



**NOTICE OF
ANNUAL GENERAL MEETING
OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR**

**TO BE HELD ON THURSDAY, JUNE 3, 2010
HYATT REGENCY VANCOUVER
655 BURRARD STREET, VANCOUVER, BC
AT 10:00 A.M. PDT**

POLARIS MINERALS CORPORATION

Suite 2740, 1055 West Georgia Street
Vancouver, BC V6E 3R5
Telephone: 604-915-5000 Facsimile: 604-915-5001

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Polaris Minerals Corporation (the "Corporation") will be held at the Hyatt Regency Vancouver, 655 Burrard Street, Vancouver, British Columbia on Thursday, June 3, 2010 at 10:00 a.m. Pacific Daylight Time ("PDT") (the "Meeting") for the following purposes:

1. to receive and consider the report of the Directors;
2. to receive and consider the audited consolidated financial statements of the Corporation for the year ended December 31, 2009, together with the auditor's report thereon;
3. to fix the number of Directors for the ensuing year at six (6);
4. to elect six (6) Directors to hold office until the next annual meeting of shareholders;
5. to appoint an auditor for the Corporation to hold office until the close of the next annual meeting of shareholders; and
6. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Annual General Meeting are: (1) a Management Information Circular, which provides additional information relating to the matters to be dealt with at the Meeting; (2) a Form of Proxy or Voting Instruction Form ("VIF"); (3) a return envelope for use by the shareholders to send in their Proxy or VIF; (4) the Corporation's Annual Report for the year ended December 31, 2009, including the audited financial statements and Management's Discussion and Analysis ("MD&A"); and (5) a financial statement request form for use by shareholders who wish to receive the Corporation's future annual reports and/or interim financial statements and MD&A.

The record date for the determination of the shareholders entitled to receive this Notice and to vote at the Meeting has been established as April 23, 2010.

Shareholders who cannot attend the Meeting in person may vote by proxy, if a registered shareholder, or provide voting instructions if a non-registered shareholder. Instructions for voting by registered shareholders or providing voting instructions by non-registered shareholders by mail, by phone and over the internet are included in the Management Information Circular. To be valid, proxies must be received by Computershare Investor Services Inc., the Corporation's transfer agent, ("Computershare") at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 by 10:00 a.m. PDT on Tuesday, June 1, 2010. The Chairman of the Meeting has the discretion to accept late proxies.

If you are a non-registered shareholder and a non-objecting beneficial owner, and receive a VIF from Computershare, please complete and return the form in accordance with the instructions. If you do not

complete and return the form in accordance with such instructions, you may lose your right to vote at the Meeting, either in person or by proxy.

If you are a non-registered shareholder and an objecting beneficial owner and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. If you do not complete and return the materials in accordance with such instructions, you may lose your right to vote at the Meeting, either in person or by proxy.

Please advise the Corporation of any change in your address.

DATED at the City of Vancouver, in the Province of British Columbia, as of the 26th day of April, 2010.

BY ORDER OF THE BOARD

"Darlene Lynch"

Darlene Lynch
Corporate Secretary

POLARIS MINERALS CORPORATION

MANAGEMENT INFORMATION CIRCULAR

As at and dated April 26, 2010

FOR

THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON THURSDAY, JUNE 3, 2010

SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with the solicitation of proxies being made by the management of Polaris Minerals Corporation (the "Corporation") for use at the Annual General Meeting of the Corporation's shareholders to be held on June 3, 2010 (the "Meeting") at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation.

All costs of this solicitation will be borne by the Corporation.

PROXY INSTRUCTIONS

Shareholders who cannot attend the Meeting in person may vote by proxy if a registered shareholder, or provide voting instructions as provided herein if a non-registered shareholder, either by mail, by phone or over the internet. Proxies and/or voting instructions must be received by Computershare Investor Services Inc., the Corporation's transfer agent, ("Computershare") no later than 10:00 a.m. PDT on Tuesday, June 1, 2010 at its Toronto office, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1.

A proxy ("Proxy") returned to Computershare will not be valid unless dated and signed by the shareholder or by the shareholder's attorney duly authorized in writing or, if the shareholder is a corporation or association, the form of Proxy must be executed by an officer or by an attorney duly authorized in writing. If the form of Proxy is executed by an attorney for an individual shareholder or by an officer or attorney of a shareholder that is a corporation or association, documentation evidencing the power to execute the Proxy or Voting Instruction Form ("VIF") may be required with signing capacity stated. If not dated, the Proxy will be deemed to have been dated the date that it is mailed to shareholders.

The securities represented by 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 securities will be voted accordingly. The form of Proxy confers discretionary authority upon the named proxyholder with respect to matters identified in the accompanying Notice of Meeting if a choice with respect to such matters is not specified. It is intended that the person designated by management in the form of Proxy will vote the securities represented by the Proxy **in favour of** each matter identified in the proxy and **for** the nominees of management for directors and auditor.

The Proxy confers discretionary authority upon the named proxyholder with respect to amendments to or variations in matters identified in the accompanying Notice of Meeting and other matters which may properly come before the Meeting. As at the date of this Management Information Circular, management is not aware of any amendments, variations, or other matters. If such should occur, the persons designated by management will vote thereon in accordance with their best judgment, exercising discretionary authority.

APPOINTMENT OF PROXYHOLDER

A shareholder has the right to designate a person (who need not be a shareholder of the Corporation), other than HERBERT G.A. WILSON or LISA J. DEA, both directors and/or officers of the Corporation and the Management designees, to attend and act for the shareholder at the Meeting. If you are returning your Proxy to Computershare, such right may be exercised by inserting in the blank space provided in the enclosed form of Proxy the name of the person to be designated and striking out the names of the Management designees or by completing another proper form of Proxy and delivering it to Computershare as provided above, or by phone or over the internet. If you are using the internet, you may designate another proxyholder by following the instructions on the website. It is not possible to appoint an alternate proxyholder by phone. If you appoint a proxyholder, other than the Management designees, that proxyholder must attend and vote at the Meeting for your vote to be counted.

REVOCAION OF PROXIES

In addition to revocation in any manner permitted by law, you may revoke your Proxy by an instrument in writing signed by you as registered shareholder or by your attorney duly authorized in writing. If you are a representative of a registered shareholder that is a corporation or association, the instrument in writing must be executed by an officer or by an attorney duly authorized in writing, and deposited with the Corporation's registered office, c/o Fasken Martineau DuMoulin LLP, Suite 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3 at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or, as to any matter in respect of which a vote shall not already have been cast pursuant to such Proxy, with the Chairman of the Meeting on the day of the Meeting, or at any adjournment thereof, and upon either of such deposits the Proxy is revoked. In addition, shareholders can also change their vote by phone or via the internet.

Only registered shareholders have the right to revoke a Proxy. Non-registered shareholders that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact Computershare or their intermediary to arrange to change their voting instructions.

SPECIAL INSTRUCTIONS FOR VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Some shareholders of the Corporation 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 Shareholder") but which are registered in the name of an intermediary (the "Intermediary") that the Non-Registered Shareholder deals with in respect of the shares. Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans; or in the name of a clearing agency (such as The Canadian Depository of Securities Limited) of which the Intermediary is a participant.

There are two kinds of Non-Registered Shareholders - those who object to their name being made known to the Corporation (called OBOs for "Objecting Beneficial Owners") and those who do not object to the Corporation knowing who they are (called NOBOs for "Non-Objecting Beneficial Owners").

The Corporation takes advantage of certain provisions of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), which permit the Corporation to directly deliver proxy-related materials to NOBOs who have not waived the right to receive them. As a result, NOBOs can expect to receive a scannable VIF, together with the meeting materials from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in accordance with the instructions. Computershare is required to follow the voting instructions properly received from NOBOs. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the meeting materials to the Intermediaries for onward distribution to OBOs. Intermediaries are required to forward the meeting materials to OBOs unless, in the case of certain proxy-related materials, the OBO has waived the right to receive them. Very often, Intermediaries will use service companies to forward the meeting materials to OBOs. With those meeting materials, Intermediaries or their service companies should provide OBOs with a “request for voting instruction form” which, when properly completed and signed by such OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the common shares that they beneficially own.

These proxy related materials are being sent to both registered shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Corporation has sent these proxy related materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities requirements from the Intermediary on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of common shares without par value. As at the date of this Management Information Circular, 53,224,602 common shares without par value were issued and outstanding, each such share carrying the right to one (1) vote at the Meeting. April 23, 2010 has been fixed by the directors of the Corporation as the record date for the purpose of determining those shareholders entitled to receive notice of and to vote at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS

The financial statements for the fiscal year ended December 31, 2009 are contained in the 2009 Annual Report included with this Management Information Circular. These documents are also available on the Corporation’s website at www.polarmin.com as well as on www.sedar.com.

2. APPOINTMENT OF AUDITORS

In accordance with the recommendation of the Corporation’s Audit Committee, the board of directors of the Corporation (the “Board of Directors” or the “Board”) recommends that shareholders vote for the reappointment of PricewaterhouseCoopers LLP, Chartered Accountants as the Corporation’s auditors to hold office until the next annual general meeting of Shareholders. PricewaterhouseCoopers LLP was first appointed as the Corporation’s auditor on December 22, 2000.

3. ELECTION OF DIRECTORS

The number of directors for the Corporation is set by ordinary resolution of the shareholders of the Corporation. Management of the Corporation is seeking shareholder approval of an ordinary resolution determining the number of directors of the Corporation at six (6) for the ensuing year.

The persons below are management's nominees to the Board. Each director elected will hold office until the next annual general meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the Articles of the Corporation or unless he or she becomes disqualified to act as a director.

Nominees For Election As A Director

<p>Terrence A. Lyons British Columbia, Canada Independent Director Age: 60</p> <p>Principal Occupation: Corporate Director</p> <p>Common Shares: 25,000 Stock Options: 247,000</p>	<p>Mr. Lyons' business background includes natural resources, manufacturing, real estate, merchant banking and corporate restructuring activities. Mr. Lyons is currently non-executive Chairman of Northgate Minerals Corporation and a director and officer of several public and private corporations including Lead Director and Chairman of the audit committee of Canaccord Financial Inc., and a director of Diamonds North Resources Ltd. and Sprott Resources Corp. Mr. Lyons was formerly President and Managing Partner of B.C. Pacific Capital Corporation and a Managing Partner of Brookfield Asset Management for 18 years. He is past Chairman of Versatile Pacific Shipyards, Westmin Resources and the Mining Association of British Columbia and past Vice Chairman of Battle Mountain Gold. Mr. Lyons' community activities include serving as a director of the B.C. Pavilion Corporation and several charitable organizations.</p>
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Date Joined Board and Committees	Attendance at Meetings during 2009
Board (April 2004)	6 of 6
Audit Committee (May 2004)	4 of 4
Governance, Nominating and Compensation Committee, Chair (December 2008)	2 of 2
Finance Committee, Chair (July 2004) (Committee dissolved on June 4, 2009)	None held

