding the Meeting until June 30, 2006. The Meeting constitutes the annual general meeting of the Company in respect of the financial years ended March 31, 2005 and March 31, 2006.

## **PROXIES AND VOTING RIGHTS**

### **Management Solicitation**

The solicitation of proxies by the Company will be conducted by mail and may be supplemented by telephone or other personal contact and such solicitation will be made without special compensation granted to the directors, regular officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

## **Appointment of Proxy**

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each Common Share that such Shareholder holds on May 26, 2006 (the "Record Date") on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the "Designated Persons") in the enclosed form of proxy are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR CORPORATION (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.**

**TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY.**

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Pacific Corporate Trust Company (the "Transfer Agent"), at their offices located on the 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9, or by the Company at the address set forth above, by mail or fax, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. Alternatively, the completed form of proxy may be deposited with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer, or attorney-in-fact, for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, should accompany the form of proxy.

## **Revocation of Proxies**

A Shareholder who has given a proxy may revoke it at anytime, before it is exercised, by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

## **Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons**

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly. The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY, INCLUDING THE VOTE FOR THE ELECTION OF THE NOMINEES TO THE COMPANY'S BOARD OF DIRECTORS, FOR THE APPOINTMENT OF THE AUDITOR AND FOR THE APPROVAL OF THE COMPANY'S 2006 STOCK OPTION PLAN.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for the determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

### **NON-REGISTERED HOLDERS**

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the "Non-Registered Holder") but which 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 or self-administered RRSP's, RRIF's, RESPs and similar plans); or (b) 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 as set out in National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the form of Proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders 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 of shares beneficially owned by the Non-Registered Holder but which is otherwise not 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 submit a proxy should otherwise properly complete the form of proxy and deposit it with the Transfer Agent as provided above; 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, 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 a one page pre-printed form, the proxy authorization 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 a Non-Registered Holder to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders named in the form and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101, issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs.

This year, the Company has decided to take advantage of the provisions of National Instrument 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (VIF) from our Transfer Agent. These VIFs are to be completed and returned to the Transfer Agent in the envelope provided or by facsimile. In addition, the Transfer Agent provides both telephone and internet voting as described on the VIF itself which contains complete instructions. The Transfer Agent will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

**THESE SECURITY HOLDER MATERIALS ARE BEING SENT TO BOTH REGISTERED AND NON-REGISTERED OWNERS OF THE SECURITIES. IF YOU ARE A NON-REGISTERED OWNER, 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.**

**VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of Class B Preference Shares without par value that are issuable in a series. As of the Record Date, determined by the Company’s board of directors to be the close of business on May 26, 2006, a total of 39,136,239 Common Shares were issued and outstanding and no Class B Preference Shares were issued and outstanding. Each Common Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the Company’s directors and executive officers, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares of the Company, other than as set forth below:

Name of Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares <sup>(1)</sup>
Wallace Mays	4,400,000 <sup>(2)</sup>	11.2%

<sup>(1)</sup> Based on 39,136,239 Common Shares issued and outstanding as of May 26, 2006. The Company believes that all persons hold legal title and the Company has no knowledge of actual Common Share ownership.

<sup>(2)</sup> Wallace Mays is the Chairman of the Board and a nominee seeking election at the Meeting. The 4,400,000 Common Shares beneficially owned by Wallace Mays are subject to a time release escrow by the TSX Venture Exchange. In addition to the TSX Venture Exchange escrow, 1,100,000 Common Shares of the 4,400,000 Common Shares beneficially owned by Wallace Mays are also subject to a performance escrow in accordance with the terms of the Performance Escrow Agreement dated February 21, 2006, among Douglas Eacrett as escrow agent, Wallace Mays and Richard Clement. Pursuant to the terms of the Performance Escrow Agreement, and provided the Common Shares are released from the TSX Venture Exchange escrow, the 1,100,000 Common Shares will be placed into the performance escrow and released on the earlier of the following two events: (a) full permitting of the Dewey-Burdock property in the Custer and Fall River Counties, South Dakota, to commercial production; or (b) the successful acquisition by the Company of a second uranium deposit of merit through the efforts of Mr. Clement and Mr. Mays as determined and approved by the board of directors. This number does not include stock options to acquire an aggregate of 600,000 Common Shares issued to Mr. Mays pursuant to the Company’s stock option plan, which options entitle Mr. Mays to purchase Common Shares at an exercise price of \$1.00 until May 11, 2011.

**NUMBER OF DIRECTORS**

The Articles of the Company provide for a board of directors of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval from the Shareholders.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at five. The number of directors will be approved if the affirmative vote of at least a majority of Common Shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at five.

### ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal. Our current board of directors consists of Wallace Mays, Richard Clement, Tom Doyle and Douglas Eacrett.

Management of the Company proposes to nominate the persons named in the table below for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name Province/State Country of Residence and Position(s) with the Company <sup>(1)</sup>	Principal Occupation Business or Employment for Last Five Years <sup>(1)</sup>	Periods during which Nominee has Served as a Director	Number of Common Shares Owned <sup>(1)</sup>
Wallace Mays Colorado, USA  Chairman of the Board, Audit Committee Member and Director	Mr. Mays is a chemical engineer who spent the early part of his career with Atlantic Richfield Co. where he was responsible for the design, construction, and operation of the first ISL uranium mine in the United States. From 1977 to present, Mr. Mays has been involved as a principal and/or senior executive in many uranium mining ventures in the United States and abroad, including Everest Minerals Corporation and Uranium Resources, Inc., a public company listed on the TSX Venture Exchange, and he has permitted, designed, constructed, and operated numerous ISL uranium mines across the south western United States. In 1996, he was awarded membership in the Uranium Hall of Fame.	May 11, 2006 to present	4,400,000 <sup>(2)</sup>
Richard F. Clement, Jr. New Mexico, USA  President, Chief Executive Officer, and Director	Mr. Clement is a professional geologist who spent the early part of his career, from 1967 through 1983, with Mobil Oil Corp. in the United States and Australia where he was responsible for the operations management of Mobil Oil's uranium exploration programs throughout the United States, development of worldwide strategy for mineral exploration, and managing country operations as Vice President / Exploration Manager of Mobil Energy Minerals Australia Inc. From 1983 through 1999, Mr. Clement was employed by Uranium Resources, Inc., formed in 1977 which became a Canadian public company in 1988 specializing in the ISL development of uranium deposits. Mr. Clement served as a director and Senior Vice President - Exploration of Uranium Resources from 1983 to 1996 and subsequently as President of Uranium Resource's New Mexico subsidiary, Hydro Resources Inc. until 1999 where he oversaw the securing of all necessary mining permits for ISL development of Hydro Resource's uranium deposits. From 1999 until joining the Company, Mr. Clement provided various consulting services to the uranium and petroleum industries through privately held companies controlled by Mr. Clement.	May 11, 2006 to present	3,600,000 <sup>(3)</sup>

