

PLUTONIC POWER CORPORATION

INFORMATION CIRCULAR

as at April 20, 2009

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation of proxies by the management of Plutonic Power Corporation (the “Company”) for use at the annual general meeting of the shareholders of the Company (the “Meeting”) to be held at the time and place and for the purposes set forth in the accompanying notice of Meeting and at any adjournment or postponement thereof.

The solicitation will be by mail and may possibly be supplemented by personal contact, telephone, email, internet or facsimile by the directors, officers and employees of the Company or by such agents as the Company may appoint. The cost of solicitation will be borne by the Company. The Company does not reimburse shareholders, nominees or agents for the costs incurred in obtaining from their principals authorization to execute forms of proxy.

APPOINTMENT OF PROXIES

The persons named in the accompanying instrument of proxy are directors and/or officers of the Company, and are proxyholders nominated by management. **A shareholder has the right to appoint a person to attend and act on its behalf at the Meeting other than the nominees of management named in the enclosed instrument of proxy. To exercise this right, a shareholder must strike out the names of the nominees of management named in the instrument of proxy and insert the name of its nominee in the blank space provided on the proxy. A person appointed as proxy holder need not be a shareholder of the Company.**

A form of proxy will only be valid if it is duly completed and signed and then deposited with the Company’s registrar and transfer agent, Computershare Trust Services (“Computershare”), 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Fax no. 1-866-249-7775, at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the commencement of the Meeting or any adjournment or postponement thereof. As indicated in the form of proxy, Computershare also allows for both telephone voting and internet voting.

An instrument of proxy must be signed by the shareholder or its attorney in writing, or, if the shareholder is a corporation, it must be signed by a duly authorized officer.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as many shareholders do not hold their shares in the Company in their own name. Shareholders holding their shares through brokers, intermediaries, trustees or other persons (collectively, an “Intermediary”) or otherwise not in their own name (such shareholders are referred to herein as “Beneficial Shareholders”) should note that only proxies deposited by shareholders appearing on the records maintained by the Company’s transfer agent as registered shareholders will be recognized and allowed to vote at the Meeting. If a shareholder’s shares are listed in an account statement provided to the shareholder by a broker, in all likelihood those

shares are registered in the name of the shareholder's broker or its agent and are **not** registered in the shareholder's name. Accordingly, that shareholder will be a Beneficial Shareholder. Shares held by brokers (or their agents or nominees) on behalf of their clients can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

There are two types of Beneficial Shareholders: those who do not object to their Intermediary disclosing certain ownership information about them to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "NOBOs") and those who object to their Intermediary disclosing ownership information about them to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or "OBOs").

As provided for in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to obtain a list of its NOBOs from Intermediaries, and deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from their Intermediaries instead of a proxy. A VIF enables a shareholder to provide instructions to the registered holder of its shares as to how those shares are to be voted at the Meeting and allow the registered holder to provide a proxy voting the shares in accordance with those instructions. A VIF should be completed and returned as instructed in the envelope provided. As indicated in the VIF, both telephone voting and internet voting are allowed. The results of the VIFs received from NOBOs will be tabulated and appropriate instructions respecting voting of shares to be represented at the Meeting will be provided to the registered holders.

A Beneficial Shareholder receiving a VIF cannot use that form to vote common shares directly at the Meeting – Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on its behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or its nominee the right to attend and vote at the Meeting.

All references to shareholders in this information circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

These materials for the Meeting are being sent to both registered and non-registered owners of the Company's shares. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of the Company's securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (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 VIF.

Applicable regulatory policies require Intermediaries to seek voting instructions from OBOs in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs in order to ensure that

their shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining voting instructions from clients to ADP Investor Communications (“ADP”), which mails the materials for the Meeting to OBOs and asks them to return a proxy or other voting instruction form to ADP. **An OBO receiving a VIF, proxy or other voting instruction form from ADP may not be able to use that VIF, proxy or other voting instruction form to vote shares directly at the Meeting. The VIF, proxy or other voting instruction form must be returned to ADP well in advance of the meeting in order to have the shares voted. The Company does not know the names of OBOs and as a result OBOs will not be recognized at the Meeting for the purposes of voting their shares in person or by proxy without following the procedures set out by their Intermediary.** An OBO may only revoke its VIF, proxy or other voting instruction form in accordance with the procedure established by its Intermediary.

REVOCATION OF PROXIES

A proxy may be revoked by:

- (a) Signing a proxy bearing a later date and depositing it at the place and within the time aforesaid;
- (b) Signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed, as set out in the notes to the proxy) and either delivering or faxing the same to Computershare, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Fax no. 1-866-249-7775), or the registered office of the Company, 600 – 888 Dunsmuir Street, Vancouver, British Columbia, V6C 3K4 (Fax no. (604) 682-3727), at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof;
- (c) Attending the Meeting or any adjournment or postponement thereof and registering with the scrutineer as a shareholder present in person, whereupon such proxy will be deemed to have been revoked; or
- (d) In any other manner provided by law.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its proxy on its behalf.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

If a shareholder specifies a choice in its proxy as to how its shares should be voted or withheld from voting with respect to any matter to be voted upon at the Meeting, the shares represented by proxy will be voted or withheld from voting by the proxyholder in accordance with that choice on any ballot that may be called for. **If a shareholder does not specify a choice in the proxy, such shares will be voted by the proxyholder in favour of the motions proposed to be made at the Meeting as set out in the proxy.** If any amendments or variations to such matters, or any other matters, are properly brought before the Meeting, the proxyholder will be entitled to exercise its discretion and vote on such matters as the proxyholder in its sole discretion sees fit.

At the time of printing this information circular, management of the Company is not aware that any amendments or variations to existing matters or new matters are to be presented for action at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Only those common shareholders of record on the record date, April 17, 2009, will be entitled to vote at the Meeting or any adjournment thereof, in person or by proxy. On April 17, 2009, 44,191,505 common shares without par value were issued and outstanding, each share carrying the right to one vote.

To the best knowledge of the directors and senior officers of the Company, as of the record date no shareholder beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company,

APPOINTMENT OF AUDITORS

Unless otherwise directed, shares represented by proxies will be voted in favour of the re-appointment of KPMG LLP, Chartered Accountants, as auditors for the Company to hold office until the next annual general meeting of shareholders of the Company, and to authorize the Board of Directors (the "Board") to fix the remuneration to be paid to the auditors. KPMG LLP were first appointed auditors of the Company in 2006.