<p>Eugene P. Martineau Florida, USA Independent Director Age: 70</p> <p>Principal Occupation: Principal, Martineau and Associates Consulting</p> <p>Common Shares: Nil Stock Options: 50,000</p>	<p>Eugene Martineau has over 40 years' experience in the ready-mixed concrete and related industries. Mr. Martineau was the founder and first president and CEO of U.S. Concrete Inc. which, under Mr. Martineau's guidance, became one of the largest concrete producers in the United States. In 2007, he left U.S. Concrete to found Martineau and Associates Consulting. He has served as a director and member of the Executive Committee of the National Ready Mixed Concrete Association (NRMCA) and has been elected as a lifetime honorary director. He served as the National Director of RMC 2000 from 1993 to 1997. RMC 2000 was a grass roots industry movement which facilitated monumental changes in the industry. He has served as a member of the Board of Trustees for the RMC Research & Education Foundation since its creation and served as chairman in 2004. Mr. Martineau was one of the founders, and served as the chairman, of the National Steering Committee for Concrete Industry Management (CIM). The CIM Program is now installed in five universities across the U.S. and is providing the industry with its future leaders. He currently serves as its Executive Director. In 2007, Mr. Martineau was selected by <i>Concrete Producer</i> magazine as one of the top influencers in the concrete industry. Mr. Martineau was appointed to the Polaris board in March 2010. He also sits on the Board of Propex Operating Company, LLC. Mr. Martineau is the 2010 recipient of NRMCA's Lifetime Achievement Award for Promotion which is awarded to a ready-mix concrete industry professional whose career has demonstrated outstanding leadership, dedication and achievement in support of concrete promotion and industry advancement.</p>
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Date Joined Board and Committees	Attendance at Meetings during 2009
Board (March 2010)	n/a

<p>Marco A. Romero British Columbia, Canada Related Director Age: 48</p> <p>Principal Occupation: President & CEO of Delta Minerals Corporation, a mineral exploration and development company</p> <p>Common Shares: 79,255 Stock Options: 323,000</p>	<p>Mr. Romero is an entrepreneur with over 30 years of diversified experience in the mining and construction materials industries. Mr. Romero is the President and CEO of Delta Minerals Corporation, a mineral exploration and development company. He has held senior roles in exploration, environmental permitting, mine development and operations, mergers and acquisitions, corporate finance and business management. Mr. Romero was the founder of Polaris Minerals Corporation and served as its President and Chief Executive Officer from 1999 to 2008. He was Senior Vice President of Corporate Development of Ivanhoe Mines Ltd. from 1998 to 2000. He was a co-founder and Executive Director of Eldorado Gold Corporation from 1991 to 1998. From 1983 to 1991, he was the founder and head of a mineral exploration consulting firm.</p>		
<p>Date Joined Board and Committees</p>		<p>Attendance at Meetings during 2009</p>	
<p>Board (May 1999)</p>		<p>6 of 6</p>	
<p>Finance Committee (July 2004) (Committee dissolved on June 4, 2009)</p>		<p>None held</p>	

<p>Roman Shklanka British Columbia, Canada Independent Director & Chairman Age: 77</p> <p>Principal Occupation: International minerals explorationist</p> <p>Common Shares: 1,017,000 Stock Options: 410,000 Warrants: 75,000</p>	<p>Dr. Shklanka has been the Chairman and a Director of the Company since 2000, and is also Chairman and Director of Kobex Minerals Inc. and Pacific Imperial Mines Ltd. He was Chairman of Kobex Resources Ltd. from 1997 to 2009 and International Barytex Resources Ltd. from 1993 to 2009. Dr. Shklanka was Chairman of Canico Resource Corp. from 2002 to 2005, which was acquired by CVRD in 2005, and was Chairman and a major shareholder of Sutton Resources Ltd. from 1995 to 1999, which was acquired by Barrick Gold Corporation in 1999. For over 20 years, Dr. Shklanka has held various exploration and management positions with Placer Dome Inc. including Vice President of Exploration. He holds a Ph.D. degree in geology from Stanford University, and M.A. and B.Comm. degrees from the University of Saskatchewan. Dr. Shklanka was inducted into the Canadian Mining Hall of Fame in 2009.</p>		
<p>Date Joined Board and Committees</p>		<p>Attendance at Meetings during 2009</p>	
<p>Board (August 2000)</p>		<p>6 of 6</p>	

<p>Paul B. Sweeney British Columbia, Canada Independent Director Age: 60</p> <p>Principal Occupation: Executive Officer, Plutonic Power Corporation, a renewable clean-energy company</p> <p>Common Shares: 11,150 Stock Options: 247,000</p>	<p>Mr. Sweeney is a financial executive with over 30 years of experience in the mining industry. He is President of Plutonic Power Corporation, a position he has held since August 2009 before which he was the Executive Vice President – Business Development (2007 to 2009). He was previously the Vice President and Chief Financial Officer of Canico Resource Corp. from 2002 to December 2005. Mr. Sweeney is also a director of Pan American Silver Corp., and Magma Energy Corp.</p>		
<p>Date Joined Board and Committees</p>		<p>Attendance at Meetings during 2009</p>	
<p>Board (April 2004)</p>		<p>5 of 6</p>	
<p>Audit Committee, (August 2004), Chair (June 2009)</p>		<p>4 of 4</p>	
<p>Governance, Compensation and Nominating Committee (December 2008)</p>		<p>2 of 2</p>	
<p>Finance Committee (August 2004) (Committee was dissolved on June 4, 2009)</p>		<p>None held</p>	

<p>Herbert G.A. Wilson British Columbia, Canada Related Director President & Chief Executive Officer Age: 59</p> <p>Principal Occupation: President & Chief Executive Officer of the Corporation</p> <p>Common Shares: 304,825 Stock Options: 319,792 Warrants: 35,000</p>	<p>Mr. Wilson has over 35 years of experience in the development and operation of construction materials and industrial minerals operations. Mr. Wilson joined Polaris Minerals Corporation in 2001, prior to which he was President of United States Lime & Minerals Inc., a NASDAQ-listed public company producing lime products and construction materials from limestone quarries located in the south-central states. From 1992 to 1998, he was a founding director and Executive Vice-President and Chief Operating Officer of Global Stone Corporation, a Toronto-listed public company producing construction aggregates and lime products.</p>
<p>Date Joined Board and Committees Board (July 2008)</p>	<p>Attendance at Meetings during 2009 6 of 6</p>

Corporate Cease Trade Orders and Bankruptcies

Except as set out below, no proposed Director of the Corporation:

- (a) is, as of the date of this Management Information Circular, or has been, within 10 years before the date of this Management Information Circular, a director, chief executive officer or chief financial officer of a company (including the Corporation) that
 - (i) was the subject of a cease trade or similar order or an order that denied such company access to any exemption under securities legislation that was in effect for a period of more than thirty consecutive days (an "Order") while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to such an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer in the company that is the subject of the Order and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (a) is, at the date of this Management Information Circular, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any company (including the Corporation) 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 its assets; or
- (b) has, within 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Terrence A. Lyons was a director and executive officer of FT Capital Ltd. which was subject to cease trade orders in each of the provinces of British Columbia, Alberta, Manitoba and Ontario due to the failure of FT Capital Ltd. to file financial statements since the financial year ended December 31, 2001. FT Capital Ltd. was liquidated in June 2009 at

which time Mr. Lyons ceased to be a director. Mr. Lyons is also a director of Royal Oak Ventures Inc. ("Royal Oak") which is currently subject to cease trade orders in each of the provinces of British Columbia, Alberta, Ontario and Quebec due to the failure of Royal Oak to file financial statements since the financial year ended December 31, 2003. Royal Oak's financial restructuring is ongoing. Mr. Lyons was a director of International Utility Structure Inc. ("IUSI") which, on October 17, 2003, was granted creditor protection by the Court of Queen's Branch of Alberta under the *Companies' Creditors Agreement Act* (Canada) ("CCAA"). On March 31, 2005, an order was granted approving the final IUSI restructuring plan under the CCAA at which time Mr. Lyons resigned as a director. Mr. Lyons was elected to the board of directors of each of FT Capital Ltd., Royal Oak, and IUSI largely because of his valuable experience and expertise in financial restructurings in the insolvency context.

Roman Shklanka is a director of Pacific Imperial Mines Ltd. which is currently subject to cease trade orders in each of the provinces of British Columbia and Alberta due to the failure of Pacific Imperial Mines Ltd. to file financial statements for the year ended June 30, 2008. Pacific Imperial Mines Ltd. is in the process of applying to the relevant securities regulatory authorities to have these cease trade orders lifted.

Roman Shklanka is a director of Texon Technologies Inc., a private company, which received a Petition for a Receiving Order under the *Bankruptcy and Insolvency Act* (Canada) on August 27, 2004. The issues surrounding the Order were resolved in the first half of 2005 pursuant to a Plan of Arrangement.

Penalties and Sanctions

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable security holder in deciding to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Objectives of Compensation Strategy and Determination of Compensation

The Corporation's overall strategic approach with regard to executive compensation is to recognize the need to retain high calibre executives by providing competitive salaries in line with those of the Corporation's comparators; to reward individual and corporate performance via annual bonus awards; and to motivate executives over the long term to remain with the Corporation and enhance shareholder value, through milestone bonuses and incentive stock options.

In late 2007, an independent consultant, Roger Gurr & Associates, was engaged to review and advise on the Corporation's compensation practices for its executive management, senior management and directors (the "2008 Gurr Report"). The 2008 Gurr Report provided recommendations for setting competitive 2008 base salary increases, annual bonus awards, and incentive stock option grants. This report has not since been updated.

The 2008 Gurr Report recommended that compensation levels ideally be compared to the marketplace in which the Corporation competes: North American mining companies with head offices in Vancouver, North American construction aggregate companies, and the western United States marketplace in respect of sales and marketing. The construction aggregates industry is concentrated amongst major companies and small local, privately owned companies for which no compensation information is available. There are no companies directly comparable to the Corporation, therefore, a group of operating mid-cap mining companies, with operating, or soon to be operational, mines was selected as a comparator group. The data from these groups were used only as a guidepost in determining appropriate compensation levels for the Corporation's executive, senior management and directors.

Executive compensation is determined by the Governance, Compensation and Nominating Committee (the "Governance Committee") based primarily upon the recommendations of the Corporation's President and CEO and, in part, on the recommendations of the 2008 Gurr Report; incentive stock option grants are approved by the Corporation's Board of Directors.

The elements of the compensation structure for Named Executive Officers (or "NEOs" as defined under 'Summary Compensation Table' below) include base salary, annual bonus awards, milestone bonuses, and incentive stock options:

Base salary

The Corporation established base salaries at the median level of the comparator group adjusted for special circumstances. This median level assumes fully satisfactory performance in all attributes of the job. Specific, measurable corporate or individual performance goals based on objective, identifiable measures are not used. The NEOs regularly discuss corporate priorities on a subjective basis as part of the planning process.

Annually, the Corporation's President and CEO provides recommendations to the Governance Committee regarding base salary recommendations. The President and CEO's recommendations are based on his subjective evaluation of each NEO's performance over the previous year and the Corporation's ability to fund potential increases. Based on these recommendations and at its discretion, the Governance Committee determines the amount of base salary for each NEO.

Annual bonus awards

The 2008 Gurr Report recommended that annual bonus awards be based on performance which meets pre-determined targets or objectives approved by the Board of Directors, and that target bonuses be set as a specified percentage of base salary for each position such that total cash compensation (base salary plus bonus) be the median of the marketplace, or beyond if performance is outstanding, subject to Board approval. The Corporation has not

established any corporate or individual pre-determined and approved targets or objectives. Annually, the Corporation's President and CEO provides recommendations to the Governance Committee regarding potential annual bonus awards for all NEOs. These recommendations are based on a subjective evaluation of each NEO's performance over the previous year as well as the Corporation's ability to fund potential bonuses. Based on these recommendations, and at its discretion, the Governance Committee determines the amount of annual bonuses, if any, to be awarded to each NEO.