Name Province/State Country of Residence and Position(s) with the Company <sup>(1)</sup>	Principal Occupation Business or Employment for Last Five Years <sup>(1)</sup>	Periods during which Nominee has Served as a Director	Number of Common Shares Owned <sup>(1)</sup>
Tom Doyle British Columbia, Canada  Chief Financial Officer, Vice President – Finance, Secretary, Audit Committee Member and Director	Mr. Doyle is currently the President and Chief Executive Officer of Arctos Petroleum Corp., a public junior oil and gas company, which resulted from the acquisition of Spearhead Resources by Camflo International Inc. Mr. Doyle joined Camflo International Inc. as President and Chief Executive Officer in June 2003. Prior to this, Mr. Doyle held a variety of senior positions across numerous aspects of the financial industry in Canada, the United States and internationally. Through these enterprises, Mr. Doyle developed extensive expertise in domestic and foreign financial markets, management, business plan development, and capital formation for a variety of industries, but primarily within the mineral resource and oil and gas industry.	May 11, 2006 to present	1,465,000 <sup>(4)</sup>
Douglas Eacrett British Columbia, Canada  Audit Committee Member and Director	Mr. Eacrett is currently a practicing corporate finance and securities lawyer and a chartered accountant registered with the Institute of Chartered Accountants in British Columbia. Mr. Eacrett has been a director and or officer of a number of public companies in the past five years, all of which have traded on the TSX Venture Exchange. Mr. Eacrett is currently a director of Regent Ventures Ltd., which position he has held from May 2002 and the Secretary of Clear Frame Solutions Corp., which position he has held from April 6, 2005.	February 27, 2005 to present	100,000 <sup>(5)</sup>
Greg Burnett British Columbia, Canada	Mr. Burnett has 18 years of diversified business experience in corporate finance and administration. Since 1989, he has been President and principal shareholder of Carob Management Ltd., a private management consulting company based in Vancouver, British Columbia specializing in the provision of due diligence services, development of business plans, and structuring / financing / management of venture capital projects, primarily in the public market arena. Mr. Burnett presently serves on the board of directors and is a consultant to the following public companies: Arctos Petroleum Corp., a junior oil and gas company operating in Alberta, Garibaldi Resources Corp., a junior gold exploration company focusing on projects in Mexico, and Marifil Mines Limited, a junior metals exploration company focused in Argentina. Mr. Burnett is also a principal shareholder and consultant of Zena Capital Corp., a public industrial minerals company involved in the exploration, production, and sale of barite in British Columbia to the oil services industry. Mr. Burnett holds a Master of Business Administration degree (1986) and a Bachelor of Applied Sciences degree in Civil Engineering (1984) from the University of British Columbia.	N/A	1,235,000 <sup>(6)</sup>

(1) Information has been furnished by the respective nominees individually.

(2) The 4,400,000 Common Shares beneficially owned by Wallace Mays are subject to a time release escrow by the TSX Venture Exchange. In addition to the TSX Venture Exchange escrow, 1,100,000 Common Shares of the 4,400,000 Common Shares beneficially owned by Wallace Mays are also subject to a performance escrow in accordance with the terms of the Performance Escrow Agreement. Pursuant to the terms of the Performance Escrow Agreement, and provided the Common Shares are released from the TSX Venture Exchange escrow, the 1,100,000 Common Shares will be placed into the performance escrow and released on the earlier of the following two events: (a) full permitting of the Dewey-Burdock property in the Custer and Fall River Counties, South Dakota, to commercial production; or (b) the successful acquisition by the Company of a second uranium deposit of merit through the efforts of Mr. Clement and Mr. Mays as determined and approved by the board of directors. This number does not include stock options to acquire an aggregate of 600,000 Common Shares issued to Mr.

Mays pursuant to the Company's stock option plan, which options entitle Mr. Mays to purchase Common Shares at an exercise price of \$1.00 until May 11, 2011.

- (3) The 3,600,000 Common Shares beneficially owned by Richard Clement are subject to a time release escrow by the TSX Venture Exchange. In addition to the TSX Venture Exchange escrow, 900,000 Common Shares of the 3,600,000 Common Shares beneficially owned by Richard Clement are also subject to a performance escrow in accordance with the terms of the Performance Escrow Agreement. Pursuant to the terms of the Performance Escrow Agreement, and provided the Common Shares are released from the TSX Venture Exchange escrow, the 900,000 Common Shares will be placed into the performance escrow and released on the earlier of the following two events: (a) full permitting of the Dewey-Burdock property in the Custer and Fall River Counties, South Dakota, to commercial production; or (b) the successful acquisition by the Company of a second uranium deposit of merit through the efforts of Mr. Clement and Mr. Mays as determined and approved by the board of directors. This number does not include stock options to acquire an aggregate of 600,000 Common Shares issued to Mr. Clement pursuant to the Company's stock option plan, which options entitle Mr. Clement to purchase Common Shares at an exercise price of \$1.00 until May 11, 2011.
- (4) Of the 1,465,000 Common Shares held by Tom Doyle, 1,240,000 Common Shares are subject to a time release escrow by the TSX Venture Exchange. This number does not include the Common Shares that are issuable upon the exercise of: (i) 360,000 warrants issued in a private placement on February 22, 2005, which warrants entitle Mr. Doyle to obtain an additional 360,000 Common Shares at an exercise price of \$0.30 per Common Share for a period of two years from February 22, 2005; (ii) 125,000 warrants issued in a private placement on January 23, 2006, which warrants entitle Mr. Doyle to obtain an additional 125,000 Common Shares at an exercise price of \$0.80 per Common Share for a period of one year from January 23, 2006; (iii) 100,000 warrants issued in a private placement on February 8, 2006, which warrants entitle Mr. Doyle to obtain an additional 100,000 Common Shares at an exercise price of \$0.90 per Common Share for a period of one year from February 8, 2006; and (iv) stock options which were issued to Mr. Doyle pursuant to the Company's stock option plan and entitle Mr. Doyle to obtain an additional 600,000 Common Shares at an exercise price of \$1.00 until May 11, 2011. Additionally, this number does not include 850,000 Common Shares that are currently held in escrow for the benefit of David Van Dyke and/or John Toljanich, former directors of the Company, who have agreed to transfer the 850,000 Common Shares to Mr. Doyle in connection with the Company's change of business which closed May 11, 2006. The transfer is subject to approval from the TSX Venture Exchange, and once approved, such shares will be subject to escrow by the exchange. The Common Shares issuable upon the exercise of the 360,000 warrants issued in the private placement on February 22, 2005 will also be subject to a time release escrow by the TSX Venture Exchange but the Common Shares issuable upon the exercise of warrants in the private placements on January 23, 2006 and February 8, 2006 and the stock options issued on May 11, 2006 will not be subject to escrow.
- (5) This number does not include: (i) 100,000 warrants which were issued to Douglas Eacrett in a private placement on January 23, 2006, which warrants entitle Mr. Eacrett to obtain an additional 100,000 Common Shares at an exercise price of \$0.80 per Common Share for a period of one year from January 23, 2006; and (ii) stock options to acquire an aggregate of 100,000 Common Shares issued to Mr. Eacrett pursuant to the Company's stock option plan, which options entitle Mr. Eacrett to purchase Common Shares at an exercise price of \$1.00 until May 11, 2011.
- (6) Of the 1,235,000 Common Shares held by Greg Burnett, 1,110,000 Common Shares are subject to a time release escrow by the TSX Venture Exchange. This number does not include the Common Shares that are issuable upon the exercise of: (i) 125,000 warrants issued in a private placement on January 23, 2006, which warrants entitle Mr. Burnett to obtain an additional 125,000 Common Shares at an exercise price of \$0.80 per Common Share for a period of one year from January 23, 2006; and (ii) stock options which were issued to Mr. Burnett pursuant to the Company's stock option plan and entitle Mr. Burnett to obtain an additional 600,000 Common Shares at an exercise price of \$1.00 until May 11, 2011. Additionally, this number does not include 850,000 Common Shares that are currently held in escrow for the benefit of David Van Dyke and/or John Toljanich, former directors of the Company, who have agreed to transfer the 850,000 Common Shares to Mr. Burnett in connection with the Company's change of business which closed May 11, 2006. The transfer is subject to approval from the TSX Venture Exchange, and once approved, such shares will be subject to escrow by the exchange. The Common Shares issuable upon the exercise of warrants in the private placement on January 23, 2006 and the stock options issued on May 11, 2006 will not be subject to escrow.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Common Shares represented by proxy for the election of any other persons as directors.