Information on the Company's Audit Committee can be found in the Company's Annual Information Form dated March 30, 2009, under the heading "Audit Committee Disclosure".

ELECTION OF DIRECTORS

The Board presently consists of seven directors, and it is anticipated that seven directors will be elected for the coming year. The term of office for persons elected at the Meeting will expire at the next annual general meeting of shareholders of the Company, unless a director resigns or is otherwise removed in accordance with the Articles of the Company or the *Business Corporations Act*.

The persons named below will be presented at the Meeting for election as directors as nominees of management, and the persons named in the enclosed instrument of proxy intend to vote for the election of these nominees. All nominees are currently directors of the Company.

It should be noted that the names of further nominees for election as director may come from the floor during the Meeting.

The following table sets out certain information for the persons to be presented for election as directors as nominees of management. Additional information on the nominees can be found in their biographies on the Company's website at www.plutonic.ca.

Name of Nominee and Present Position with the Company	Principal Occupation for Past Five Years	Year First Became a Director	No. of Shares Beneficially Owned
Walter T. Segsworth ^{(2) (3) (4)} West Vancouver, BC Chairman of the Board and Director	Self employed businessman and consulting engineer.	2003	1,081,500
Donald A. McInnes North Vancouver, BC Vice Chairman, Chief Executive Officer and Director	Vice Chairman and Chief Executive Officer of the Company since October 2007. President of the Company from 1999 to 2007.	1999	1,408,426
R. (Tookie) Stuart Angus ^{(1) (2)} ₍₄₎ Sechelt, BC Director	Independent business advisor since 2005. Previously, Managing Director, Mergers and Acquisitions, Endeavour Financial Corp. from 2003 to 2005.	1999	1,078,749
Michael C. Volker ^{(1) (3) (4)} West Vancouver, BC Director	Director, Simon Fraser University Industry Liaison Office and President of WUTIF Capital (VCC) Inc.	1999	253,274
William F. Lindqvist ^{(1) (4)} Tiburon, California Director	Independent business consultant.	2003	368,500
Peter C. Flynn ^{(1) (2) (4)} Edmonton, Alberta Director	Professor in the Faculty of Mechanical Engineering at the University of Alberta and Director of Electricity Balancing Pool for the Province of Alberta.	2006	70,000

Name of Nominee and Present Position with the Company	Principal Occupation for Past Five Years	Year First Became a Director	No. of Shares Beneficially Owned
Grigor E. Cook Surrey, BC Executive Vice President, Projects and Director	Executive Vice President, Projects of the Company since October 2008. Chief Executive Officer of Toba Montrose General Partnership from October, 2007 to October 2008. Chief operating officer of the Company from 2006 to October 2007. Previously, President and Chief Operating Officer of Commonwealth Construction Canada Ltd. from 2000 to 2006.	2006	139,375

- (1) *Members of Audit Committee. Additional information on the Company's Audit Committee can be found in the Company's Annual Information Form dated March 30, 2009, under the heading "Audit Committee Disclosure".*
- (2) *Members of Compensation Committee.*
- (3) *Members of Corporate Governance / Nominating Committee.*
- (4) *Members of Health, Safety, Environmental Committee.*

Unless otherwise stated, each of the above-named nominees has held the principal occupation or employment indicated for the past five years.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

R. (Tookie) Stuart Angus is a director of Wildcat Silver Corporation ("Wildcat"), which requested and received notice from the British Columbia Securities Commission of the issuance of a management cease trade order (the "MCTO") on October 30, 2007 in connection with the late filing of its annual audited consolidated financial statements for the fiscal year ending June 30, 2007. Wildcat's failure to make the filing within the required time frame was due to the need to clarify potential foreign tax obligations relating to an acquisition it made. The required filing was made on January 7, 2008 and the MCTO was revoked on January 8, 2008.

Michael Volker is a director of Silicon Slopes Capital Corp., which was the subject of cease trade orders (a "CTO") issued by the British Columbia Securities Commission and Alberta Securities Commission on June 2, 2004 and June 18, 2004, respectively, for failing to file its financial statements. The CTOs were revoked on August 31, 2007. CTOs were again issued by the British Columbia and Alberta securities commissions on July 9, 2008 for a failure to file the financial statements, which orders were revoked on October 29, 2008.

To the best of the Company's knowledge, no other proposed director is, as at the date of this circular, or was within 10 years before the date of this circular, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade or similar order or an order that denied the Company access to any exemption under securities legislation that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of the Company's knowledge, no proposed director:

- (a) is, as at the date of this circular, or has been within the 10 years before the date of this circular, a director or executive officer of any company 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 the 10 years before the date of this circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of the Company's knowledge, no proposed director has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for the proposed director.

The above information has been furnished by the respective proposed directors individually.

EXECUTIVE COMPENSATION

Executive Compensation Discussion and Analysis

The Board has appointed a Compensation Committee which is responsible for oversight of the Company's human resources policies and procedures. This includes reviewing the adequacy and form of compensation paid to the Company's executives to ensure that it realistically reflects the

responsibilities and risks of the relevant positions. The Compensation Committee is comprised of Peter C. Flynn, who sits as Chair, R. (Tookie) Stuart Angus and Walter T. Segsworth, all of whom are independent directors.

The Company believes that executive compensation should support an appropriate relationship between executive pay and the creation of shareholder value. To this end, the Company believes that its executive compensation should:

- (a) Provide compensation comparable to that paid by similar companies, thereby enabling the Company to attract and retain talented executives critical to the Company's long-term success.
- (b) Motivate and retain key executives to achieve strategic corporate objectives by directly linking a portion of executive compensation to the achievement of specific milestones.
- (c) Align the interests of executives with the long-term interests of shareholders through stock option awards, whose value over time depends upon the market value of the Company's shares.

An executive's compensation is aligned with his or her responsibilities and ability to influence business results, and varies with performance and level of responsibility. Regular reviews of competitive practice are also taken into account.

The Company's executive compensation consists of three main elements: base salary, short-term incentives and long-term incentives. At the present time short term incentives are in the form of annual bonuses and long term incentives are in the form of participation in the Company's Long Term Incentive Program ("LTIP") and Incentive Stock Option Plan ("SOP").

Base Salary

Base salary is the principal component of executive compensation. Base salary for each executive is based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable companies. Individual and corporate performance is also taken into account in determining base salary levels for executives.