Milestone bonuses

Milestone bonuses were granted in individual employment agreements in 2004, in order to recognize the commitment of specific NEOs to develop the Corporation, and are awarded to recognize the achievement of specific and measureable goals related to the Corporation's long term performance. Milestone bonuses are currently in effect for Mr. Wilson and Mr. Singleton, as disclosed elsewhere in this '*Statement of Executive Compensation*'.

Incentive stock options

To both motivate and retain executives, the 2008 Gurr Report recommended an annual grant of stock options. Recommendations regarding the term and vesting of such rewards were based upon typical mining company practices. The number of stock options granted by the Corporation during its most recently completed financial year was lower than that recommended in the 2008 Gurr Report.

Annually, the Corporation's President and CEO provides recommendations to the Governance Committee regarding incentive stock option grants for all NEOs. The President and CEO's recommendations are based on a subjective evaluation of each NEO's performance, the number of incentive stock options available to be granted, the number of options previously granted to each NEO and the market value of the Corporation's common shares. Based on these recommendations and at its discretion, the Governance Committee then makes its recommendations to the Board including the number of options to be granted, grant date and vesting terms. All option grants are approved by the Board in accordance with the Corporation's Incentive Stock Option Plan.

Options are not granted if the Corporation is under a trading black-out in accordance with its Corporate Disclosure Policy (see section entitled '*Report on Corporate Governance – Ethical Business Conduct*'). If a trading black-out is in effect at a time when the Board would otherwise grant options, such option grants are postponed until the conclusion of the trading black-out at which time the grant date of such options is set at a minimum of two full trading days after the conclusion of the trading black-out in accordance with the Corporate Disclosure Policy.

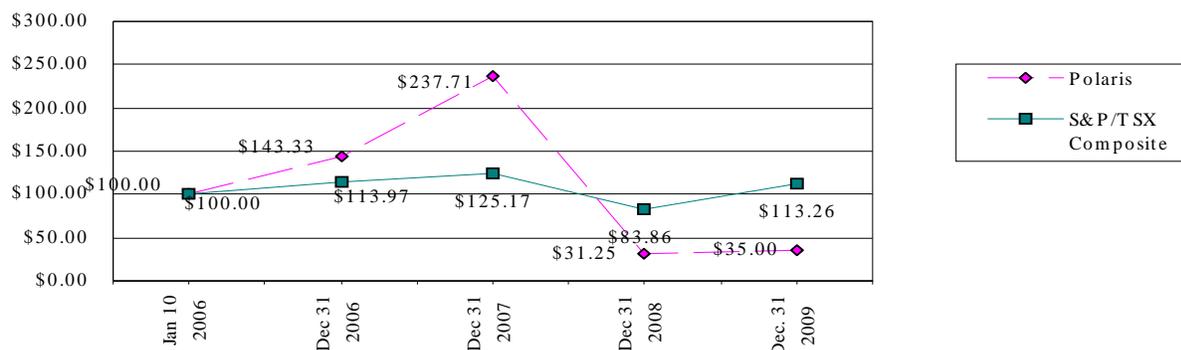
Adjustments

There are no formal policies in place regarding the adjustment or recovery of awards, earnings, payments, or payables if the conditions on which compensation is based are restated or adjusted to reduce the award, earning, payment, or payable. The Corporation has not yet experienced a situation in which such an adjustment was required or desired as compensation is not based on specific or measurable performance goals.

Performance graph

The following graph illustrates the cumulative shareholder return on \$100 invested in the Corporation's common shares relative to the cumulative return on the S&P/TSX Composite Index from 2006 (the year the Corporation became a reporting issuer) through to the end of the most recently completed financial year at December 31, 2009.

**CUMULATIVE VALUE OF \$100 INVESTMENT
ASSUMING REINVESTMENT OF DIVIDENDS**



	Jan. 10, 2006	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2009
Polaris	\$100.00	\$143.33	\$237.71	\$31.25	\$35.00
S&P/TSX Composite	\$100.00	\$113.97	\$125.17	\$83.86	\$113.26

Shareholder return increased after the Corporation's initial public offering in January 2006, a time of active development for the Corporation, reaching a peak in 2007 when construction of the Corporation's principle asset, the Orca Quarry, was completed and trading commenced. During 2008, an industry-wide decline in market demand for construction aggregates (the Corporation's products) took place, and worsened in 2009. The decline in shareholder return from early 2008 to the end of 2009 indicated the severity of the economic recession and liquidity crisis, and the effect of these events on the Corporation's primary market, California. In recognition of these events and their impact on the Corporation's growth and shareholder return, the Corporation implemented conservative "cost of living" increases to base salaries throughout the Corporation, including executive base salaries. Effective January 1, 2009, the Corporation combined the roles of Chief Executive Officer and Chief Operating Officer and the responsibilities of both roles are now performed by Herbert G.A. Wilson. Having realized a base salary increase in July 2008, as a result of the promotion to the position of President and CEO, and increased responsibilities, Mr. Wilson received no increase to his 2009 base salary. As well, all executives received annual incentive bonus awards, in amounts markedly lower than potential awards recommended in the 2008 Gurr Report and suggested in individual employment agreements, in recognition of ongoing market challenges; such awards are not reflective of individual performance.

SUMMARY COMPENSATION

Currency

The Corporation's reporting currency is the United States dollar ("US\$"). The Corporation's Canadian based Named Executive Officers are paid in Canadian dollars ("CA\$") and United States based Named Executive Officers are paid in US\$. Both currencies are provided in this 'Statement of Executive Compensation' in order to facilitate an understanding of the compensation under discussion.

For the purpose of financial reporting, and used in the disclosure herein, beginning in 2008, CA\$ amounts were translated, using the three-month average exchange rate, to US\$ using the current rate method. In 2007, the

translation rate used was a twelve-month average. These exchange rates are used for all compensation reported herein other than option based awards and are as follows:

For the year ended December 31, 2009	Q1 2009	CA\$1.00 = US\$0.8028
	Q2 2009	CA\$1.00 = US\$0.8570
	Q3 2009	CA\$1.00 = US\$0.9108
	Q4 2009	CA\$1.00 = US\$0.9468
For the year ended December 31, 2008	Q1 2008	CA\$1.00 = US\$0.9958
	Q2 2008	CA\$1.00 = US\$0.9900
	Q3 2008	CA\$1.00 = US\$0.9605
	Q4 2008	CA\$1.00 = US\$0.8252
for the year ended December 31, 2007	2007	CA\$1.00 = US\$0.9304

Translation rate for the purpose of calculating the value of option based awards are December 31 spot rates as follows:

2009	CA\$1.00 = US\$0.9515
2008	CA\$1.00 = US\$0.8130
2007	CA\$1.00 = US\$1.0054

Fair Value

The fair value of options granted is established in accordance with Section 3870 of the CICA Handbook using the Black-Scholes option pricing model with the following assumptions:

Average risk free rate:	2.45%
Expected life:	5.28 years
Expected volatility:	68.20%
Expected dividends:	None

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, to the following persons (collectively, the "Named Executive Officers" or "NEOs") during the most recently completed financial year ending December 31, 2009:

- (a) Chief Executive Officer ("CEO");
- (b) Chief Financial Officer ("CFO");
- (c) the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was individually more than \$150,000; and
- (d) each individual who would be an NEO under (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

Name and principal position	Year	Salary (US\$)	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)		Pension value (US\$)	All other compensation (US\$)	Total compensation (US\$)
					Annual incentive plans (Annual Bonus Awards)	Long-term incentive plans (Milestone Bonuses)			
Herbert G.A. Wilson President and CEO	2009	259,408	n/a	75,753	28,404	Nil	n/a	Nil	363,565
	2008	263,243	n/a	410,935	Nil	165,040	n/a	Nil	839,218
	2007	241,129	n/a	466,966	34,890	93,040	n/a	Nil	836,025
Lisa J. Dea Vice President, Finance & CFO	2009	162,240	n/a	60,603	14,202	n/a	n/a	Nil	237,045
	2008	169,718	n/a	213,099	29,914	n/a	n/a	Nil	412,731
	2007	139,080	n/a	272,767	33,727	n/a	n/a	Nil	446,442
David F. Singleton ¹ President Eagle Rock Aggregates Inc.	2009	272,000	n/a	75,753	20,000	Nil	n/a	Nil	367,753
	2008	265,000	n/a	255,719	37,500	Nil	n/a	Nil	558,219
	2007	245,000	n/a	466,966	37,500	200,000	n/a	Nil	949,466
William B. Terry CEO Eagle Rock Aggregates Inc.	2009	240,000	n/a	70,703	20,000	n/a	n/a	Nil	330,703
	2008	200,000	n/a	255,719	45,000	n/a	n/a	Nil	500,719
	2007	180,000	n/a	Nil	62,000	n/a	n/a	Nil	242,000
Kenneth M. Palko ² Vice President, Technical Services	2009	157,733	n/a	50,502	7,574	n/a	n/a	34,869	250,678
	2008	142,022	n/a	329,360	16,504	n/a	n/a	18,396	506,282
	2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Salaries paid in CA\$ (to Mr. Wilson, Ms. Dea and Mr. Palko) in 2009 and 2008 were translated to US\$ using the three-month average exchange rates and in 2007 using the twelve-month average exchange rate, as identified in the previous section entitled *Currency and Fair Value* earlier in this document. Incentive stock options are granted and exercisable in CA\$. Grant date fair value was calculated using the Black-Scholes option pricing model with assumptions as described in the section entitled *Currency and Fair Value* (earlier in this document) and then translated to US\$ using the Bank of Canada closing exchange rate on the option grant date. Non-equity incentive compensation (annual bonus awards and milestone bonuses) paid in CA\$ were translated to US\$ using the Q4 2009 three-month average exchange rate for 2009 compensation, the Q4 2008 three-month average exchange rate for 2008 compensation, and the year-end rate for 2007 compensation as identified in *Currency and Fair Value*.

Notes:

1. Compensation shown for Mr. Singleton is that paid to Proconsult UK Ltd., a management services company of which Mr. Singleton is the principal, for Mr. Singleton's services to the Corporation and includes the costs of maintaining Proconsult's office, together with administrative support personnel.
2. Mr. Palko commenced employment with the Corporation on February 18, 2008. Compensation stated in the "All other compensation" column reflects re-location and moving expenses reimbursed in CA\$, as per Mr. Palko's employment agreement. 2009 compensation was translated to US\$ using the three-month average exchange rate for Q1 2009, and 2008 compensation was translated to US\$ using the three-month average exchange rate for Q4 2008.

The above noted compensation received by Mr. Wilson and Mr. Singleton was awarded in conjunction with their NEO roles only; they received no additional compensation for their service as directors.

Employment Contracts and Compensation of Named Executive Officers

Following are descriptions of each of the NEO's employment contracts as well as their compensation as outlined in the table above.

Herbert G.A Wilson
President and Chief Executive Officer
Director

The Corporation entered into an employment agreement with Herbert G.A. Wilson on May 12, 2004 pursuant to which Mr. Wilson was appointed Senior Vice President and Chief Operating Officer of the Corporation. This employment agreement provides that Mr. Wilson receive an annual salary subject to annual adjustments. In the financial year ended December 31, 2007, Mr. Wilson earned a base salary of CA\$239,834 (US\$241,129).

This agreement provided that Mr. Wilson be eligible for a milestone bonus, payable in CA\$, of CA\$100,000 upon the first shipment of construction aggregates from a Project. During 2007, the first shipment of sand and gravel from the Orca Sand & Gravel Project took place and, as a result, a milestone bonus payment of CA\$100,000 (US\$93,040) was paid to Mr. Wilson in 2007.