The Company operates with a standing audit committee, consisting of Wallace Mays, Tom Doyle and Douglas Eacrett.

#### *Corporate Cease Trade Orders*

Other than as set out below, to the best of management's knowledge, no proposed director of the Company has, within 10 years before the date of this Information Circular, been a director or officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied that person or company access to any exemption under securities legislation for a period of more than 30 consecutive days or (ii) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

Other than as set out below, the corporate cease trade orders required to be disclosed herein are incorporated by reference from pages 51-52 of the Company's Filing Statement filed via SEDAR on May 24, 2006 and available at [www.sedar.com](http://www.sedar.com).

Greg Burnett was a director of Arctos Petroleum Corp., Orko Gold Corp., and East Asia Gold Corp. when these companies were subject to cease trade orders for failing to file certain financial information in a timely manner. All cease trade orders were revoked upon filing the required financial information.

#### *Bankruptcies*

Other than as set out below, to the best of management's knowledge, no proposed director of the Company has, within 10 years before the date of this Information Circular, been a director or officer of any company 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.

In the year subsequent to Greg Burnett resigning as a director of Commercial Consolidators Corp. and Prefco Enterprises Inc., both companies were subject to bankruptcy and receivership proceedings.

### **STATEMENT OF EXECUTIVE COMPENSATION**

Particulars of compensation paid to:

- (a) the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO");
- (b) each of the Company's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers as at the end of the most recently completed financial year, and whose salary and bonus exceeds \$150,000 per year; and
- (c) any additional individuals for whom disclosure would have been provided under (b) except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year (each, a "Named Executive Officer") is set out in the summary compensation table below:

SUMMARY COMPENSATION TABLE								
Name and Principal Position	Year	Annual Compensation			Long Term Compensation <sup>(1)</sup>			
		Salary	Bonus	Other Annual Compensation <sup>(1)</sup>	Awards		Payouts	
					Securities Underlying Options/SARs Granted	Restricted Shares or Restricted Share Units	LTIP Payouts	All Other Compensation
John Toljanich President and Chief Executive Officer <sup>(1)</sup>	2006	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2005	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lee Barter President <sup>(2)</sup>	2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2005	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2004	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mehrzad Movassaghi President <sup>(3)</sup>	2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2004	\$136,000	Nil	Nil	Nil	Nil	Nil	Nil

(1) John Toljanich was appointed President and Chief Executive Officer of the Company on February 22, 2005 until his resignation on May 11, 2006.

(2) Lee Barter was appointed President of the Company on March 8, 2004 until his resignation on February 22, 2005.

(3) Mehrzad Movassaghi was appointed President of the Company in 2002 until his resignation on March 8, 2004

### Long-Term Incentive Plans

The Company does not have any long-term incentive plans.

### Options and Stock Appreciation Rights

The Company has not granted Options or SARS to any of its Named Executive Officer's during the Company's financial year ended March 31, 2006.

No Options or SARS were exercised by Named Executive Officer's during the Company's financial year ended March 31, 2006.

No Options or SARS held by a Named Executive Officer were re-priced downward during the Company's financial year ended March 31, 2006.

### Termination of Employment, Change in Responsibilities and Employment Contracts

As at March 31, 2006, the Company has not entered into an employment contract with any of the Named Executive Officers. There is no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive more than \$100,000 from the Company, including periodic payments or instalments, in the event of: (a) the resignation, retirement or any other termination of the Named Executive Officer's employment with the Company; (b) a change in control of the Company; or (c) a change in the Named Executive Officer's responsibilities following a change of control.

### Compensation of Directors

Except as set out below, there were no standard compensation arrangements, or other arrangements in addition to or in lieu of standard arrangements, under which the directors of the Company were compensated for services in their capacity as directors (including any additional

amounts payable for committee participation or special assignments), or for services as consultants or experts during the Company's financial year ended March 31, 2006.

On May 11, 2006, the Company paid \$30,000 to John Toljanich and David Van Dyke for their services in directing the Company during its transition period from the termination of the Company's prior radial pulsed boiler technology business to the adoption of the Company's new business of acquiring, exploring and developing uranium mineral interests. John Toljanich was a director and the President and Chief Executive Officer of the Company during the transition period until his resignation on May 11, 2006 and David Van Dyke was also a director of the Company during the transition period until his resignation on May 11, 2006. As required by the TSX Venture Exchange, the Company obtained approval from the disinterested Shareholders to award the compensation to Mr. Toljanich and Mr. Van Dyke. The payment to each former director consisted of a cash payment of \$10,000 and the issuance of 20,000 Common Shares at a deemed price of \$1.00 per share.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The Company does not currently have a valid and effective stock option plan and, as a result, the Company is not permitted to issue options thereunder. At the Meeting, the Company intends to ask the Shareholders to adopt a new 2006 Stock Option Plan, a copy of which is attached as Schedule A to this Information Circular. If approved, the stock option plan will permit the Company to issue stock options which constitute up to 10% of the issued and outstanding Common Shares on an annual basis and in accordance with the policies of the TSX Venture Exchange.