Changes to NEO base salaries in 2008 were based on a review of executive compensation performed by Mercer

(Canada) Limited ("Mercer") in 2007. For 2008 the chief executive officer's annual base salary was increased from \$290,000 to \$325,000 and the chief financial officer's annual base salary was increased from \$156,000 to \$200,000. The annual base salaries for the other Named Executive Officers ("NEOs")⁽¹⁾ were increased from \$150,000 to \$250,000 for one of the executive officers and from \$200,000 to \$250,000 for the other. One NEO was hired on January 1, 2008 at a

⁽¹⁾ *Named Executive Officers are the chief executive officer, the chief financial officer and the three other most highly compensated executive officers of the Company whose individual total compensation for the most recently completed financial year exceeded \$150,000.*

starting annual salary of \$250,000. Given that the Company does not yet have any operating revenue, the Board strives to achieve a market median level in determining executive base salary as the market.

During 2008 the Compensation Committee again retained Mercer to review the Company's executive compensation. As a result of this review the base salaries of two of the NEOs, the President and Chief Operating Officer and the Executive Vice President Corporate Development, were increased from \$250,000 to \$300,000 for 2009.

Short Term Incentives

Short term incentives are in the form of annual bonuses and are intended to reward executives for the achievement of pre-determined strategic corporate objectives.

The payment of bonuses is based on both quantitative measures, such as an increase in shareholder return, and qualitative considerations, such as the achievement of milestones in the Company's development. For 2008, the Compensation Committee determined that the payment of short term incentive bonuses would be based on the Company accomplishing two main objectives, which, together with how the Company performed, are set out below:

1. Shareholder return – outperform all companies in a defined peer group with respect to share price. *Performance:* The Company outperformed all of the companies in the peer group except one.
2. Growth and operations, which was subdivided into the following five components:
 - (a) Execute an impact benefits agreement with Homalco First Nation. *Performance:* Although the Company conducted extensive negotiations towards finalizing an agreement with Homalco First Nation during the year, the Company did not accomplish this component.
 - (b) Negotiate the terms of a partnership agreement with a suitable financial and operational partner. *Performance:* This component was accomplished, with the execution in August 2008 of the Memorandum of Understanding with a subsidiary of GE Energy Financial Services setting out the terms of GE's investment as an equity partner for the development of both the Upper Toba Project and Bute Project.
 - (c) Submit a winning bid for plus 500 MW in BC Hydro's 2008 Clean Power Call ("CPC"). *Performance:* This component was not accomplished. The Company submitted bids for both its Upper Toba and Bute Projects into the CPC, however BC Hydro has delayed the awarding of any contracts until summer of 2009.
 - (d) Advance new projects into the project pipeline. *Performance:* This component was accomplished, as the Company applied for an additional 14 water licenses in British Columbia during 2008.
 - (e) Ensure the East Toba Montrose Project stays on schedule and on budget. *Performance:* This component was accomplished, as during 2008 the East Toba Montrose Project remained both on schedule for commencement of commercial production in 2010 and on budget.

In determining the amount of the bonuses to be paid in recognition of accomplishing the above corporate objectives, the Compensation Committee determined a target bonus amount of 35% of each NEO's salary, which was then assigned a value of one. Success in achieving the two objectives was then measured and assigned a range of between zero (for failure to meet) and two (for exceptional performance). The average measurement for 2008 was a factor of 1.46, which was multiplied by 35% to yield a basic bonus amount of 51% of annual salary for each NEO.

The Compensation Committee has adopted the same approach for determining short term incentives for 2009. The strategic corporate objectives for 2009 are as follows:

1. 50% of the bonus amount payable will be based on accomplishing the goal of outperforming companies in a defined peer group with respect to share price.
2. 50% of the bonus amount payable will be based on accomplishing the following goals:
 - (a) Acquire additional tenures which are consistent with the Company's overall corporate strategy.
 - (b) Keep the East Toba Montrose Project on time, on budget and without any compromise in quality.
 - (c) Increase the Company's development pipeline by at least 500MW.
 - (d) Advance the Upper Toba Project.
 - (e) Advance the Bute Project.

Long Term Incentives

Long term incentive compensation is provided by participation in the LTIP and through the grant of stock options to employees, officers and directors under the SOP.

The purpose of the LTIP is to assist the Company in attracting and motivating executives and other key employees by making available to them cash bonus payments which are dependent on the Company achieving certain specific milestones in the development of its projects.

Under the LTIP, the Company's development of its projects will result in bonuses becoming available for payout to participants in the LTIP. The aggregate amount of bonus available for each project will be \$2,500 per estimated gigawatt hour of energy to be generated per project on an annual basis, with 75% of the aggregate amount of bonus being payable to the Company's executives and 25% being payable to other participating employees. By way of example, if a project was estimated to generate 100 gigawatt hours of energy annually upon completion the aggregate bonus payable for that project would be \$250,000, with \$187,500 of that amount being payable to executives and \$62,500 being payable to other participating employees.

Bonuses under the LTIP will become payable in stages as a project develops, on the following basis:

- (a) 15% upon receipt of an electricity purchase agreement for the project.

- (b) 15% upon receipt of all other permits necessary to allow construction of the project to commence.
- (c) 15% upon entering into a binding agreement for the financing of construction of the project, or in the event no binding agreement is entered into upon commencement of construction of the Project.
- (d) 55% upon commencement of commercial operation of the project.

Once a bonus becomes payable, it will be paid out over the next 16 calendar quarters in 16 equal payments.

An exception to the above is the bonus payable for the development of the Company's East Toba Montrose Project. This bonus will become payable in full upon commencement of commercial operation of the project.

No bonus payments were made, or became payable, under the LTIP during 2008.