On July 14, 2008, the Corporation entered into an employment agreement with Mr. Wilson which provided that Mr. Wilson would assume the position of President and Chief Executive Officer of the Corporation effective January 1, 2009 and that, effective July 14, 2008, Mr. Wilson would receive an annual salary, payable in CA\$, of CA\$295,000, subject to subsequent annual adjustments, and an annual bonus to a maximum of 45% of base salary, subject to approval by the Board of Directors. Mr. Wilson was also granted 100,000 incentive stock options upon his appointment. In the financial year ended December 31, 2008, Mr. Wilson earned a base salary of CA\$280,000 (US\$263,243).

The agreement also provided that Mr. Wilson be eligible for a milestone bonus, payable in CA\$, of CA\$200,000 upon first achieving the sale of two million tonnes of construction aggregates from the Projects within a calendar year. During the 2008 calendar year, the sale of two million tonnes of construction aggregates from the Corporation's Orca Sand & Gravel Project was achieved and, as a result, a milestone bonus payment of CA\$200,000 (US\$165,040) was paid to Mr. Wilson in 2008. The agreement also provides that Mr. Wilson will be eligible for a milestone bonus, payable in CA\$, of CA\$200,000 upon first achieving sale from the Projects in aggregate in excess of four million tonnes within a calendar year.

During the financial year ended December 31, 2009, Mr. Wilson earned a base salary, payable in CA\$, of CA\$295,000 (US\$259,408). Subsequent to the most recently completed financial year, Mr. Wilson's base salary was increased, effective January 1, 2010, to CA\$303,850 per annum.

Lisa J. Dea
Vice President, Finance and Chief Financial Officer

Lisa J. Dea commenced employment with the Corporation on October 17, 2005 as Corporate Controller. On March 30, 2006, the Corporation entered into an employment agreement with Ms. Dea pursuant to which Ms. Dea was appointed Vice President, Finance and Chief Financial Officer of the Corporation effective May 1, 2006. This employment agreement provides for an annual base salary payable in CA\$, subject to annual adjustments, and an annual bonus subject to approval by the Board of Directors of the Corporation.

During the financial years ended December 31, 2007 and 2008, Ms. Dea earned base salaries, paid in CA\$, of CA\$138,333 (US\$139,080) and CA\$180,000 (US\$169,718) respectively.

For the financial year ended December 31, 2009, Ms. Dea's annual base salary was CA\$184,500 (US\$162,240). Subsequent to the most recently completed financial year, Ms. Dea's base salary was increased, effective January 1, 2010, to CA\$200,035 per annum.

David F. Singleton
President, Eagle Rock Aggregates Inc.
Director (to June 2009)

On May 12, 2004, Polaris Aggregates Inc., a subsidiary of the Corporation, entered into a services agreement with Proconsult UK Ltd. ("Proconsult"), a company controlled by David Singleton, President of Eagle Rock Aggregates Inc., a subsidiary of the Corporation, and, at that time, also a director of the Corporation. The agreement commenced on July 1, 2004 for a five year term and was renewed effective July 1, 2009 for a subsequent three year term. The services agreement provides that Proconsult receive an annual fee payable in US\$, a portion of which offsets office and administrative support costs, subject to annual adjustments.

The services agreement provides that Proconsult provide management services in relation to identifying, securing and developing port terminal and distribution sites on the North American Pacific coast, and the management of related engineering, environmental, marketing and financial evaluations.

The agreement provides that Proconsult be eligible for a milestone bonus, payable in US\$, of US\$200,000 upon the discharge at a port in California of the first shipment of construction aggregates from a Project. During 2007, the first shipment of sand and gravel from the Orca Sand & Gravel Project was discharged in California and, as a result, a milestone bonus payment of US\$200,000 was paid to Proconsult.

The agreement also provides that Proconsult will be eligible for a milestone bonus, payable in US\$, of US\$300,000 upon first achieving sale from the Projects in aggregate in excess of four million tonnes within a calendar year.

For the financial years ended December 31, 2007, 2008 and 2009, Proconsult's annual fee was US\$245,000, US\$265,000 and US\$272,000 respectively. Subsequent to the most recently completed financial year, Proconsult's annual fee was increased, effective January 1, 2010, to US\$280,160.

William B. Terry
Chief Executive Officer, Eagle Rock Aggregates Inc.

On June 28, 2006, Eagle Rock Aggregates Inc., a subsidiary of the Corporation, entered into an employment agreement with William B. Terry pursuant to which Mr. Terry was appointed General Manager, California Operations. Mr. Terry's employment agreement provides for an annual base salary, payable in US\$, subject to annual adjustments, and an annual bonus, if any, with a target award, payable in US\$, of US\$45,000, to be determined by the Board of Directors of the Corporation. On January 1, 2009, Mr. Terry assumed the position of Chief Executive Officer of Eagle Rock Aggregates Inc. with no changes being made to his employment agreement.

For the financial years ended December 31, 2007, 2008 and 2009, Mr. Terry's annual base salary was US\$180,000, US\$200,000 and US\$240,000 respectively. Subsequent to the most recently completed financial year, Mr. Terry's base salary was increased, effective January 1, 2010, to US\$247,200 per annum.

Kenneth M. Palko
Vice President, Technical Services

On December 14, 2007, the Corporation entered into an employment agreement with Kenneth M. Palko pursuant to which Mr. Palko was appointed Vice President, Technical Services of the Corporation effective February 18, 2008. This employment agreement provides for an annual base salary, payable in CA\$, of CA\$175,000, subject to annual adjustments, and an annual bonus, if any, with a target award, payable in CA\$, of 15% of base annual salary in 2008 and 20% of base annual salary in 2009, subject to approval by the Board of Directors of the Corporation. The

agreement also included the reimbursement of re-location expenses to a maximum of CA\$50,000 as well as reasonable moving expenses.

During the financial year ended December 31, 2008, the Corporation reimbursed Mr. Palko, in CA\$, in the amount of CA\$22,293 (US\$18,396) for moving expenses, and during the financial year ended December 31, 2009, the Corporation reimbursed Mr. Palko, in CA\$, in the amount of CA\$43,434 (US\$34,869) for re-location expenses.

For the financial years ended December 31, 2008 and 2009, Mr. Palko earned an annual base salary, paid in CA\$, of CA\$151,667 (US\$142,022) and CA\$179,375 (US\$157,733) respectively. Subsequent to the most recently completed financial year, Mr. Palko's base salary was increased, effective January 1, 2010, to CA\$184,756 per annum.

INCENTIVE PLAN AWARDS

Incentive Stock Option Plan

The Corporation's Incentive Stock Option Plan (the "Option Plan"), which is summarized below, was last amended and restated as of May 16, 2006 and was re-confirmed by the shareholders, in accordance with the policies of the TSX, at the 2009 Annual General meeting of the Corporation which took place on June 4, 2009.

The purpose of the Option Plan is to attract and retain superior directors, officers, advisors, employees and other persons or companies engaged to provide ongoing services to the Corporation as incentive for such persons to put forth maximum effort for the continued success and growth of the Corporation and, in combination with these goals, to encourage their participation in the performance of the Corporation.

The Option Plan reserves a maximum of 10% of the issued and outstanding common shares pursuant to options granted under the Option Plan. As of the date hereof, an aggregate of 3,582,845 options have been issued and remain outstanding under the Option Plan, representing approximately 6.7% of the issued and outstanding common shares. 1,124,757 common shares have been issued pursuant to the exercise of options under the Option Plan. Options which have expired, were cancelled or otherwise terminated without having been exercised, and those which have been exercised are available for subsequent grants under the Option Plan.

The Option Plan provides that the Board of Directors may, from time to time, grant options to acquire all or part of the common shares, subject to the Option Plan, to directors, officers, advisors, employees, and other persons or companies engaged to provide ongoing services to the Corporation. The options are non-assignable and non-transferable other than by will or by laws governing the devolution of property in the event of death. Each option entitles the holder to one common share. The exercise price for options granted pursuant to the Option Plan is determined by the Board of Directors on the date of the grant, which price may not be less than the market value. Market value is defined under the Option Plan as the closing price of the common shares on the TSX on the trading day immediately preceding the grant day and, if there is no closing price, the last sale price thereto. The term of the options granted is determined by the Board of Directors, which term may not exceed a maximum of ten years from the date of the grant. The Board also has the authority to determine the vesting conditions of the options and certain other terms and conditions of the options. Options granted under the Option Plan may be exercised as soon as they have vested. The Option Plan does not contemplate that the Corporation will provide financial assistance to any optionee in connection with the exercise of options.

In accordance with the rules of the Option Plan and the TSX, options granted under the Option Plan are subject to certain restrictions which include:

- a) The number of common shares which may be issued pursuant to the Option Plan (or any other employee-related plan or options for services) to any one person in any one year may not exceed 5% of the common shares issued and outstanding on a non-diluted basis from time to time;

- b) The number of common shares which may be reserved for issuance pursuant to the Option Plan (or any other employee-related plan or options for services) to all insiders of the Corporation may not exceed 10% of the issued and outstanding common shares on a non-diluted basis from time to time; and
- c) The number of common shares which may be issued pursuant to the Option Plan (or any other employee-related plan or options for services) to all insiders of the Corporation within a one-year period may not exceed 10% of the issued and outstanding common shares on a non-diluted basis from time to time.

An optionee whose employment with the Corporation is terminated as a result of retirement, disability or redundancy will have 60 days from the date of termination to exercise any options that had vested as of the termination date. An optionee whose employment with the Corporation is terminated, other than for cause, at any time in the six months following a change of control of the Corporation, shall have 90 days from the date of termination to exercise any options granted, and all options granted will immediately vest on the date of the termination. In the event of the death of an optionee, either prior to termination or after retirement or disability, the optionee's legal representative will have one year from the date of the optionee's death to exercise any options that had vested on the date of the optionee's death. In the event of any other termination, the optionee shall have 30 days from the date of termination to exercise any options that had vested as of the termination date. In the event that an optionee is terminated for cause, any options not exercised prior to the termination date shall lapse. Notwithstanding the foregoing, no option shall be exercisable following the expiration of the option period applicable thereto.

In the event that the Corporation:

- a) subdivides, consolidates or reclassifies the Corporation's outstanding common shares, or makes another capital adjustment or pays a stock dividend, the number of common shares receivable under the Option Plan will be increased or decreased proportionately; and
- b) amalgamates, consolidates with or merges with or into another body corporate, holders of options under the Option Plan will, upon exercise thereafter of such option, be entitled to receive and compelled to accept, in lieu of common shares, such other securities, property or cash which the holder would have received upon such amalgamation, consolidation or merger if the option was exercised immediately prior to the effective date of such amalgamation, consolidation or merger.

Subject, where required, to the approval of the TSX, and/or applicable securities regulatory authorities, the Board may, from time to time, amend, suspend or terminate the Option Plan in whole or in part.

In addition, the Option Plan and any outstanding options may be amended or terminated by the Board if the amendment or termination is required by any securities regulatory, a stock exchange or a market as a condition of approval to a distribution to the public of the common shares or to obtain or maintain a listing or quotation of the common shares.

The Board may also amend or terminate any outstanding options, including, but not limited to, substituting another award of the same or of a different type or change the date of exercise, provided, however, that the holder of the option must consent to such action if it would materially and adversely affect the holder.