### **APPOINTMENT OF AUDITOR**

At the Meeting, Shareholders will be asked to vote for the appointment of Amisano Hanson, Chartered Accountants, to serve as auditor of the Company for the Company's fiscal year ending March 31, 2007, at a remuneration to be fixed by the Company's board of directors.

Amisano Hanson, Chartered Accountants, was first appointed as auditor of the Company on March 31, 1994.

### **AUDIT COMMITTEE DISCLOSURE**

Multilateral Instrument 52-110 of the Canadian Securities Administrators ("MI 52-110") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

#### **The Audit Committee Charter**

The following Audit Committee Charter was adopted by the board of directors of the Company:

#### *Mandate*

The primary function of the audit committee (the "Committee") is to assist the Company's board of directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence

to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the board of directors.

### *Composition*

The Committee shall be comprised of a minimum three directors as determined by the board of directors. If the Company ceases to be a "venture issuer" (as that term is defined in MI 52-110), then all of the members of the Committee shall be free from any relationship that, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" (as that term is defined in MI 52-110), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is 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 presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the board of directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full board of directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### *Meetings*

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review
  - (a) review and update this Audit Committee Charter annually; and
  - (b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public,

including any certification, report, opinion, or review rendered by the external auditors.

2. External Auditors

- (a) review annually, the performance of the external auditors who shall be ultimately accountable to the Company's board of directors and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
- (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) take, or recommend that the Company's full board of directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Company's board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) recommend to the Company's board of directors the compensation to be paid to the external auditors;
- (g) at each meeting, consult with the external auditors about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and

- (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

### 3. Financial Reporting Processes

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

### 4. Other

- (a) review any related-party transactions;

- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.

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

The Company's Audit Committee is comprised of three directors, Wallace Mays, Tom Doyle and Douglas Eacrett. As defined in MI 52-110, none of the Audit Committee members are "independent". All of the Audit Committee members are "financially literate", as defined in MI 52-110.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Company's board of directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110 in whole or in part.

### **Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company. Please refer to page 11 of this Information Circular to review the terms of the Audit Committee Charter.

### **External Auditor Service Fees**

In the following table, "audit fees" billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

<b>Financial Year Ended March 31</b>	<b>Audit Fees</b>	<b>Non-Audit Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2006	\$14,803	\$10,127	\$Nil	\$Nil
2005	\$27,402	\$Nil	\$3,728	\$Nil

The Company is relying on the exemption provided by section 6.1 of MI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of MI 52-110.

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

No current or former director, executive officer or employee is indebted to the Company as at the date of this Information Circular.

None of the directors or executive officers of the Company is or, at any time since April 1, 2004, has been indebted to the Company. None of the directors' or executive officers' indebtedness to another entity is, or at any time since April 1, 2004, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

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

Except as otherwise disclosed herein, no: (a) director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Common Shares or who exercises control or direction of Common Shares, or a combination of both carrying more than ten percent of the voting rights attached to the Common Shares outstanding (an "Insider"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Common Shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Common Shares.

#### *Stock Option Plan*

At the Meeting, the Shareholders will be asked to approve the 2006 Stock Option Plan which, if approved, will permit the Company to issue stock options which constitute up to 10% of the issued and outstanding Common Shares on an annual basis and in accordance with the policies of the TSX Venture Exchange. If the 2006 Stock Option Plan is approved, the board of directors of the Company will be authorized to issue stock options from time to time to persons in their sole discretion, including the directors and officers of the Company.

#### *Payment to Former Directors and Officers*

On May 11, 2006, the Company paid \$30,000 to John Toljanich and David Van Dyke for their services in directing the Company during its transition period from the termination of the Company's prior radial pulsed boiler technology business to the adoption of the Company's new business of acquiring, exploring and developing uranium mineral interests. John Toljanich was a



director and the President and Chief Executive Officer of the Company during the transition period until his resignation on May 11, 2006 and David Van Dyke was also a director of the Company during the transition period until his resignation on May 11, 2006. As required by the TSX Venture Exchange, the Company obtained approval from the disinterested Shareholders to award the compensation to Mr. Toljanich and Mr. Van Dyke. The payment to each former director consisted of a cash payment of \$10,000 and the issuance of 20,000 Common Shares at a deemed price of \$1.00 per share.

#### *Change of Business Transactions*

On May 11, 2006, the Company closed several agreements which constituted a “Change of Business” as defined by the TSX Venture Exchange. The closing involved several transactions, four of which involved individuals who were later appointed as directors and officers of the Company following the closing of the transactions. The transactions involved the acquisition of uranium mineral interests in the Dewey-Burdock property, located in Custer and Fall River Counties, South Dakota. Upon the closing of the agreements, the Company commenced the business of acquiring, exploring and developing uranium mineral properties in the Dewey-Burdock property.

The first agreement was entered into in August 2005, when the Company entered into a Letter of Intent to acquire Denver Uranium. Wallace Mays and Richard Clement are officers and members of Denver Uranium. In September 2005, the Company assisted Denver Uranium in obtaining bridge financing in the amount of a loan of US\$800,000, which amount was advanced by Greg Burnett and Tom Doyle (the “Loan”), the proceeds of which were used to secure certain mineral releases. Tom Doyle, Richard Clement and Wallace Mays became directors of the Company upon the closing of the Change of Business on May 11, 2006 and Tom Doyle, Richard Clement, Wallace Mays and Greg Burnett are nominees seeking election as directors at the Meeting.

The second agreement was entered into on February 20, 2006, when the Company entered into the Agreement of Purchase and Sale with Denver Uranium, Powertech (USA), a wholly-owned subsidiary of the Company, Richard Clement and Wallace Mays. Pursuant to the terms of the Agreement of Purchase and Sale, the Company agreed to purchase all of the assets of Denver Uranium in exchange for the issuance of 8,000,000 Common Shares and the assumption of the liabilities of Denver Uranium, including the Loan, other than liabilities related to tax and to Denver Uranium’s officers and members. Upon receipt of the 8,000,000 Common Shares, Denver Uranium was required to immediately transfer 4,400,000 Common Shares to Wallace Mays and 3,600,000 Common Shares to Richard Clement. All 4,400,000 Common Shares transferred to Wallace Mays and 3,600,000 Common Shares transferred to Richard Clement are subject to a time release escrow by the TSX Venture Exchange. The assets purchased from Denver Uranium included leases of federal claims, private mineral rights and private surface rights covering 11,180 acres of mineral rights and 11,520 acres of surface rights located in the Dewey-Burdock property.