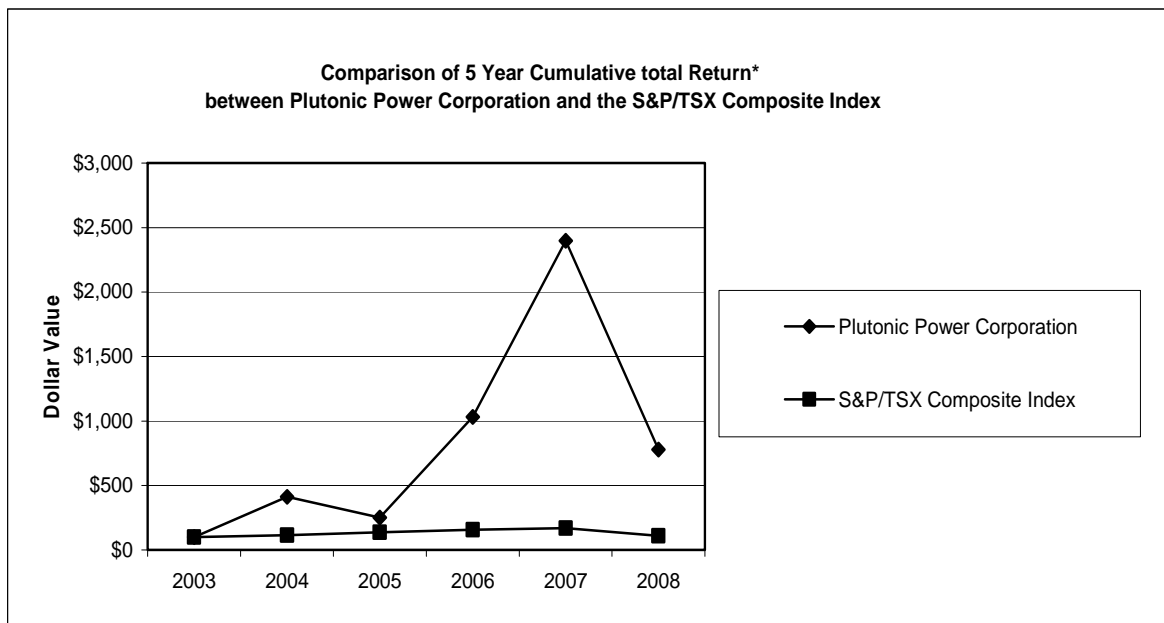
The Company believes that the grant of stock options is a useful form of long term incentive compensation because it assists in aligning the interests of employees, officers and directors with those of shareholders, allowing them to participate in any increases in the market value of the Company's shares. All directors, officers and employees of the Company and its affiliates are eligible to receive stock options under the SOP, with participation based on their level of responsibility and an assessment of their individual performance. Options granted under the SOP will be exercisable at the market price at the time of grant, have a five year term and vest over a three year period, although the Board has the power to vary these terms in exceptional circumstances.

One of the NEOs was granted options during 2008, in conjunction with his commencing employment with the Company. The basis for the number of options granted to the NEO was to bring the total number of options held in line with the option holdings of the other executive vice presidents.

No other options were granted to NEOs during 2008.

Share Performance Graph

The following graph illustrates the comparison between the five-year cumulative total shareholder return for \$100 invested in the shares of the Company and the S&P/TSX Composite Index. The graph assumes that all dividends have been reinvested.



		2003	2004	2005	2006	2007	2008
Plutonic Power Corporation	\$	100	412	251	1,032	2,397	778
S&P/TSX Composite Index	\$	100	113	137	157	169	109

Since January 1, 2004 the Company's compensation to executive officers has trended upward, though not as steeply as cumulative total shareholder return as indicated in the above graph from 2003 to 2007. Cumulative total shareholder return dropped sharply for 2008, primarily as a result of the sharp economic downturn.

Summary Compensation Table

The following table provides a summary of the compensation earned during the last three financial years by the NEOs.

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Donald A. McInnes Chief Executive Officer	2008	325,000	Nil	Nil	164,938 ⁽²⁾	Nil	Nil	Nil	489,938
	2007	290,000	Nil	1,992,600	172,550 ⁽³⁾	Nil	Nil	54,630 ⁽⁴⁾	2,509,780
	2006	145,831	Nil	27,183	160,000	Nil	Nil	96,732 ⁽⁴⁾	429,746

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Peter G. Wong Chief Financial Officer	2008	200,000	Nil	Nil	101,500 ⁽²⁾	Nil	Nil	Nil	301,500
	2007	156,000	Nil	332,100	92,820 ⁽³⁾	Nil	Nil	Nil	580,920
	2006	69,832	Nil	33,200	80,000	Nil	Nil	Nil	183,032
Bruce Ripley President and Chief Operating Officer	2008	250,000	Nil	Nil	126,875 ⁽²⁾	Nil	Nil	Nil	376,875
	2007	150,000 ⁽⁵⁾	Nil	1,558,200	89,658 ⁽³⁾	Nil	Nil	Nil	1,797,858
	2006	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Sweeney Executive VP, Corporate Development ⁽⁶⁾	2008	250,000	Nil	Nil	126,875 ⁽²⁾	Nil	Nil	Nil	376,875
	2007	200,000	Nil	498,150	119,000 ⁽³⁾	Nil	Nil	225,000 ⁽⁷⁾	1,042,150
	2006	Nil	Nil	371,850	Nil	Nil	Nil	Nil	371,850
Rupert Legge Executive VP, Corporate and Legal Affairs ⁽⁸⁾	2008	250,000	Nil	726,776	126,875 ⁽²⁾	Nil	Nil	Nil	1,103,650
	2007	Nil	Nil	110,700	Nil	Nil	Nil	Nil	110,700
	2006	Nil	Nil	45,650	Nil	Nil	Nil	Nil	45,650

(1) The fair value of options granted has been calculated in accordance with the Black-Scholes-Merton model. This is non-cash compensation.

(2) Short term incentive bonus payments were earned for the fiscal year ended December 31, 2008, but were paid in 2009.

(3) Short term incentive bonus payments were earned for the fiscal year ended December 31, 2007, but were paid in 2008.

(4) Management and administration fees paid to McGillicutty Management Corp. ("McGillicutty"), a company controlled by Donald A. McInnes, for personnel services provided to and expenses incurred on behalf of the Company by McGillicutty.

(5) Appointed an executive officer on March 27, 2007 at an annual salary of \$200,000. Indicated salary of \$150,000 represents salary paid for the balance of the year.

(6) Appointed Executive Vice President, Business Development on January 1, 2007, prior to which he had been retained by the Company as a consultant. Mr. Sweeney's title was changed to Executive Vice President, Corporate Development on October 27, 2008.

(7) Fees paid to Paul Sweeney for consulting services rendered to the Company during 2006.