A copy of the Option Plan may be obtained by any shareholder by request to the Secretary of the Corporation at Suite 2740, PO Box 11175, 1055 West Georgia Street, Vancouver, BC V6E 3R5 or by email at dlynch@polarmin.com.

Outstanding Share-Based Awards and Option-Based Awards

Outstanding share-based awards and option-based awards for NEOs as at the end of the Corporation's most recently completed financial year are set out in the following table:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)		Option expiration date	Value of unexercised in-the-money options (US\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (US\$)
		CAS	US\$				
Herbert G.A. Wilson President & CEO; Director	75,000	1.99	1.89	06-Jul-2019	Nil	n/a	n/a
	100,000	4.56	4.34	16-Jul-2013	Nil		
	6,042	5.60	5.33	16-May-2016	Nil		
	60,000	11.41	10.86	01-Jan-2013	Nil		
	78,750	13.75	13.08	04-Oct-2017	Nil		
Lisa J. Dea Vice President Finance & CFO	60,000	1.99	1.89	06-Jul-2019	Nil	n/a	n/a
	45,424	5.60	5.33	16-May-2016	Nil		
	50,000	11.41	10.86	01-Jan-2013	Nil		
	46,000	13.75	13.08	04-Oct-2017	Nil		
David F. Singleton President, Eagle Rock Aggregates Inc.	5,000	1.00	0.95	21-Oct-2012	\$3,243	n/a	n/a
	75,000	1.99	1.89	06-Jul-2019	Nil		
	5,000	2.00	1.90	16-Jan-2013	Nil		
	5,000	2.75	2.62	15-Jan-2014	Nil		
	5,000	4.00	3.81	20-Jan-2015	Nil		
	10,000	4.80	4.57	23-Jan-2016	Nil		
	60,000	11.41	10.86	01-Jan-2013	Nil		
78,750	13.75	13.08	04-Oct-2017	Nil			
William B. Terry CEO, Eagle Rock Aggregates Inc.	70,000	1.99	1.89	06-Jul-2019	Nil	n/a	n/a
	80,000	4.80	4.57	30-Jun-2013	Nil		
	70,000	11.41	10.86	01-Jan-2013	Nil		
Kenneth M. Palko Vice President, Technical Services	50,000	1.99	1.89	06-Jul-2019	Nil	n/a	n/a
	85,000	8.69	8.27	17-Feb-2018	Nil		

Incentive stock options are granted and exercisable in CA\$. Option exercise prices were translated from CA\$ to US\$ using the December 31, 2009 spot rate of CA\$1.00 = US\$0.9515. The value of unexercised in-the-money options is based on the TSX market closing price of the Corporation's common shares on December 31, 2009, being CA\$1.68, translated to US\$ using the December 31, 2009 spot rate of CA\$1.00 = US\$0.9515, thereby resulting in a common share value of US\$1.60. (Refer to *Currency and Fair Value* earlier in this document.)

Typically, the vesting terms of stock options awards granted to NEOs are as follows: one-third of the options vest immediately upon the grant date, one-third vest one year after the grant date, and the remaining one-third vest two years after the grant date, with a term of ten years from the date of grant.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table discloses incentive plan awards, including annual incentive bonuses and contracted milestone bonuses, awarded during the year ended December 31, 2009:

Name	Option-based awards Value vested during the year (US\$)	Share-based awards Value vested during the year (US\$)	Non-equity incentive plan compensation Value earned during the year (US\$)
Herbert G.A. Wilson	Nil	n/a	28,404
Lisa J. Dea	Nil	n/a	14,202
David F. Singleton	Nil	n/a	20,000
William B. Terry	Nil	n/a	20,000
Kenneth M. Palko	Nil	n/a	7,574

Incentive bonus awards paid in CAS (to Mr. Wilson, Ms. Dea and Mr. Palko) were translated using the Q4 2009 rate of CA\$1.00 = US\$0.9468. (Refer to *Currency and Fair Value* earlier in this document.)

PENSION PLAN BENEFITS

The Corporation does not have any defined benefit or defined contribution plans.

TERMINATION AND CHANGE OF CONTROL BENEFITS

All translations from CA\$ to US\$ in this section are made using the December 31, 2009 spot rate of CA\$1.00 = US\$0.9515. (Refer to *Currency and Fair Value* earlier in this document.)

Herbert G.A Wilson

President and Chief Executive Officer

Mr. Wilson's employment agreement with the Corporation includes the following termination and change of control compensation and benefit scenarios:

- If Mr. Wilson resigns before earning the four million tonne milestone bonus (as described in the section *'Summary Compensation – Employment Contracts and Compensation of Named Executive Officers'* above), the Corporation will pay Mr. Wilson, in CA\$, CA\$100,000 within 60 days of the end of the calendar year in which construction aggregates sales from the Projects, in aggregate, first exceed four million tonnes. If Mr. Wilson had resigned on December 31, 2009, the Corporation would have been required to compensate Mr. Wilson accordingly. As that date of payment is not reasonably determinable, no relevant US\$ equivalent can be stated herein.
- If the Corporation terminates Mr. Wilson's employment, for reasons other than just cause, before Mr. Wilson has earned the four million tonne milestone bonus, the Corporation will pay Mr. Wilson, in CA\$, a sum equal to two years' of Mr. Wilson's then current base annual salary, plus an amount equal to the cost of the employee benefits, other than bonus and incentive stock options, for a period of 24 months; and the Corporation will pay to Mr. Wilson, in CA\$, CA\$200,000 within 60 days of the end of the calendar year in which construction aggregates sales from the Projects, in aggregate, first exceed four million tonnes. If the Corporation had terminated Mr. Wilson's employment on December 31, 2009, for reasons other than just cause, the Corporation would have been required to remit payment to Mr. Wilson, upon termination, in the amount CA\$590,000 (US\$561,385) in base salary plus CA\$90,446 (US\$86,060) in the value of employee benefits, for a total of CA\$680,446 (US\$647,445). In addition, the Corporation would be required to remit payment to Mr. Wilson in the amount of CA\$200,000 within 60 days of the end of the calendar year in which construction aggregates sales from the Projects, in aggregate, first exceed four million tonnes. As this date is not reasonably determinable, no relevant US\$ equivalent for this milestone bonus is being stated herein.
- If the Corporation terminates Mr. Wilson's employment without just cause after Mr. Wilson has earned the four million tonne milestone bonus, the Corporation will pay to Mr. Wilson a sum equal to two years' of Mr.

Wilson's then current base annual salary, plus an amount equal to the cost of the employee benefits, other than bonus and incentive stock options, for a period of 24 months. It would not have been possible for this scenario to take place as of December 31, 2009 as the four million tonne milestone has not yet been achieved.

- In the event of a "change of control" of the Corporation, Mr. Wilson will be entitled to severance pay in an amount equal to two years' base salary plus the cost of two years' benefits, other than bonus and incentive stock options, if his employment is terminated by the Corporation or the successor corporation within one year of such change of control. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Mr. Wilson an amount of CA\$680,446 (US\$647,445) comprised of CA\$590,000 (US\$561,385) base salary plus CA\$90,446 (US\$86,060) in employee benefits other than bonus and incentive stock options. In addition, the Corporation would be required to remit payment to Mr. Wilson in the amount of CA\$200,000 within 60 days of the end of the calendar year in which construction aggregates sales from the Projects, in aggregate, first exceed four million tonnes. As this date is not reasonably determinable, no relevant US\$ equivalent can be stated herein.
- In the event of a "change of control" of the Corporation, Mr. Wilson will be entitled to severance pay in an amount equal to one year's base salary plus the cost of one year's benefits, other than bonus and incentive stock options, if Mr. Wilson resigns within one year of such change of control. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Mr. Wilson an amount of CA\$310,897 (US\$256,552), comprised of CA\$295,000 (US\$280,693) base salary plus CA\$45,223 (US\$43,030) in employee benefits other than bonus and incentive stock options. In addition, the Corporation would be required to remit payment to Mr. Wilson in the amount of CA\$200,000 within 60 days of the end of the calendar year in which construction aggregates sales from the Projects, in aggregate, first exceed four million tonnes. As this date is not reasonably determinable, no relevant US\$ equivalent can be stated herein.

Mr. Wilson's outstanding and vested incentive stock options as of December 31, 2009 had a nil value.

Lisa J. Dea

Vice President Finance and Chief Financial Officer

Ms. Dea's employment agreement with the Corporation includes the following termination and change of control compensation and benefit scenarios:

- If the Corporation terminates Ms. Dea's employment without just cause, she will be entitled to a sum equal to 12 months of her then current annual salary plus an amount equal to the cost of her employee benefits, other than bonus and incentive stock options, for such period. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Ms. Dea an amount of CA\$222,163 (US\$211,389), comprised of CA\$184,500 (US\$175,552) base salary plus CA\$37,663 (US\$35,837) in employee benefits other than bonus and incentive stock options.

In the event of a "change of control" of the Corporation, Ms. Dea will be entitled to severance pay in an amount equal to two years' base salary plus the cost of two years' benefits, other than bonus and incentive stock options, if her employment is terminated by the Corporation or the successor corporation within one year of such change of control. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Ms. Dea an amount totaling CA\$444,326 (US\$422,777), comprised of CA\$369,000 (US\$351,104) base salary plus CA\$75,326 (US\$71,673) in employee benefits other than bonus and incentive stock options.

- In the event of a "change of control" of the Corporation, Ms. Dea will be entitled to severance pay in an amount equal to one year's base salary plus the cost of one year's benefits other than bonus and incentive stock options if she resigns within one year of such change of control. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Ms. Dea, in CA\$, an amount

of CA\$222,163 (US\$211,389), comprised of CA\$184,500 (US\$175,552) base salary plus CA\$37,663 (US\$35,837) in employee benefits other than bonus and incentive stock options.

Ms. Dea's outstanding and vested incentive stock options as of December 31, 2009 had a nil value.

David F. Singleton

President, Eagle Rock Aggregates Inc.

Proconsult's services agreement with Polaris Aggregates Inc., a subsidiary of the Corporation, includes the following termination and change of control compensation and benefits scenarios:

- If Proconsult terminates the services agreement before earning the milestone bonus (as described in the section '*Summary Compensation – Employment Contracts and Compensation of Named Executive Officers*' above), the Corporation will pay Proconsult, in US\$, US\$150,000 within 60 days of the end of the calendar year in which construction aggregates sales from the Projects, in aggregate, first exceed four million tonnes provided that the end of such calendar year occurs within 24 months of the resignation. If Proconsult had terminated the services agreement on December 31, 2009, and if construction aggregates sales from the Projects, in aggregate, exceeded four million tonnes during the 2010 or 2011 calendar year, then the Corporation would have been required to remit payment, in US\$, in the amount of US\$150,000 to Proconsult, within 60 days of the end of the applicable calendar year.
- If the Corporation terminates the services agreement with Proconsult, for reasons other than just cause, during the term of the services agreement, and before Proconsult has earned the milestone bonus, the Corporation must pay to Proconsult a sum equal to Proconsult's then current annual base fee for the period subsequent to the termination of the engagement to the termination date of the agreement, as well US\$300,000 within 60 days of the end of the calendar year in which construction aggregates sales from the Projects, in aggregate, first exceed four million tonnes provided that the end of such calendar year occurs within 24 months of the termination. If the Corporation had terminated the services agreement with Proconsult on December 31, 2009, the Corporation would have been required to pay to Proconsult, in US\$, US\$272,000 reflecting the annual base fee. In addition, if construction aggregates sales from the Projects, in aggregate, exceeded four million tonnes during the 2010 or 2011 calendar year, the Corporation would also be required to remit payment, in US\$, in the amount of US\$300,000 to Proconsult, within 60 days of the end of the applicable calendar year.
- In the event of a "change of control" of the Corporation, if Proconsult's engagement is terminated by the Corporation or any successor corporation after such change of control and prior to the termination date of the agreement, Proconsult will be entitled to payment in an amount equal to two years' base fee plus the milestone bonus. If such event had occurred on December 31, 2009, the Corporation would also have been required to compensate Proconsult an amount of US\$544,000. If the Corporation had terminated the services agreement with Proconsult on December 31, 2009, and if construction aggregates sales from the Projects, in aggregate, exceeded four million tonnes during the 2010 or 2011 calendar year, then the Corporation would also have been required to remit payment, in US\$, in the amount of US\$300,000 to Proconsult, within 60 days of the end of the applicable calendar year.