The third agreement was entered into on February 21, 2006, when the Company entered into the Performance Escrow Agreement with Wallace Mays and Richard Clement. If the Common Shares currently held in the time release escrow are released by the TSX Venture Exchange, Wallace Mays is required to transfer 1,100,000 Common Shares of the 4,400,000 Common Shares transferred from Denver Uranium pursuant to the Agreement of Purchase and Sale into a performance escrow. Similarly, if the Common Shares currently held in the time release escrow by the TSX Venture Exchange are released, Richard Clement is required to transfer 900,000 Common Shares of the 3,600,000 Common Shares transferred from Denver Uranium pursuant to the Agreement of Purchase and Sale into a performance escrow. The Common Shares deposited into the performance escrow pursuant to the Performance Escrow Agreement will be released

back to the respective individuals on the earlier of the following two events: (a) the full permitting of the Dewey-Burdock property to commercial production; or (b) the successful acquisition by the Company of a second uranium deposit of merit through the efforts of Richard Clement and Wallace Mays as determined and approved by the board of directors of the Company.

The fourth agreement was entered into on February 20, 2006, when the Company entered into the Loan Conversion Agreement with Denver Uranium, Greg Burnett and Tom Doyle, whereby the Company settled the Loan through the issuance of 2,220,000 Common Shares to Greg Burnett and Tom Doyle.

#### *Private Placements*

On January 23, 2006, the Company entered into a \$280,000 private placement of up to 350,000 units, each unit consisting of one Common Share and one warrant which entitles the holder to purchase an additional Common Share for the exercise price of \$0.80 per share for a period of one year following the issuance of the warrants. Mr. Doyle and Mr. Burnett each hold 125,000 units and Douglas Eacrett holds 100,000 units that were issued in the private placement on January 23, 2006.

On February 8, 2006, the Company entered into a \$80,000 private placement of up to 100,000 units, each unit consisting of one Common Share and one warrant which entitles the holder to purchase an additional Common Share for the exercise price of \$0.90 per share for a period of one year following the issuance of the warrants. Mr. Doyle, as the sole subscriber of the private placement, holds all 100,000 units that were issued on February 8, 2006.

#### *Miscellaneous Transactions*

During the year ended March 31, 2006, the Company incurred \$39,831 in deferred acquisition costs and \$40,663 in legal fees for total expenditures of \$80,494 to Doug Eacrett, a director of the Company.

### **MANAGEMENT CONTRACTS**

There are no management functions of the Company, which are, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

### **CORPORATE GOVERNANCE**

Pursuant to National Policy 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to and hereby discloses its corporate governance practices as follows:

#### **Board of Directors**

The board of directors of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the board.

None of the current directors of the Company are considered "independent" as defined by National Policy 58-101. Mr. Eacrett is an individual who has been, within the last three years, an executive officer of the Company. Additionally, Mr. Mays is the Chairman of the board of the Company, Mr. Clement is the President and Chief Executive Officer of the Company and Mr. Doyle is the Vice President – Finance and the Secretary of the Company. As a result, neither Mr. Eacrett, Mr. Mays, Mr. Clement nor Mr. Doyle are independent.

## Directorships

The following table sets out the directors and nominees that are currently the directors of other reporting issuers in all Canadian and foreign jurisdictions:

Name of Director or Nominee	Name of reporting issuer	Exchange	Term
Douglas Eacrett	Regent Ventures Ltd.	TSX Venture Exchange	May 2002 to present
Greg Burnett	Garibaldi Resources Corp.	TSX Venture Exchange	November 1993 to present
Greg Burnett	Arctos Petroleum Corp.	TSX Venture Exchange	October 2004 to present
Greg Burnett	Marifil Mines Limited	TSX Venture Exchange	February 2004 to present
Tom Doyle	Arctos Petroleum Corp.	TSX Venture Exchange	October 2004 to present

## Orientation and Continuing Education

The board of directors of the Company briefs all new directors with respect to the policies of the board of directors and other relevant corporate and business information. The board does not provide any continuing education.

## Ethical Business Conduct

The board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the board in which the director has an interest have been sufficient to ensure that the board operates independently of management and in the best interests of the Company.

## Nomination of Directors

The board of directors is responsible for identifying individuals qualified to become new board members and recommending to the board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

## Compensation

The board of directors conducts reviews with regard to the compensation of the directors and the Chief Executive Officer once a year. To make its recommendations on such compensation, the board of directors takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

## Other Board Committees

The board of directors has no other committees other than the Audit Committee.

## **Assessments**

The board of directors regularly monitors the adequacy of information given to directors, communications between the board and management and the strategic direction and processes of the board and its committees.

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

Except as otherwise disclosed herein, no director or executive officer of the Company, who was a director or executive officer since April 1, 2004, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Common Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### **Approval of the Stock Option Plan**

On August 21, 2002, the TSX Venture Exchange (the “Exchange”) published its revised Corporate Finance Manual. The policies of the Exchange with respect to incentive stock options (the “Policies”) provide that listed companies may only issue incentive stock options pursuant to the terms of a stock option plan that has been approved by the Shareholders and the Exchange. The board of directors have approved, and recommended that the Shareholders of the Company approve, a rolling stock option plan which reserves a maximum of 10% of the issued Common Shares from time to time for administration and grant of options under the stock option plan. The Policies require that such a rolling plan be re-approved each year by the Shareholders and the Exchange.

Management of the Company believes that incentive stock options serve an important function in furnishing directors, officers, employees and consultants (collectively the “Eligible Parties”) of the Company with an opportunity to invest in the Company in a simple and effective manner and to better align the interests of the Eligible Parties with those of the Company and the Shareholders through ownership of Common Shares. Accordingly, the Shareholders at the Meeting will be asked to consider, and the directors, believing it to be in the best interests of the Company, recommend that the Shareholders approve the Company’s proposed stock option plan (the “Plan”) and the allotment and reservation of sufficient Common Shares from treasury to provide the Common Shares necessary for issuance upon the exercise from time to time of options granted pursuant to the Plan.

The Plan has been prepared by the Company in accordance with the policies of the Exchange and is in the form of a rolling stock option plan reserving for issuance upon the exercise of options granted pursuant to the Plan a maximum of 10% of the issued and outstanding Common Shares at any time, less any Common Shares required to be reserved with respect to options granted by the Company prior to the implementation of the Plan. The Plan will be administered by the board of directors of the Company, or a committee of three directors, if so appointed by the board of directors (the “Committee”). Subject to the provisions of the Plan, the board of directors or the Committee, as applicable, in its sole discretion will determine all options to be granted pursuant to the Plan, the exercise price therefore and any special terms or vesting provisions applicable thereto. The board of directors or the Committee, as applicable, will comply with all Exchange and other regulatory requirements in granting options and otherwise administering the Plan. The following is a summary of some of the material provisions of the Plan:

- (i) options granted to insiders of the Company as a total in any twelve-month period shall not exceed 10% of the issued and outstanding Common Shares at the time;
- (ii) options granted to any one person as a total in any twelve-month period shall not exceed 5% of the issued and outstanding Common Shares at any time;
- (iii) options granted to any one consultant to the Company as a total in any twelve-month period shall not exceed 2% of the issued and outstanding Common Shares;
- (iv) options granted to all employees, consultants and their associates engaged in investor relations activities for the Company in aggregate in any twelve-month period shall not exceed 2% of the issued and outstanding Common Shares;
- (v) options granted shall be non-assignable and not transferable and shall not have a term in excess of five years;
- (vi) the exercise price of options granted shall not be less than the closing price of the Company's shares on the last trading day less any discount permitted by the Exchange, but, in any event, not less than \$0.10 per share;
- (vii) all options granted shall be evidenced by written option agreements; and
- (viii) any amendment to reduce the exercise price of options granted to insiders of the Company shall be subject to approval of the disinterested Shareholders, the majority vote of the Shareholders other than the insiders of the Company.