(8) *Appointed Senior Vice President, Legal Affairs on January 1, 2008, Mr. Legge's title was changed to Executive Vice President, Corporate and Legal Affairs on October 27, 2008.*

In the above table the largest single component to the Company's executive remuneration is option based awards, however, it is important to note that this is a non-cash form of compensation. In the above table the options granted to the NEOs have been valued in accordance with the Black-Scholes-Merton Model, a formula used to assign prices to option contracts by calculating the probability that an option will expire in the money. To do this the model assigns value to an option by considering a number of factors, including the volatility of the Company's share price, the time left until the option expires and interest rates.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table summarizes all option-based awards outstanding for each NEO at the end of the most recently completed financial year.

Name	Option-based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised In-the-Money Options (\$)
Donald A. McInnes	450,000	\$4.25	Mar. 12, 2012	Nil
Peter G. Wong	75,000	\$4.25	Mar. 12, 2012	Nil
Bruce Ripley	350,000	\$4.20	Mar. 27, 2012	Nil
Paul Sweeney	50,000	\$2.80	Dec. 18, 2011	Nil
	112,500	\$4.25	Mar, 28, 2012	Nil
Rupert A. Legge	55,000	\$1.65	June 7, 2011	\$90,750 ⁽¹⁾
	25,000	\$4.25	March 28, 2012	Nil
	175,000	\$7.70	April 14, 2013	Nil

(1) *Value of unexercised in-the-money options calculated using the closing price of \$2.45 for the common shares of the Company on the Toronto Stock Exchange on December 31, 2008, less the exercise price of in-the-money options.*

Incentive Plan Awards – Value Vested

The following table summarizes for each NEO the value of all option-based awards and non-equity incentive plan compensation for the most recently completed financial year.

Name	Option-based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Donald A. McInnes	Nil	\$164,938
Peter G. Wong	Nil	\$101,500
Bruce Ripley	Nil	\$126,875
Paul Sweeney	Nil	\$126,875
Rupert A. Legge	Nil	\$126,875

No outstanding options held by the NEOs vested during the year, having previously vested or not vesting until 2009.

Non-equity incentive plan compensation is equal to the short term incentive bonus payments received during the year.

Pension Plan Benefits

No pension plans or defined compensation plans have been instituted by the Company, however the Company is exploring the possibility of implementing such plans in the future.

Termination and Change of Control Benefits

As part of its efforts to retain a highly qualified executive team, the Company has entered into employment agreements with all of its executive officers, including the NEOs. These agreements provide for the payment of compensation to the executive if the executive's employment is terminated without cause or if the NEO resigns for good reason following a change in control of the Company.

A change in control is defined as: (i) any change in the holding of shares of the Company as a result of which a person, or a group of persons, or persons acting jointly or in concert, or associates or affiliates thereof, are in a position to exercise effective control of the Company, with a change whereby such persons acquired 35% of the shares of the Company being deemed to be in a position to exercise effective control of the Company; or (ii) incumbent directors ceasing to constitute a majority of the Board. Good reason is defined as: (i) a change in the NEO's position, duties, responsibilities or status; (ii) a reduction in the NEO's base salary; (iii) following a change in control, a person, or a group of persons, or persons acting jointly or in concert, or associates or affiliates thereof, holding more than 50% of the shares of the Company; (iv) failure by the Company to continue in effect the compensation and benefit plans in which the NEO was participating; or (v) a relocation of the NEO.

If an NEO's employment is terminated without cause or if the NEO resigns for good reason following a change in control of the Company, the amount of compensation payable to the NEO will be equal to the aggregate of: (i) the NEO's salary multiplied by three; (ii) the average of the

last three bonuses paid to the NEO multiplied by three; (iii) a benefit compensation amount equal to 8% of the NEO's salary multiplied by three; and (iv) all other sums owed for arrears of remuneration. In addition, any unvested outstanding incentive stock options held by the NEO will vest fully.

The following table shows the amounts payable to each NEO if his employment was terminated without cause or for good reason following a change of control on December 31, 2008:

Name	Salary x 3 (\$)	Average of Last Three Bonuses (\$)	Benefit Compensation Amount (\$)	Value of Options Vesting (\$)	Total (\$)
Donald A. McInnes	975,000	506,232	78,000	Nil	1,559,232
Peter G. Wong	600,000	274,320	48,000	Nil	922,320
Bruce Ripley	750,000	324,798	60,000	Nil	1,134,798
Paul Sweeney	750,000	368,811	60,000	Nil	1,178,811
Rupert A. Legge	750,000	380,625	60,000	Nil	1,190,625

Director Compensation

The Company pays an annual retainer of \$24,000 to each director who is not also an officer of the Company. In addition, directors who are members of Board committees are paid a fee of \$500 for each committee meeting they attend and the chair of each Board Committee is paid a fee of \$1,000 for each committee meeting attended. The Company also reimburses directors for reasonable out-of-pocket expenses incurred in attending meetings. The following table summarizes the compensation paid to the Company's non-officer directors during the most recently completed financial year.

Name	Fees Earn- ed (\$)	Share- based Awards (\$)	Option- based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compen- sation (\$)	Total (\$)
Walter T. Segsworth	25,500	N/A	Nil	N/A	N/A	N/A	25,500
R. (Tookie) Stuart Angus	30,500	N/A	Nil	N/A	N/A	N/A	30,500
Michael C. Volker	27,500	N/A	Nil	N/A	N/A	N/A	27,500

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
William F. Lindqvist	27,000	N/A	Nil	N/A	N/A	N/A	27,000
Peter C. Flynn	30,500	N/A	Nil	N/A	N/A	N/A	30,500

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of the end of the Company's fiscal year ended December 31, 2008, information with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	4,924,003	\$5.28	1,320,150
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	4,924,003	\$5.28	1,320,150

CORPORATE GOVERNANCE DISCLOSURE

The Board believes that the principal objective of the Corporation is to generate economic returns with the goal of maximizing shareholder value, and that this is to be accomplished by the Board through its stewardship of the Company. In fulfilling its stewardship function, the Board's responsibilities will include strategic planning, appointing and overseeing management, succession planning, risk identification and management, health, safety and environmental oversight, communications with other parties and overseeing financial and corporate issues. The Board believes that good corporate governance practices provide an important framework for a timely response by the Board to situations that may directly affect shareholder value. The Board is committed to practicing good corporate governance, and has adopted a Corporate Governance

Manual which contains numerous guidelines to help it practice good corporate governance. A copy of the Company's Corporate Governance Manual is available for review on the Company's website at www.plutonic.ca.

A summary of the Company's corporate governance practices is set out below.