Mr. Singleton's outstanding and vested incentive stock options as of December 31, 2009 had a value of US\$3,243.

William B. Terry

Chief Executive Officer, Eagle Rock Aggregates Inc.

Mr. Terry's employment agreement with Eagle Rock Aggregates Inc. includes the following termination and change of control compensation and benefit scenarios:

- If the Corporation terminates Mr. Terry's employment without just cause, he will be entitled to a sum equal to 26 weeks of his then current base annual salary plus an amount equal to the cost of his employee benefits, and a prorata bonus, but excluding incentive stock options, for such period. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Mr. Terry, in US\$, an amount totaling US\$171,592, comprised of US\$120,000 in base salary, US\$29,092 in employee benefits and US\$22,500 in bonus, other than incentive stock options.
- In the event of a "change of control" of the Corporation, Mr. Terry will be entitled to severance pay in an amount equal to 52 weeks' base salary plus the cost of 52 weeks' benefits, other than bonus and incentive stock options, if his employment is terminated by the Corporation or the successor corporation within six months of such change of control. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Mr. Terry, in US\$, an amount equal to US\$298,184, comprised of US\$240,000 base salary plus US\$58,184 in employee benefits other than bonus and incentive stock options.
- In the event of a "change of control" of the Corporation, Mr. Terry will be entitled to severance pay in an amount equal to 52 weeks' base salary plus the cost of 52 weeks' benefits, other than bonus and incentive stock options, if he resigns within six months of such change of control. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Mr. Terry, in US\$, an amount equal to US\$298,184, comprised of US\$240,000 base salary plus US\$58,184 in employee benefits other than bonus and incentive stock options.
- In the event of a "change of control" of the Corporation, Mr. Terry will be entitled to severance pay in an amount equal to 26 weeks' base salary plus the cost of 26 weeks' benefits, other than bonus and incentive stock options, if Mr. Terry is terminated by the Corporation or the successor corporation between six and 12 months after such change of control. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Mr. Terry, in US\$, an amount equal to US\$149,092, comprised of US\$120,000 base salary plus US\$29,092 in employee benefits other than bonus and incentive stock options.
- In the event of a "change of control" of the Corporation, Mr. Terry will be entitled to severance pay in an amount equal to 26 weeks' base salary plus the cost of 26 weeks' benefits, other than bonus and incentive stock options, if he resigns between six and 12 months after such change of control. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Mr. Terry, in US\$, an amount equal to US\$149,092, comprised of US\$120,000 base salary plus US\$29,092 in employee benefits other than bonus and incentive stock options.

Mr. Terry's outstanding and vested incentive stock options as of December 31, 2009 had a nil value.

Kenneth M. Palko

Vice President, Technical Services

Mr. Palko's employment agreement with the Corporation includes the following termination and change of control compensation and benefit scenarios:

- If the Corporation terminates Mr. Palko's employment without just cause, he will be entitled to a sum equal to 26 weeks of his then current base annual salary plus an amount equal to the cost of his employee benefits, and a prorata bonus, but excluding incentive stock options, for such period. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Mr. Palko, in CA\$, an amount totaling CA\$116,776 (US\$111,112), comprised of CA\$89,688 (US\$85,338) base salary, CA\$9,150 (US\$8,706) in employee benefits and CA\$17,938 (US\$17,068) in bonus, other than incentive stock options.
- In the event of a "change of control" of the Corporation, Mr. Palko will be entitled to severance pay in an amount equal to one year's base salary plus the cost of one year's benefits, other than bonus and incentive stock options, if his employment is terminated by the Corporation or the successor corporation within six

months of such change of control. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Mr. Palko an amount totaling CA\$197,675 (US\$188,087) comprised of CA\$179,375 (US\$170,675) base salary plus CA\$18,300 (US\$17,412) in employee benefits other than bonus and incentive stock options.

- In the event of a “change of control” of the Corporation, Mr. Palko will be entitled to severance pay in an amount equal to one year’s base salary plus the cost of one year’s benefits other than bonus and incentive stock options if he resigns within six months of such change of control. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Mr. Palko an amount totaling CA\$197,675 (US\$188,087) comprised of CA\$179,375 (US\$170,675) base salary plus CA\$18,300 (US\$17,412) in employee benefits other than bonus and incentive stock options.
- In the event of a “change of control” of the Corporation, Mr. Palko will be entitled to severance pay in an amount equal to 26 weeks’ base salary plus the cost of 26 weeks’ benefits other than bonus and incentive stock options if his employment is terminated by the Corporation or the successor corporation between six and 12 months after such change of control. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Mr. Palko, in CA\$, an amount totaling CA\$98,838 (US\$94,044) comprised of CA\$89,688 (US\$85,338) base salary and CA\$9,150 (US\$8,706) in employee benefits other than bonus and incentive stock options.
- In the event of a “change of control” of the Corporation, Mr. Palko will be entitled to severance pay in an amount equal to 26 weeks’ base salary plus the cost of 26 weeks’ benefits other than bonus and incentive stock options if he resigns between six and 12 months after such change of control. If such event had occurred on December 31, 2009, the Corporation would have been required to compensate Mr. Palko, in CA\$, an amount totaling CA\$98,838 (US\$94,044) comprised of CA\$89,688 (US\$85,338) base salary and CA\$9,150 (US\$8,706) in employee benefits other than bonus and incentive stock options

Mr. Palko’s outstanding and vested incentive stock options as of December 31, 2009 had a nil value.

DIRECTOR COMPENSATION

The 2008 Gurr Report (referred to in the section entitled ‘*Summary Compensation*’) provided recommendations for establishing director compensation. It reviewed outside director compensation using the same comparator group of companies as that used in the review of NEO compensation discussed previously.

The elements of the compensation structure for non-related directors include annual retainers and meeting fees, as well as incentive stock options:

Fees

Based on the 2008 Gurr Report, the Board of Directors approved the following non-related directors’ compensation structure through which non-related directors are compensated, in CA\$, for their services in their capacity as directors, commencing with the 2008 fiscal year:

	<u>CA\$</u>
Annual retainer - Board Chair	30,000
Annual retainer – Non-Related Director	20,000
Annual retainer - Audit Committee Chair	6,000
Annual retainer - Other Committee Chair	3,000
Board and Committee meeting fee (per meeting) in person or by telephone	1,000
Travel fee (per travel day)	1,000

Subsequent to 2008, the Governance Committee recommended to the Board that no changes be made to this director compensation structure for 2009 and 2010.

The following table discloses all compensation provided to the directors for the Corporation's most recently completed financial year ending December 31, 2009:

Name	Fees earned (US\$)	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)	Pension value (US\$)	All other compensation (US\$)	Total (US\$)
Colin K. Benner	24,784	n/a	30,301	n/a	n/a	Nil	55,085
Terrence A. Lyons	31,890	n/a	30,301	n/a	n/a	Nil	62,191
Eugene P. Martineau (joined board March 18, 2010)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gary D. Nordin (term ended June 4, 2009)	7,859	n/a	Nil	n/a	n/a	Nil	7,859
John H. Purkis (term ended June 4, 2009)	11,636	n/a	Nil	n/a	n/a	Nil	11,636
Marco A. Romero ¹	18,145	n/a	30,301	n/a	n/a	30,502	78,948
Roman Shklanka	31,756	n/a	30,301	n/a	n/a	Nil	62,057
Paul B. Sweeney	30,549	n/a	30,301	n/a	n/a	Nil	60,850

Directors' fees are paid in CA\$ and were translated to US\$ using the three-month average exchange rates for 2009, as applicable for each quarterly payment. Incentive stock options are granted and exercisable in CA\$. Grant date fair value was calculated using the Black-Scholes option pricing model with assumptions as described in the section entitled *Currency and Fair Value* (earlier in this document) and then translated to US\$ using the Bank of Canada closing exchange rate on the option grant date.

Notes:

1. Mr. Romero's compensation stated in the "All other compensation" column reflects payment under a consulting agreement as further described below. This compensation was paid in CA\$ and translated to US\$ using the 2009 three-month average exchange rates as applicable at the time of each payment. (Refer to *Currency and Fair Value* earlier in this document.)

Mr. Wilson (director since July 2008) and Mr. Singleton (whose term as director ended on June 4, 2009) did not receive any compensation for their role as directors. Their compensation as Named Executive Officers is described in '*Statement of Executive Compensation - Summary Compensation*' above.

On July 14, 2008, the Corporation entered into a consulting agreement with Marco A. Romero effective January 1, 2009, such agreement having an eight year term. Under this agreement, Mr. Romero provides consulting services to the Corporation at an annual fee of CA\$10.00 plus an hourly rate of CA\$150.00 with a guaranteed minimum of 20 hours per month for the first 36 months of the agreement. During the recently completed financial year ending December 31, 2009, the Corporation paid Mr. Romero, in CA\$, CA\$35,100 (US\$30,502) for services under this agreement.

On June 30, 2009, the Corporation entered into a consulting agreement with Gary D. Nordin, effective June 30, 2009, such agreement having a five year term. Under this agreement, Mr. Nordin is to provide geological and geological

consulting services to the Corporation, on an as-needed basis, at an hourly rate of CA\$150.00. To date, the Corporation has not engaged or compensated Mr. Nordin under this agreement.

Incentive Stock Options

Directors are also compensated for their services in their capacity as directors through the granting by the Corporation of stock options from time to time in accordance with the Option Plan and the policies of the TSX. Such grants typically take place on an annual basis, however, options are not granted if the Corporation is under a trading black-out in accordance with its Corporate Disclosure Policy (see *'Report on Corporate Governance – Ethical Business Conduct'*). If a trading black-out is in effect at a time when the Board would otherwise grant options, such grants are postponed until the conclusion of the trading black-out at which time the grant date of such options is set at least two full trading days after the conclusion of the of the trading black-out in accordance with the Corporation's Disclosure Policy.

Refer to *'Statement of Executive Compensation – Incentive Plan Awards – Incentive Stock Option Plan'* for further details regarding the Option Plan.

The Governance Committee recommends to the Board of Directors the quantity of options to be granted to directors. All option grants are approved by the Board.