Pursuant to the policies of the Exchange, the Common Shares underlying any options granted will be restricted from trading for a period of four months from the date of grant of the option. A copy of the Plan will be available at the Meeting for review by Shareholders.

A copy of the Plan is attached to this Information Circular as Schedule A and is also available for review at the offices of the Company at Suite 1205 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 during normal business hours up to and including the date of the Meeting.

The directors of the Company believe the Plan is in the best interests of the Company and recommend that the Shareholders approve the Plan. The Plan will be approved if the affirmative vote of at least a majority of the Common Shares present or represented at the Meeting and entitled to vote thereat are voted in favour of approving the Plan. Accordingly, at the Meeting, the Shareholders will be asked to pass the following ordinary resolutions to approve the Plan:

“Resolved that, subject to regulatory approval:

1. the Company's 2006 Stock Option Plan (the “Plan”) be and it is hereby approved;
2. the board of directors be authorized to grant options under and subject to the terms and conditions of the Plan, which may be exercised to purchase up to 10% of the issued common shares of the Company as at the time of grant;
3. the outstanding stock options which have been granted prior to the implementation of the Plan shall, for the purpose of calculating the number of stock options that may be granted under the Plan, be treated as options granted under the Plan; and

4. the directors and officers of the Company be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions.”

### **Other Matters**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice. If any other matter properly comes before the Meeting, it is the intention of the Designated Persons to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Shareholders may contact the Company at its office by mail at the address set out on Page 1 of this Information Circular to request copies of the Company’s financial statements and the related Management’s Discussion and Analysis (the “MD&A”). Financial information is provided in the Company’s comparative financial statements and MD&A for its financial years ended March 31, 2005 and March 31, 2006.

### **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder of the Company entitled thereto and to the appropriate regulatory agencies, has been authorized by the board of the Company.

Dated at Vancouver, British Columbia 5th day of June, 2006.

### **ON BEHALF OF THE BOARD**

### **POWERTECH URANIUM CORP.**

*“Richard F. Clement, Jr.”*

Richard F. Clement, Jr.  
President and Chief Executive Officer

**SCHEDULE A**

**POWERTECH URANIUM CORP.**

**STOCK OPTION PLAN**

**JUNE 30, 2006**

# POWERTECH URANIUM CORP.

## STOCK OPTION PLAN

Adopted June 30, 2006

### ARTICLE 1 PURPOSE

1.1 **General Purpose.** The purpose of this Plan is to promote the interests of the Employees and the Company by:

- (a) furnishing Employees with an opportunity to invest in the Company in a simple and cost effective manner;
- (b) better aligning the interests of Employees with those of the Company and its shareholders through the ownership of Common Shares of the Company.

### ARTICLE 2 DEFINITIONS AND INTERPRETATIONS

2.1 **Definitions.** In this Plan, unless the context otherwise requires:

“**Affiliate**” shall have the meaning ascribed to that term in the *Securities Act* (British Columbia) as from time to time amended, supplemented or re-enacted;

“**Associate**” shall have the meaning ascribed to that term in the *Securities Act* (British Columbia) as from time to time amended, supplemented or re-enacted;

“**Board of Directors**” means the board of directors of the Company as constituted from time to time;

“**Consultant**” means any person engaged by the Company or any Designated Subsidiary to render ongoing management or consulting services;

“**Company**” means Powertech Uranium Corp., and its successors;

“**Designated Subsidiary**” means a Subsidiary of the Company, which has not been excluded by the Board of Directors from participating in this Plan;

“**Disability**” means a physical or mental incapacity of a nature which the Plan Committee has determined prevents or would prevent the Employee from satisfactorily performing the duties of his or her position with the Company or any of its Designated Subsidiaries;



**“Disinterested Shareholder Approval”** means, if the Company is decreasing the exercise price of stock options previously granted to Insiders, approval by a majority of the votes cast by all members at the members’ meeting called for such purpose excluding the votes attaching to shares beneficially owned by Insiders to whom Options may be Granted under the Plan and their Associates. For purposes of such meeting, holders of non-voting and subordinate voting shares must be given full voting rights on the matter.

**“Employee”** means an individual who is considered an employee of the Company or a Designated Subsidiary of the Company under the provisions of the *Income Tax Act* (Canada), or an individual who works full or part time on a regular basis for the Company or a Designated Subsidiary of the Company providing services normally provided by an employee and subject to the same control and direction by the Company or the Designated Subsidiary regarding details and methods of work as an employee, and, for purposes of this Plan, shall include a Consultant, a director of the Company or a Designated Subsidiary and an officer of the Company or a Designated Subsidiary;

**“Exchange”** means the TSX Venture Exchange or such other stock exchange or exchanges or other trading facility or system on which the Shares of the Company may be listed or traded and if the Shares are listed or traded on more than one exchange, facility or system, for purposes of determining Market Value, “Exchange” means such exchange, facility or system on which the largest volume of trading has occurred on the relevant date or within the relevant period;

**“Grant”** means the grant of an Option to an Employee in accordance with Article 6 hereof;

**“Insiders”** means:

- (a) an insider as defined in the *Securities Act* (British Columbia) as from time to time amended, supplemented or re-enacted, other than a person who falls within that definition solely by virtue of being a director or senior officer of a Subsidiary of the Company; and
- (b) an Associate of any person who is an insider by virtue of (a) above;

**“Market Value”** of a Share means the closing trading price for the Shares on the Exchange on the last trading day immediately prior to the date of the Grant;

**“Option”** means an option granted to an Employee pursuant to Article 6 hereof to purchase a prescribed number of Shares, from treasury, subject to such terms and conditions as determined by the Board of Directors and as evidenced by an Option Agreement;

**“Option Agreement”** means the written agreement entered into between the Company and the Employee evidencing an Option granted hereunder and setting out the terms and conditions of such Option;

**“Option Period”** means the period during which an Option may be exercisable;

“**Plan**” means this Stock Option Plan as the same may be amended, supplemented, modified or restated and in effect from time to time;

“**Plan Committee**” means the committee of the Board of Directors, comprised of not less than three directors, that has been authorized and appointed by the Board of Directors from time to time to administer this Plan and, if no such committee has been authorized or appointed, the Board of Directors itself;

“**Reserved for Issuance**” means Shares which may be issued in the future upon the exercise of Options Granted under this Plan;

“**Shares**” means the common shares without par value in the capital of the Company, subject to adjustment as set out in Article 9 hereof;

“**Subscription Price**” means the price per Share at which Shares may be purchased upon exercise of an Option; and

“**Subsidiary**” has the meaning ascribed to the term subsidiary in the British Columbia *Business Corporations Act*.