Board of Directors

Disclose the identity of directors who are independent.

Walter Segsworth, R. Stuart Angus, Peter Flynn, Michael Volker and William Lindqvist are independent.

Disclose the identity of directors who are not independent, and describe the basis for that determination.

Donald McInnes is the Chief Executive Officer (the "CEO"), and was formerly the president of the Company until October 2007. Grig Cook was the Chief Operating Officer of the Company until October 2007. As Mr. McInnes and Mr. Cook are currently, or have been within the past three years, executive officers of the Company they are not independent.

Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities.

A majority of the directors are independent.

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The directors of the Company are also directors of the following other reporting issuers.

Director	Other Reporting Issuer
Walter T. Segsworth	Great Basin Gold Ltd.
Donald A. McInnes	Blackstone Ventures Inc. Fronteer Development Group Inc.
R. (Tookie) Stuart Angus	Blackstone Ventures Inc. Bolero Resources Corp. CMQ Resources Inc. Coro Mining Corp. Dynasty Gold Corp. IMA Exploration Inc. Nevsun Resources Ltd. Santa Fe Metals Corp. SouthGobi Energy Resources Ltd.

Director	Other Reporting Issuer
	Stealth Energy Inc. Tirex Resources Ltd. Tsodilo Resources Limited Uranium North Resources Corp. Ventana Gold Corp. Wildcat Silver Corporation
Michael C. Volker	Angelwest Capital Corp. GraphOn Corporation
William F. Lindqvist	AndeanGold Ltd. Solomon Resources Ltd. Uruguay Mineral Exploration Inc.
Grigor E. Cook	None
Peter C. Flynn	None

Disclose whether or not the independent directors hold regularly scheduled meetings at which members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held during the preceding 12 months. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.

In-camera meetings of the independent directors without members of management present are generally held immediately following meetings of the full Board. The independent directors held five in-camera meetings during 2008.

Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.

The Chair of the Board, Walter Segsworth, is an independent director. The Chair is responsible for the management, development and effective performance of the Board and provides leadership to the Board for all aspects of its work. The Chair also acts in an advisory capacity to the CEO concerning the interests and management of the Company and, in co-ordination with the CEO, may play a role in the Company's external relationships.

Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.

Walter Segsworth:	4 of 6 Board meetings
R. Stuart Angus:	5 of 6 Board meetings
Peter Flynn:	5 of 6 Board meetings
Michael Volker:	6 of 6 Board meetings
William Lindqvist:	5 of 6 Board meetings

Donald McInnes: 6 of 6 Board meetings
Grigor Cook: 6 of 6 Board meetings

Board Mandate

Disclose the text of the Board’s written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.

The text of the Operating Guidelines for the Board of Directors is attached as Schedule A to this circular.

Position Descriptions

Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.

The Board has developed written terms of reference for the Chair of the Board, and position descriptions for the chair of each Board committee are contained in the written terms of reference for each committee. The Chair of the Board is responsible for managing the Board and working with the CEO. The committee chairs are responsible for managing their respective committees and ensuring they fulfill their mandates as set out in their terms of reference.

Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.

The Board has approved written terms of reference for the CEO, which state that the CEO’s fundamental responsibility is the general direction and management of the business and affairs of the Company in accordance with the corporate strategy and objectives approved by the Board.

Orientation and Continuing Education

Briefly describe what measures the Board takes to orient new directors regarding:

- (a) *the role of the Board, its committees and its directors; and*

Each new director receives a copy of the Company’s Corporate Governance Manual, which contains the operating guidelines for the Board, guidelines for individual directors and terms of reference for the Chair, the CEO, the Board’s committees and other relevant corporate and business information. New directors also meet with the CEO and the Chair to understand how the Board and its committees operate.

- (b) *the nature and operation of the issuer’s business.*

Each new director receives a package providing a comprehensive summary of the Company and its operations and is provided with the opportunity to meet members of the senior management team to understand the Company's strategic objectives, operational structure, financial and compliance matters and regulatory environment. In addition, each new director is required to visit the sites of the Company's main operations.

Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary for them to meet their obligations as directors.

The senior management team provides monthly summary reports on the status of the Company's operations to the Board, and makes update presentations to the Board on matters with significant impact on the Company's business at all regularly scheduled Board meetings. Board members periodically visit field locations to see the Company's facilities. In addition, when matters of relevance to the Company's operations arise between Board meetings, the CEO and/or the Chair distributes the relevant information to the directors by email.

Ethical Business Conduct

Disclose whether or not the Board has adopted a written code for its directors, officers and employees. If the Board has adopted a written code:

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") for its directors, officers and employees.

(a) *Disclose how an interested party may obtain a copy of the written code*

The Code is available on the Company's website at www.plutonic.ca and on the SEDAR website at www.sedar.com.

(b) *Describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board ensures compliance with its code*

The Code is reviewed annually by the Corporate Governance/Nominating Committee. The Code has been disseminated to every director, officer and employee, all of whom are required to acknowledge in writing that they have received and read a copy of the Code, and that they agree to respect and comply with its terms and intent at all times. The Company has instituted a process whereby departures from the Code should be reported to the Company's Executive Vice President – Corporate and Legal Affairs or, in his absence, the Chief Financial Officer. Alternatively, departures may be reported to the Chair of the Corporate Governance/Nominating Committee on a confidential basis.

(c) *Provide a cross-reference to any material change report(s) filed within the preceding 12 months that pertains to any conduct of a director or executive officer that constitutes a departure from the code*

No material change reports have been filed within the preceding 12 months that pertain to any conduct of any director or executive officer that constitutes a departure from the code.

Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Directors are required to promptly disclose any actual or potential conflicts of interest, and a director will not participate in directors' discussions, deliberations or decision making regarding any conflicts relating to the director.

Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.

The Board has approved the Code and a Disclosure Policy, which contains provisions with respect to, among other things, trading restrictions, blackout periods, maintaining confidentiality and insider trading. In addition, the Audit Committee has appointed a Complaints Officer to administer the Company's whistle blower policy. The Board and management applies the highest standard of ethical behaviour and sets the tone from the top for a culture of ethical business conduct.

Nomination of Directors

Describe the process by which the Board identifies new candidates for Board nomination.

The Board has established a Corporate Governance/Nominating Committee to assist it in identifying and evaluating qualified candidates and recommending such candidates for nomination to the Board and its various committees. The Corporate Governance/Nominating Committee is responsible for setting the criteria to be applied when selecting new directors and considering the relevant attributes that individuals to be put forth as new directors may bring to the Company and to the various committees of the Board.

Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.

The Corporate Governance/Nominating Committee is composed entirely of independent directors.

If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The Corporate Governance/Nominating Committee, working with the Chair of the Board, is responsible for the identification, assessment and making of recommendations to the Board as to qualified candidates for nomination for election to the Board and its committees, with a view to the independence and expertise required for effective

governance and satisfaction of applicable regulatory requirements, including consideration of nominees recommended by shareholders. In making its recommendations to the Board, the Corporate Governance/Nominating Committee will consider the competencies and skills that 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, the competencies and skills each new nominee will bring to the Board and the ability of each new nominee to devote sufficient time and resources to his or her duties as a director.

Compensation

Describe the process by which the board determines the compensation for your company's directors and officers.

The Board has established a Compensation Committee to which it has delegated oversight of the Company's overall human resources policies and procedures, including reviewing the adequacy and form of the compensation paid to the Company's executives and key employees to ensure that such compensation realistically reflects the responsibilities and risks of such positions.

Directors who are not officers of the Company are compensated through annual retainer fees and a fee per Committee meeting attended, as well as reimbursement for expenses. The Compensation Committee periodically reviews the adequacy and form of compensation of directors to ensure that the compensation realistically reflects the time commitment, responsibilities and risks involved in being an effective director of the Company and reports and makes recommendations to the Board accordingly.

Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.

The Compensation Committee of the Board is composed entirely of independent directors.

If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The Compensation Committee's objectives are to assist the Board in meeting its responsibilities in respect of overall human resources policies and procedures including recruitment, performance management, compensation, benefit programs, resignation/terminations, training and development, succession planning and organizational planning and design, to ensure a broad plan of executive compensation is established that is competitive and motivating in order to attract, retain and inspire executive management and other key employees and to review all compensation and benefit proposals for the Company's executives and make recommendations to the Board. For further details on operation of the Compensation Committee please refer to "Executive Compensation – Executive Compensation Discussion and Analysis" on page 7 of this Circular.

If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.

The Compensation Committee has engaged Mercer (Canada) Limited in 2007 and 2008 to provide specific information to assist the Committee to determine compensation for the Company's officers. Such support has included commenting on the Company's executive compensation policy in 2007 and conducting a total compensation benchmarking of the named executive officers in both 2007 and 2008. Decisions made by the Compensation Committee, however, are the responsibility of the Committee and may reflect factors and considerations other than the information and recommendations provided by Mercer. In addition to this mandate, Mercer provides general employee compensation consulting services to the Company.

Other Board Committees

If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board has established a Health, Safety, Environmental Committee to which it has delegated oversight responsibilities to ensure that the Company maintains the integrity of its health and safety policies and that the Company's activities are conducted in an environmentally responsible manner. The Committee will oversee management's health, safety and environmental decision making, will encourage, assist and counsel management in maintaining and improving health, safety and environmental performance and will refer to the Board any matter likely to require a decision by the Board.

Assessments

Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe how the Board satisfies itself that it, its committees, and individual directors are performing effectively.

The Corporate Governance/Nominating Committee is responsible for carrying out an annual review and assessment of the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director. This is conducted by reviewing the activities of the Board and the Committees over the prior year, including the attendance record of each Board and Committee member, and discussing pertinent issues with each Board and Committee member as deemed appropriate. The results of the Corporate Governance/Nominating Committee review are then reported back to the Board.

Additional Information

Additional information relating to the Company and its subsidiaries is available on SEDAR at www.sedar.com. Financial information about the Company and its subsidiaries is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year, both of which are available on SEDAR at www.sedar.com.

Shareholders may also contact the Company at Suite 600, 888 Dunsmuir Street, Vancouver, British Columbia, V6C 3K4, or by telephone at (604) 669-4999, to request copies of the Company's comparative financial statements and MD&A for its most recently completed financial year.

Management of the Company knows of no other matters to come before the Meeting other than as set forth above and in the notice of Meeting accompanying this information circular.

DATED at Vancouver, British Columbia on the 20th day of April, 2009.

BY ORDER OF THE BOARD

“Donald McInnes”

Donald McInnes
Vice-Chairman and Chief Executive Officer

SCHEDULE A

OPERATING GUIDELINES FOR THE BOARD OF DIRECTORS

General

The Board believes that the principal objective of the Corporation is to generate economic returns with the goal of maximizing shareholder value. This is to be accomplished by the Board through its stewardship of the Corporation. In fulfilling its stewardship function, the Board's responsibilities will include strategic planning, appointing and overseeing management, succession planning, risk identification and management, health, safety and environmental oversight, communications with other parties and overseeing financial and corporate issues.

The Board believes that good corporate governance practices provide an important framework for a timely response by the Board to situations that may directly affect shareholder value. The Board is committed to practicing good corporate governance, and has adopted these guidelines to help it practice good corporate governance.

These guidelines, as set out below, define the role of the Board and outline how the Board will operate to carry out its duties of stewardship and accountability.

The Board-Management Relationship

While the Board is called upon to "manage" the business of the Corporation by law, this is generally carried out by proxy through the Corporation's Chief Executive Officer, who is appointed by the Board and charged with the day-to-day leadership and management of the Corporation. The Board will satisfy itself, to the extent feasible, as to the integrity of the Chief Executive Officer and other officers of the Corporation and that they are creating a culture of integrity throughout the Corporation.

The Chief Executive Officer's prime responsibility is to lead the Corporation. The Chief Executive Officer formulates corporate policies and proposed actions and presents them to the Board for approval. The Board approves the goals of the business, the objectives and policies within which it is managed, and then steps back and evaluates management's performance. Reciprocally, the Chief Executive Officer keeps the Board fully informed of the Corporation's progress towards the achievement of its goals and of all material deviations from the goals or objectives and policies established by the Board, in a timely and candid manner.

Once the Board has approved the Corporation's goals, objectives and policies it acts in a unified and cohesive manner in supporting and guiding the Chief Executive Officer, subject to its duty to act in the best interests of the Corporation.