Outstanding share-based awards and option-based awards for independent directors are set out in the following table:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)		Option expiration date	Value of unexercised in-the-money options (US\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (US\$)
		CAS	US\$				
Colin K. Benner	50,000	1.77	1.68	13-Nov-2018	Nil	n/a	n/a
	30,000	1.99	1.89	06-Jul-2019	Nil		
Terrence A. Lyons	30,000	1.99	1.89	06-Jul-2019	Nil	n/a	n/a
	50,000	4.00	3.81	01-May-2014	Nil		
	20,000	4.00	3.81	20-Jan-2015	Nil		
	25,000	4.80	4.57	23-Jan-2016	Nil		
	30,000	11.41	10.86	01-Jan-2013	Nil		
	92,000	13.75	13.08	04-Oct-2017	Nil		
Eugene P. Martineau (joined Board in 2010)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gary D. Nordin	50,000	0.75	0.71	23-Apr-2011	44,245	n/a	n/a
	20,000	1.00	0.95	21-Oct-2012	12,940		
	20,000	2.00	1.90	16-Jan-2013	Nil		
	20,000	2.75	2.62	15-Jan-2014	Nil		
	20,000	4.00	3.81	20-Jan-2015	Nil		
	25,000	4.80	4.57	23-Jan-2016	Nil		
	30,000	11.41	10.86	01-Jan-2013	Nil		
	92,000	13.75	13.08	04-Oct-2017	Nil		

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)		Option expiration date	Value of unexercised in-the-money options (US\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (US\$)
		CAS	US\$				
John H. Purkis	Nil	Nil	Nil	n/a	Nil	n/a	n/a
Marco A. Romero	20,000	0.75	0.71	23-Apr-2011	17,698	n/a	n/a
	2,500	1.00	0.95	21-Oct-2012	1,618		
	30,000	1.99	1.89	06-Jul-2019	Nil		
	2,500	2.00	1.90	16-Jan-2013	Nil		
	2,500	2.75	2.62	15-Jan-2014	Nil		
	2,500	4.00	3.81	20-Jan-2015	Nil		
	5,000	4.80	4.57	23-Jan-2016	Nil		
	105,000	11.41	10.86	01-Jan-2013	Nil		
	153,000	13.75	13.08	04-Oct-2017	Nil		
Roman Shklanka	50,000	0.75	0.71	23-Apr-2011	44,245	n/a	n/a
	20,000	1.00	0.95	21-Oct-2012	12,940		
	30,000	1.99	1.89	06-Jul-2019	Nil		
	20,000	2.00	1.90	16-Jan-2013	Nil		
	20,000	2.75	2.62	15-Jan-2014	Nil		
	20,000	4.00	3.81	20-Jan-2015	Nil		
	25,000	4.80	4.57	23-Jan-2016	Nil		
	40,000	11.41	10.86	01-Jan-2013	Nil		
	185,000	13.75	13.08	04-Oct-2017	Nil		
Paul Sweeney	30,000	1.99	1.89	06-Jul-2019	Nil	n/a	n/a
	50,000	4.00	3.81	01-May-2014	Nil		
	20,000	4.00	3.81	20-Jan-2015	Nil		
	25,000	4.80	4.57	23-Jan-2016	Nil		
	30,000	11.41	10.86	01-Jan-2013	Nil		
	92,000	13.75	13.08	04-Oct-2017	Nil		

Incentive stock options are granted and exercisable in CA\$. Option exercise prices were translated from CA\$ to US\$ using the December 31, 2009 spot rate of CA\$1.00 = US\$0.9515. The value of unexercised in-the-money options is based on the TSX market closing price of the Corporation's common shares on December 31, 2009, being CA\$1.68, translated to US\$ using December 31, 2009 spot rate of CA\$1.00 = US\$0.9515, thereby resulting in a common share value of US\$1.60. (Refer to *Currency and Fair Value* earlier in this document.)

The following table discloses incentive plan awards for the year ended December 31, 2009:

Name	Option-based awards Value vested during the year (US\$)	Share-based awards Value vested during the year (US\$)	Non-equity incentive plan compensation Value earned during the year (US\$)
Colin K. Benner	Nil	n/a	n/a
Terrence A. Lyons	Nil	n/a	n/a
Eugene P. Martineau	n/a	n/a	n/a
Gary D. Nordin	Nil	n/a	n/a
John H. Purkis	Nil	n/a	n/a
Marco Romero	Nil	n/a	n/a
Roman Shklanka	Nil	n/a	n/a
Paul B. Sweeney	Nil	n/a	n/a

Typically, the vesting terms of stock options awards granted to independent directors are as follows: one-half of the options vest immediately upon the grant date and one-half vest one year after the grant date, with a term of five or ten years from the date of grant.

OTHER COMPENSATION MATTERS

Proportion of Common Shares Held by Directors and Executive Officers

Collectively, as of the date hereof, the directors and executive officers of the Corporation, as a group, own 1,653,525 common shares (4,232,091 on a fully diluted basis) representing approximately 3.11% (6.25% on a fully diluted basis) of the issued and outstanding common shares.

Indebtedness of Directors and Executive Officers

No current or former executive officer, director or employee of the Corporation or any of its subsidiaries or any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any such executive officer, director, employee or proposed nominee, is or has been indebted to the Corporation or any of its subsidiaries, or to any other entity that was provided a guarantee, support agreement, letter of credit or other similar arrangement by the Corporation or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Corporation.

Equity Compensation Plan Information

The following table is as of December 31, 2009:

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (a)
	(a)	(b)	(c)
Equity compensation plans approved by security holders (Incentive Stock Option Plan)	3,707,595	US\$7.47	1,612,865
Equity compensation plans not approved by security holders	n/a	n/a	n/a
Total	3,707,595	US\$7.47	1,612,865

The weighted average exercise price in column (b) was translated from CA\$7.85 to US\$7.47 using the December 31, 2009 spot rate of CA\$1.00 = US\$0.9515.

REPORT ON CORPORATE GOVERNANCE

The following provides information with respect to the Corporation's compliance with the corporate governance requirements (the "Corporate Governance Guidelines") of the Canadian Securities Administrators set forth in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and Form 58-101F1 - *Corporate Governance Disclosure*.

Board of Directors

The Corporation's Board is currently composed of seven directors, five of whom are independent of management under the Corporate Governance Guidelines and free of any interest and any business or other relationship, other than arising from their shareholdings, that could interfere with their ability to act with a view to the best interests of the Corporation.

	Independence
Colin K. Benner	Independent
Terrence A. Lyons	Independent
Eugene P. Martineau	Independent
Marco A. Romero	Related (President & CEO of the Corporation within the last three years)
Roman Shklanka, Chair	Independent
Paul B. Sweeney	Independent
Herbert G.A. Wilson	Related (President & CEO of the Corporation)

The independent status of each individual director is reviewed annually by the Board. The Board considers a director to be independent if he meets the definition of independence set forth in National Instrument 52-110 – *Audit Committees* and if he has no direct or indirect material relationship with the Corporation which, in the view of the Board of Directors, could reasonably be perceived to materially interfere with the exercise of the director's independent judgment. Four of the five independent directors have been nominated for re-election at the Meeting.

For the proposed nominees for directors, membership on the boards of other reporting issuers is disclosed under '*Election of Directors*' in this Management Information Circular.

For those other current directors, membership on the boards of other issuers is as follows: Colin K. Benner is a member of the boards of Creston Moly Corp., Capstone Mining Corp., Troon Ventures Ltd., and Lundin Mining Corporation.

The independent directors hold four regularly scheduled meetings throughout the year without the presence of related directors or management. Independent directors may also discuss matters individually and in groups on an informal basis.

The Board of Directors holds four regularly scheduled meetings throughout the year. Meetings are also conducted on an as-required basis in order to deal with matters as business developments warrant.

The following table summarizes directors' attendance at Board meetings during the year ended December 31, 2009:

	Regularly Scheduled Board Meetings Attended (in person or via telephone)	As-Required Board Meetings Attended (in person or via telephone)	Total Attendance
Colin K. Benner	4 of 4	1 of 2	5 of 6
Terrence A. Lyons	4 of 4	2 of 2	6 of 6
Eugene P. Martineau (joined board March 2010)	n/a	n/a	n/a
Gary D. Nordin (term ended June 4, 2009)	1 of 1	n/a	1 of 1
John H. Purkis (term ended June 4, 2009)	1 of 1	n/a	1 of 1
Marco A. Romero	4 of 4	2 of 2	6 of 6
Roman Shklanka	4 of 4	2 of 2	6 of 6
David F. Singleton (term ended June 4, 2009)	1 of 1	n/a	1 of 1
Paul B. Sweeney	3 of 4	2 of 2	5 of 6
Herbert G.A. Wilson	4 of 4	2 of 2	6 of 6

Board Mandate

The Board of Directors has adopted a written mandate for the Board which is attached hereto as ‘*Schedule A*’ and is posted on the Corporation’s website, www.polarmin.com. The Board carries out its responsibilities directly and through two Board Committees, the Audit Committee and the Governance, Compensation and Nomination Committee (“Governance Committee”), each of which operate under a written committee mandate approved by the Board. The Board has adopted several governance policies as described elsewhere in this section. The Board meets regularly on a quarterly basis and holds additional meetings as required to deal with the Corporation’s business. Independent directors also meet regularly on a quarterly basis, without the presence of related directors and management.

Board Assessments

The Board carried out a self-assessment review in December 2008, comprised of an all-encompassing questionnaire regarding such matters as board effectiveness, composition, and its relationship with management. In response to the results of this review, the Board of Directors made appropriate changes to improve Board effectiveness.

Position Descriptions

The Board of Directors has adopted written charters for the two Board Committees, which may be viewed on the Corporation’s website, www.polarmin.com. Brief summaries of the role of the Board Committees are provided below.

The Board has adopted written position descriptions for the Chair of the Board and the CEO, which may be viewed on the Corporation’s website, www.polarmin.com.

Orientation and Continuing Education

The Board has an informal process for the orientation of new Board members regarding the role of the Board, its committees and directors, and the nature of operation of the Corporation. New directors meet with executive management and incumbent directors and are provided with written materials to aid in their familiarization with the Corporation. New directors receive a package containing the Corporation’s corporate governance policies.

Ethical Business Conduct

The Board of Directors has adopted a Code of Conduct and Business Ethics (the “Code”) which sets out guidelines and expectations regarding conduct on the part of directors, officers and employees of the Corporation. The Code requires that all directors, officers and employees of the Corporation acknowledge in writing that they are familiar with and understand the Code and that they are in compliance with it. The Code is available on the Corporation’s website at www.polarmin.com as well as on www.sedar.com.

The Board has also adopted a Whistleblower Policy which provides an avenue for directors, officers and employees of the Corporation to express concerns regarding the Corporation’s accounting policies or financial reports without adverse employment consequence. The policy is available on the Corporation’s website at www.polarmin.com.

The Corporation has a Corporate Disclosure Policy, available on the Corporation’s website at www.polarmin.com, which provides additional measures to ensure ethical business conduct, such as policies and requirements regarding insider trading and trading black-out periods.

The Board requires that Directors provide disclosure to it of all boards and committees of which they are members and all offices held in other reporting issuers. The Board also requires conflicts of interest to be disclosed to the Governance Committee. In the event that conflicts of interest arise, a director who has such a conflict is required to disclose the conflict and to abstain from voting for or against the approval of the matter. In addition, in considering transactions and agreements in respect of which a director has a material interest, the Board will require that the interested person absent themselves from portions of Board or committee meetings so as to allow independent discussion of points in issue and the exercise of independent judgment.

Nomination of Directors

With advice and input from the Governance Committee, in identifying new candidates for Board nomination the Board:

- Considers what competencies and skills the Board, as a whole, should possess;
- Assesses what competencies and skills each existing director possesses; and
- Considers the appropriate size of the Board, with a view to facilitating effective decision making.