2.2 **Interpretation.** In this Plan, unless the context otherwise requires, the masculine gender includes the feminine gender and the singular includes the plural and *vice versa*.

### **ARTICLE 3 ADMINISTRATION**

3.1 **Administration of the Plan.** This Plan shall be administered by the Plan Committee.

3.2 **Plan Committee Action.** Subject to the provisions of this Plan, the Plan Committee may make such determinations under, interpretation of, take such steps and actions in connection with and establish such rules and regulations concerning this Plan or any Grants pursuant to this Plan as it may consider necessary or advisable including, but not limited to, calculating and determine the Subscription Price of Options to be granted hereunder and issuance of Shares upon the exercise thereof.

3.3 **Plan Committee Decisions Binding.** All questions arising as to the interpretation of this Plan or any Grants hereunder shall be determined by the Plan Committee from time to time, and any such determination will, absent manifest error, be final, binding and conclusive for all purposes.

### **ARTICLE 4 LIMITATIONS ON GRANTS OF OPTIONS UNDER THIS PLAN**

4.1 **Plan Committee to Establish Criteria.** The Plan Committee may establish such criteria and policies as it may consider fit for designating Employees who may be eligible to receive and to whom Options may be granted hereunder.

4.2 **Limitation on Grants.** Subject to the provisions hereof, the following terms and conditions shall apply to all Options granted under this Plan:

- (a) a majority of the Shares Reserved for Issuance under this Plan may be reserved for Options to Insiders of the Company;
- (b) unless the Company has obtained all required regulatory approvals, including approval of the Exchange and, if required, approval of the shareholders of the Company to permit otherwise:
  - (i) the number of Shares Reserved for Issuance to Insiders and Employees pursuant to this Plan together with all of the Shares reserved with respect to the Company's other previously established stock option plans or grants may not at any time exceed 10% of the issued Shares at that time;
  - (ii) in any twelve-month period, the number of Shares represented by Grants in that period to Insiders pursuant to this Plan, together with the number of Shares represented by all options granted in that period to Insiders with respect to the Company's other previously established stock option plans or grants, shall not exceed 10% of the issued Shares;
  - (iii) in any twelve-month period, the number of Shares represented by Grants in that period to any one person and such person's Associates pursuant to this Plan, together with the number of Shares represented by all options granted in that period to such person and such person's Associates with respect to all of the Company's other previously established stock option plans or grants shall not exceed 5% of the issued Shares;
  - (iv) in any twelve-month period, the number of Shares represented by Grants in that period to any one Consultant pursuant to this Plan, together with the number of Shares represented by all options granted in that period to such Consultant with respect to all of the Company's other previously established stock option plans or grants shall not exceed 2% of the issued Shares;
  - (v) in any twelve-month period, the number of Shares represented by Grants in that period pursuant to this Plan to all Employees and/or Consultants conducting investor relations activities, and/or the Associates of such Employees and/or Consultants conducting investor relations activities, together with the number of Shares represented by all options granted in that period to such Employees and/or Consultants and the Associates of such Employees and/or Consultants with respect to all of the Company's other previously established stock option plans or grants shall not exceed 2% of the issued Shares; and
  - (vi) all options granted to Consultants and/or their Associates performing investor relations activities on behalf of the Company must be subject to vesting provisions which shall provide that the granted options will vest in stages over a period of time which shall not be less than twelve months with each stage not being less than three months with no more than one quarter of the granted options vesting in any three month period.

**ARTICLE 5**  
**MAXIMUM NUMBER OF SHARES**

5.1 **Shares Subject to this Plan.** The maximum number of Shares Reserved for Issuance upon exercise of Options Granted pursuant to the provisions of this Plan at any time shall not exceed 10% of the issued and outstanding common shares of the Company at the relevant time less any Shares required to be reserved with respect to any other options granted prior to the adoption and implementation of this Plan.

**ARTICLE 6**  
**TERMS AND CONDITIONS OF GRANTS**

6.1 **Terms and Conditions of Grants.** Subject to the provisions of this Plan, the Plan Committee shall, in its sole discretion and from time to time, determine those Employees to whom Grants shall be made, the number of Shares subject to such Grants, the Subscription Price therefor, the date on which Grants are to be made and the Option Period. The Plan Committee may also:

- (a) determine, in connection with any Grant, any vesting, performance or other conditions which must be satisfied before an Option is exercisable;
- (b) approve the form or forms of and enter into Option Agreements with respect to any Grant; and
- (c) determine such other terms and conditions (which need not be identical) of any Options granted hereunder.

**ARTICLE 7**  
**OPTION AGREEMENTS**

7.1 **Option Agreements.** Each Option covered by a Grant shall be evidenced by a written Option Agreement between the Company and the Employee, such agreement to contain such terms and conditions, not inconsistent with provisions of this Plan, as may be established by the Plan Committee, and which terms and conditions shall include the following:

- (a) the Subscription Price in respect of any Option shall not be less than the Market Value of the Shares with respect to such Grant less the any discount permitted by the policies of the Exchange;
- (b) the Option Period shall not exceed five (5) years from the date of Grant and no Option may be exercised upon the expiry of the Option Period applicable thereto;
- (c) unless otherwise set out in the Option Agreement with respect to any particular Grant, Options shall be exercisable at any time and from time to time after the Grant;
- (d) except as set out in Article 8, no Option may be exercised unless the Employee is, at the time of such exercise, an officer or director of or an Employee who has been

continuously employed, elected, appointed or engaged by the Company or a Designated Subsidiary, as the case may be, since the date of the Grant provided that absence on leave with the approval of the Company or Designated Subsidiary or a change in duties or position of the Employee shall not constitute an interruption of employment for purposes of this Plan;

- (e) for Options Granted to employees, management company employees and Consultants, a representation and warranty by the Company that the optionee is a bona fide employee, management company employee or Consultant, as the case may be;
- (f) the issuance of Shares upon the exercise of any Option shall be contingent upon satisfaction by the Employee of the terms and conditions of the Option Agreement (or other written agreement) and receipt in full by the Company of the Subscription Price for the number of Shares in respect of which the Option is being exercised in cash, by cheque, certified cheque, bank draft, wire transfer or any combination thereof;
- (g) the Option may not be assigned or transferred and shall be exercisable only by the Employee or the Employee's legal guardian or legal representative; and
- (h) any amendment to the Option subsequent to its Grant, where the optionee is an Insider of the Company or an Affiliate of an Insider of the Company at the time of the amendment, and where such amendment has the effect of reducing the exercise price of the Option, before becoming effective, must first receive Disinterested Shareholder Approval.

## **ARTICLE 8**

### **TERMINATION OF EMPLOYMENT**

8.1 **Termination Due to Death.** All agreements representing Grants pursuant to this Plan shall provide that in the event of the death of an optionee, either while an Employee of the Company or any Designated Subsidiary, the heirs, executors or other legal representatives of the Employee may exercise any Option granted to such Employee, to the extent such option was exercisable by the Employee at the date of his death, for a period of one year following the date of death of the Employee.

8.2 **Termination For Other Reasons.** All agreements representing Grants pursuant to this Plan shall provide that in the event an Employee's employment with or engagement by the Company or any Designated Subsidiary ceases or is terminated for any reason other than death, the Option shall terminate on a date determined by the Plan Committee at the time of the Grant, but in no event later than ninety days following the date of termination, or thirty days, if the Employee was engaged in investor relations activities.

8.3 **No Right to Continued Employment.** This Plan shall not confer upon any Employee any right with respect to their employment or continued employment or engagement by the Company or any Designated Subsidiary nor shall it interfere in any way with the right of the Company or such Designated Subsidiary to terminate any Employee's employment at any time.

**ARTICLE 9**  
**ADJUSTMENT OR ALTERATION OF SHARE CAPITAL**

9.1 **Subdivision, Consolidation etc.** In the event of a subdivision or consolidation of the outstanding Shares or the payment of a stock dividend thereon, the number of Shares reserved or authorized to be reserved under this Plan, the number of Shares issuable on the exercise of an Option and the Subscription Price therefor shall be increased or reduced proportionately and such other adjustments shall be made as may be deemed necessary or equitable by the Plan Committee.

9.2 **Capital Reorganization, Merger etc.** In the event of any reclassification, redesignation, change or other capital reorganization of the outstanding Shares (other than as set out in Section 9.1 above) or if the Company amalgamates, consolidates with or merges with or into another body corporate, whether by way of amalgamation, statutory arrangement or otherwise (the right to do so being hereby expressly reserved), then upon the exercise of an Option, the Employee shall be entitled to receive and shall accept in lieu of the number of Shares he or she would otherwise be entitled to, such number or amount of Shares securities, property or cash which the Employee would have received upon such reclassification, redesignation, change or capital reorganization or amalgamation, consolidation or merger as determined by the Plan Committee as being equitable in the circumstances, as if the Employee had exercised his or her Option immediately prior to the effective date thereof and in connection therewith the Subscription Price may be adjusted as may be deemed equitable by the Plan Committee in the circumstances.

9.3 **Other Changes in Capital.** In the event of any other change affecting the Shares, such adjustment, if any, shall be made as may be deemed equitable by the Plan Committee in the circumstances.

9.4 **No Fractional Shares.** No adjustment provided in this Article 10 shall require the Company to issue a fractional Share and the total adjustment with respect to any Option shall be limited accordingly.

9.5 **No Adjustment for Cash Dividends or Rights Offerings.** No adjustment to any Option shall be made pursuant to this Article 10 in respect of the payment of any cash dividend or in respect of the distribution of any other rights where the record date for such distribution is prior to the date of issuance of any Shares upon the exercise of any Option.

**ARTICLE 10**  
**AMENDMENT AND TERMINATION**

10.1 **Amendment, Suspension or Termination of this Plan.** The Board of Directors may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable legislation and subject to required approval. No such amendment, suspension or termination shall alter or impair any Options or any rights pursuant thereto granted previously to any Employee without the consent of such Employee. If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board of Directors and in force at the time of the termination of the Plan shall continue in effect during such time as any Option or any rights pursuant thereto remain outstanding.

10.2 **Effect of Termination of Plan.** No action by the Board of Directors to terminate this Plan pursuant to this Section 10 shall affect Grants which became effective pursuant to this Plan prior to such action.

10.3 **Amendment, Modification or Termination of Options.** The Board of Directors may, with the consent of the affected Employees, amend or modify any outstanding Option in any manner to the extent that the Board of Directors would have had the authority to initially grant such award as so modified or amended, including without limitation, to change the date or dates as of which an Option becomes exercisable, subject to any required approvals.

## **ARTICLE 11**

### **REGULATORY APPROVAL AND APPLICABLE LAWS**

11.1 **Compliance With Applicable Laws.** Notwithstanding anything herein to the contrary, the Company shall not be obliged to cause any Shares to be issued or certificates evidencing Shares to be delivered pursuant to this Plan, where issuance and delivery is not, or would result in the Company not, being in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities and the requirements of the Exchange.

11.2 **No Obligation to File Prospectus.** The Company shall not be liable to compensate any Employee and in no event shall it be obliged to take any action, including the filing of any prospectus, registration statement or similar document, in order to permit the issuance and delivery of any Shares upon the exercise of any Option in order to comply with any applicable laws, regulations, rules, orders or requirements.

11.3 **Condition to Issue of Shares.** The Plan Committee may require, as a condition of the issuance and delivery of such Shares or certificates upon the exercise of any Option and in order to ensure compliance with any applicable laws, regulations, rules, orders and requirements that the Employee or the Employee's heirs, executors or other legal representatives, as applicable, make such covenants, agreements and representations as the Plan Committee may deem necessary or desirable.

## **ARTICLE 12**

### **GENERAL**

12.1 **Rights of Shareholders.** An Employee entitled to Shares as a result of the exercise of an Option shall not be deemed for any purpose to be, or to have rights as, a shareholder of the Company upon such exercise, except to the extent a share certificate is issued therefor and then only from the date such certificate has been issued.

12.2 **Withholding or Deductions of Taxes.** The Company or Employer may deduct, withhold, or require an Employee, as a condition of exercise of an Option, to withhold, pay or reimburse any taxes or similar charges, which are required to be paid or withheld in connection with the exercise of any Option.

12.3 **No Representation or Warranty.** The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provision of this Plan.

12.4 **Compliance With Applicable Law, Etc.** If any provision of this Plan or any Option Agreement or other agreement entered into pursuant to this Plan contravenes any applicable law, rule, regulation or order, or any policy, by-law or regulation of any regulatory body or Exchange having authority over the Company, this Plan or the Employee, such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith, provided, however, that the Company shall not be responsible to pay and shall not incur any penalty, liability or further obligation in connection therewith. Subject to compliance with applicable securities legislation, and the policy, by-law or regulation of any Exchange, a Grant may be made pursuant to this Plan prior to the receipt of all necessary approvals required by such Exchange provided that the Option Agreement (or other written agreement) evidencing such Grant specifies that such Option may not be exercised, in whole or in part, unless such approvals are received.

12.5 **Governing Law.** This Plan will be governed by and construed in accordance with the laws of the Province of British Columbia.

12.6 **Reference Date.** This plan was first adopted and approved by the shareholders of the Company on June 30, 2006.