The nomination of directors is undertaken by the Governance Committee which is composed entirely of independent directors. The Governance Committee reviews the composition of the Board annually, assesses the effectiveness of the Board annually, identifies new candidates for nomination as directors to the Board and makes recommendations to the Board for nominees for election as directors. In that regard, the Governance Committee considers the competencies and skills each new nominee would bring to the Corporation and whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member. The Corporation has no obligation or contract with any third party providing it with the right to nominate a director.

Board Committees

On June 4, 2009, the Board determined that the Finance Committee had met the purpose for which it was created and, therefore, the Board dissolved this Committee. The Corporation now has two Board Committees, being the Audit Committee and the Governance, Compensation and Nominating Committee.

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its responsibilities for oversight of financial and accounting matters. In addition to recommending the auditors to be nominated and reviewing the compensation of the auditors, the Committee is responsible for overseeing the work of the auditors and pre-approving non-audit services. The Committee also reviews the Corporation’s annual and interim financial statements and news releases containing information taken from the Corporation’s financial statements prior to their release. The Committee is

responsible for reviewing the acceptability and quality of the Corporation's financial reporting and accounting standards and principles and any proposed material changes to them or their application.

The current members of the Audit Committee are Colin K. Benner, Terrence A. Lyons, and Paul B. Sweeney (Chair), all independent directors.

The Audit Committee has a published mandate which is attached to the Corporation's Annual Information Form, filed with Canadian securities regulators, and is posted on the Corporation's website, www.polarmin.com.

Governance, Compensation and Nominating Committee

The Governance Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the governance of the Corporation, its relationship with senior management, and compensation. The Committee's role includes developing and monitoring the effectiveness of the Corporation's system of corporate governance, assessing the effectiveness of individual directors, the Board of Directors and various board committees, and is responsible for appropriate corporate governance and proper delineation of the roles, duties and responsibilities of management, the Board of Directors and its committees. The Governance Committee's role includes maintaining a remuneration and benefits plan for directors, executives and other key employees, and reviewing the appropriateness of that plan in order to support the Corporation's business objectives and attract and retain key executives. The Committee adjusts the plan in response to that review. The Committee also reviews and makes recommendations to the Corporation's Board of Directors regarding the Corporation's Incentive Stock Option Plan and grants thereunder. The current members of the Governance Committee are Colin K. Benner, Terrence A. Lyons (Chairman) and Paul B. Sweeney, all independent directors.

The Governance, Compensation and Nominating Committee has a published mandate which is posted on the Corporation's website, www.polarmin.com.

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

No director or executive officer of the Corporation at any time since the beginning of the Corporation's most recently completed financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as set forth in this Management Information Circular and except for any interest arising from the ownership of shares of the Corporation where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of shares in the capital of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or proposed director and no associate or affiliate of the foregoing has had a material interest, direct or indirect, in any transaction involving the Corporation since the commencement of the Corporation's most recently completed financial year, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Corporation.

MANAGEMENT CONTRACTS

Except as described in this Management Proxy Circular, management functions of the Corporation are not, to any substantial degree, performed by a person or persons other than the directors or executive officers of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available at www.sedar.com under the name "Polaris Minerals Corporation". Financial information for the year ended 2009 is provided in the Corporation's comparative financial statements and Management's Discussion and Analysis ("MD&A") which are contained in the 2009 Annual Report included with this Management Information Circular. Copies of the Corporation's financial statements and MD&A may be obtained by contacting the Secretary of the Corporation in writing at Suite 2740, PO Box 11175, 1055 West Georgia Street, Vancouver, British Columbia V6E 3R5 or by email at dlynch@polarmin.com. Copies of such documents will be provided to shareholders free of charge.

SCHEDULE A**POLARIS MINERALS CORPORATION****BOARD MANDATE**

Approved by the Board of Directors on December 6, 2007 and Amended on November 3, 2008

The Board of Directors (the “Board”) of Polaris Minerals Corporation (the “Company”) is responsible for the supervision and management of the business of the Company consistent with the powers and obligations under the *Business Corporations Act* (British Columbia) and other statutory and legal requirements generally applicable to directors of a business corporation that is a reporting issuer for securities purposes in Canada and is listed on the Toronto Stock Exchange.

Under the *Act*, the directors of the Company are required to manage the Company’s business and, in so doing, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and stakeholders. In addition, each director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board carries out its responsibilities directly, and through the following committees and such other committees as it may establish from time to time: the Audit Committee; Governance, Compensation and Nominating Committee; and Finance Committee. Each committee operates under a written mandate, approved by the Board, which sets out its authority, composition, duties and responsibilities. The responsibilities of the Board may be delegated from time to time to committees of the Board on such terms as the Board may consider appropriate and subject to the provision of statutory and legal requirements. The Chair of the Board is an ex-officio member of all Board committees and shall receive proper notice of and documentation for meetings of such committees.

The Board has adopted governance policies and procedures which are considered appropriate given the Company’s size and the stage of its development.

The Board will establish its own policies and practices from time to time.

The Board has adopted a position description for the Chair of the Board which sets out the duties and responsibilities for that position. This position description will be reviewed from time to time.

The Board has the following stewardship responsibilities:

Governance

The Board establishes and oversees all corporate governance policies, and reviews and monitors the corporate governance practices and disclosures for the Company.

The Board has approved a corporate disclosure policy to which all directors, officers and employees of the Company are bound.

The Board believes that it is the function of executive management, led by the Chief Executive Officer (“CEO”), to speak for the Company in its communications with the investment community, the media, etc. It is understood that the Chair of the Board or other individual directors may, from time to time, be requested by management to assist with such communications.

The Board approves the content of the Company’s major communications to shareholders and the public.

The Board has adopted a Code of Business Conduct and Ethics to which all directors, officers and employees of the Company are bound.

Strategic Planning and Development

The Board reviews, approves and monitors the implementation of the Company's strategic plans and long term goals and objectives, as prepared and presented by the Company's CEO with support from executive management. Such plans include the identification and assessment of risks, with provisions to manage and mitigate those risks, as well as strategies for each entity in which the Company has a significant ownership interest. These plans also include specific steps and performance indicators which enable the Board to evaluate progress on implementing such strategies.

The Board reviews, approves and monitors annual capital and operating plans and budgets to implement the Company's business strategies, together with key financial and other performance goals for the Company's activities, as prepared and presented by the CEO with support from executive management.

The Board reviews corporate performance and progress towards these plans on a quarterly basis and performs an in-depth review of these strategic plans on at least an annual basis. Any revisions to the plans are approved by the Board.

The Board expects executive management to keep the Board informed of all significant developments regarding these strategic plans in a timely and candid manner.

Financial Planning and Capital Structure

The Finance Committee advises management on appropriate financing strategies in accordance with the Company's strategic plan. The Finance Committee ensures that financing of capital projects and working capital requirements recognizes a capital structure with a sufficient mix of debt and equity to reflect an appropriate level of risk, while managing the cost of capital, in order to maximize shareholder value. The Finance Committee will consider both internal and external factors, including economic and market conditions, in carrying out its role.

Monitoring and Internal Controls

The Audit Committee ensures that the financial performance of the Company is reported according to statutory and legal requirements and that financial results are reported fairly and in accordance with generally accepted accounting standards. The Audit Committee also reviews the financial performance and reporting of the Company and assesses the integrity of the Company's financial reporting, internal controls and management information systems.

The Finance Committee and the Audit Committee review and monitor the Company's financial risks and risk management policies, and the financial structure of the Company, making recommendations to the Board as appropriate.

Executive Management and Succession Planning

The Board regularly considers the integrity, quality and continuity of management required to achieve the Company's goals. The Board has adopted a position description for the CEO which sets out the duties and responsibilities for that position. This position description will be reviewed from time to time.

The Board, under the guidance of the Governance, Compensation and Nominating Committee, approves the appointment, termination and remuneration of executive management and corporate officers, and is responsible for developing and maintaining an executive management succession plan, including an emergency CEO succession plan.

On an annual basis, the Governance, Compensation and Nominating Committee measures executive management performance, development and total compensation against the objectives set and makes recommendations to the Board in that regard.

All directors have open access to the Company's executive management.

Board Practices

The Board meets on at least a quarterly basis and holds additional meetings as required or appropriate to deal with long term strategic planning or other issues. All directors are encouraged to attend all meetings in person wherever feasible. If unable to attend in person, a director may attend a meeting via telephone or electronic means. Attendance at meetings will be recorded in the minutes of the meetings.

The Board is to receive regular quarterly reports on the financial results and significant business activities of the Company in a timely manner in advance of Board meetings in order to ensure effectiveness of action at such meetings.

The Board may also take action from time to time by unanimous written consent resolutions.

The independent directors hold meetings, without the presence of management and non-independent directors, at regular intervals as may be determined by the Chairs of the Board and the Governance, Compensation and Nominating Committee.

The Board, and its committees, has the authority to retain legal, accounting and other consultants to advise it. The Board may request any officer or employee of the Company, or its outside counsel or auditors, to attend any meeting of the Board or to meet with any members of, or consultants to, the Board.

Board Composition and Effectiveness

Under the guidance of the Governance, Compensation and Nominating Committee, the Board establishes the competencies and skills the Board considers to be necessary for the Board as a whole to possess; the competencies and skills that the Board considers each existing director to possess; and the competencies and skills each new nominee will bring to the Board.

The Board considers the appropriate size of the Board, under the guidance of the Governance, Compensation and Nominating Committee, on an annual basis, with a view to facilitating effective decision making.

The Board is responsible for the establishment and oversight of the performance of its committees and the appointment of members to serve on such committees. The Governance, Compensation and Nominating Committee, in conjunction with the Chair of the Board, will recommend Board members for appointment to the committees of the Board.

The Board considers the effectiveness of the Board, its committees, and each director's role on and contribution to the Board. The Board as a whole, as well as committees and individual directors, is assessed by the Board on an annual basis, under the guidance of the Governance, Compensation and Nominating Committee. The assessment includes the completion by each director of a comprehensive questionnaire and/or one-on-one sessions between each director and the Chairs of the Board and the Governance, Compensation and Nominating Committee. The

Governance, Compensation and Nominating Committee, in consultation with the Chair of the Board, may change the format of such assessments as it deems appropriate.

In order to ensure the Board is and remains effective, each director is expected to agree to and participate in such assessments. Directors are encouraged to exercise their duties and responsibilities in a manner that is consistent with this mandate and in the best interests of the Company and shareholders generally.

The Board determines, in accordance with applicable statutory and legal requirements, whether a member of the Board, or nominee to the Board, is an independent director. The Board reviews such determinations annually. The Board is guided by the regulators' definition of independence in making this determination. At least a majority of the directors, including the Chair of the Board, must be independent.

Directors have an ongoing obligation to inform the Governance, Compensation and Nominating Committee of any material changes in their circumstances or relationships which may affect the Board's determination as to their independence.

Director Orientation and Education

Under the guidance of the Governance, Compensation and Nominating Committee, the Board has the responsibility for the identification of prospective nominees to the Board, as well as new director orientation and education.

The Governance, Compensation and Nominating Committee identifies candidates for Board membership, and makes recommendations to the Board for nomination as directors to the Board, based on their character, integrity, judgment and record of achievement and any other qualifications which would add to the Board's decision making process and enhance the overall management of the Company's business.

The Board has an informal process for the orientation of new Board members regarding the role of the Board, its committees and directors, and the nature of operation of the Company. New directors meet with executive management and incumbent directors and are provided with written materials to aid in their familiarization with the Company.

Directors are made aware of their responsibility to keep themselves up to date with best director and corporate governance practices and are encouraged and funded to attend seminars that will increase their own and the Board's effectiveness.