Board Independence

The Board must have the capacity, independent of management, to fulfill its responsibilities. Independence is based upon the absence of relationships and interests that could compromise the ability of a director to exercise judgment with a view to the best interests of the Corporation. The Board must be able to make an objective assessment of management and assess the merits of management initiatives. Therefore, the Corporation is committed to the following practices:

1. The recruitment of strong, independent¹ directors.
2. A majority of the directors being independent.
3. Delegation of the lead role in the director selection/evaluation process to the Corporate Governance/Nominating Committee and the lead role in the Chief Executive Officer evaluation process to the Compensation Committee.
4. All committees of the Board being constituted with a majority of independent directors, and solely with independent directors if possible.

Corporate Strategy

Management is responsible for the development of an overall corporate strategy to be presented to the Board. The Board's role is to ensure that there is a strategic planning process, and then review, question, validate, and ultimately approve the strategy and monitor its implementation. This will entail the Board's reviewing with management the mission of the business in conjunction with management's objectives and goals and the strategy by which it proposes to reach those goals, and will include the Board:

1. Participating with management in the development of, and ultimately approving, the Corporation's strategic plan on an annual basis.
2. Approving the annual business plans that enable the Corporation to realize its objectives.
3. Approving the annual capital and operating budgets which support the Corporation's ability to meet its strategic objectives.

¹ Multilateral Instrument 52-110 *Audit Committees* defines "independence" as having no direct or indirect material relationship with the issuer, and a "material relationship" as a relationship which could, in the view of the issuer's board, be reasonably expected to interfere with the exercise of a director's independent judgment. Specific individuals considered to have a material relationship with an issuer include:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer (excluding a person who has acted as chair of the board of directors on a part-time basis);
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- (c) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee;
- (d) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years;
- (e) an individual who accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
- (f) an individual who is an affiliated entity of the issuer or any of its subsidiary entities.

Reference should be made to Multilateral Instrument 52-110 for the other circumstances in which an individual will be considered to have a material relationship with an issuer.

4. Approving the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Corporation.
5. Approving material divestitures and acquisitions.
6. Monitoring the Corporation's progress towards its goals, and revising and altering its direction through management in light of changing circumstances.
7. Reviewing, at every regularly scheduled Board meeting if feasible, recent developments that may affect the Corporation's strategy.

Risk Management

The Board is responsible for identifying, with management, the principal risks of the Corporation's business and reviewing, approving and monitoring the implementation of appropriate systems to manage and reduce those risks. This will include an assessment and evaluation of information provided by management and others (for example, internal and external auditors) about the effectiveness of management control systems, an understanding of principal risks, the impact of risks on the Corporation's strategic plan and a determination of whether the Corporation is achieving a proper balance between risk and returns.

Succession Planning

The Board will take reasonable steps to ensure that succession planning and management development programs are in place. This will include a succession plan for the Chief Executive Officer, a succession planning program for other members of senior management and ensuring that the Corporation's criteria and processes for recognition, promotion, training, development and appointment of senior management are consistent with the future leadership requirements of the Corporation.

The Board considers succession planning and management development to be an ongoing process, including annual reports to the Board by the Chief Executive Officer. The Chief Executive Officer's views as to a successor in the event of unexpected incapacity should be discussed regularly with the Board, which will be factored into the succession plan for the Chief Executive Officer.

Communications

It is critical that the Corporation maintain effective communications with other parties, particularly shareholders, regulatory authorities and the public. The Board generally feels that it is the function of management to speak for the Corporation in its communications with other parties, but the Board acknowledges that it is responsible for oversight of the Corporation's communications and maintenance of effective communication. In this regard its responsibilities will include:

1. Ensuring the Corporation has in place effective, productive and appropriate communication processes, particularly with shareholders, regulatory authorities and the public.

2. Ensuring that the financial performance of the Corporation is accurately and fairly reported to shareholders and regulatory authorities on a timely and regular basis, and in accordance with generally accepted accounting principles.
3. Ensuring the timely reporting of any developments that have a significant and material impact on the Corporation, the value of its securities or its financial position.
4. Reporting annually to shareholders on the Board's stewardship for the preceding year (generally, via the Corporation's Annual Report).
5. Ensuring the Corporation has in place systems that accommodate feedback from shareholders, including a process which enables shareholders to directly contact the Board Chair or Lead Director, as the case may be, and the independent directors.
6. Reviewing and approving the content of the Corporation's major communications to shareholders and the investing public, including the Annual Report, the Management Information Circular, the Annual Information Form and any prospectuses that may be issued.

Financial and Corporate Issues

The Board is responsible for overseeing and resolving financial and corporate issues as they arise. This will include:

1. Directing management to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained.
2. Approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated.
3. Monitoring operating and financial performance relative to budgets and objectives.
4. Directing management to ensure the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards.
5. Reviewing significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and the environment).
6. Overseeing the implementation and ongoing quality and integrity of the Corporation's accounting and financial reporting systems, management information systems and internal controls.
7. Reviewing operational and financial performance.
8. Approving annual and quarterly financial statements and management's discussion and analysis and approving the release thereof by management, however, the approval of quarterly financial statements and management's discussion and analysis and the release thereof by management may be delegated to the Audit Committee.

9. Approving material agreements and other documents.
10. Declaring dividends.
11. Approving financings, including the issue and repurchase of shares and other securities, issue of debt securities, listing of shares and other securities.
12. Recommending changes to the Corporation's authorized share capital.
13. Recommending to shareholders the appointment of external auditors and approving auditors' fees.
14. Approving the commencement or settlement of litigation that may have a material impact on the Corporation.

Evaluation of the Chief Executive Officer

Annual assessment of the Chief Executive Officer's performance and compensation will generally be delegated to the Compensation Committee.

Board Size and Composition

The Board is committed to reviewing its size regularly and will seek to maintain the number of directors which is appropriate for the size and complexity of the Corporation and sufficient to provide an appropriate mix of backgrounds and skills for the stewardship of the Corporation. In general, the Board believes smaller boards are more cohesive and work more effectively than larger boards.

In the Board's view, there is no implication that a non-independent director makes less of a contribution to the Corporation than an independent director or that a non-independent director cannot or does not act independently or in the best interests of the Corporation. However, any director who is an independent director and whose circumstances change such that he or she might be considered to be a non-independent director must promptly advise the Board of the change in circumstances. The determination of which directors are non-independent and independent will be delegated to the Corporate Governance/Nominating Committee.

At all meetings of the Board every question will be decided by a majority of the votes cast. In case of an equality of votes, the Chair will not be entitled to a second, or casting, vote.

Criteria for Board Membership

The Corporate Governance/Nominating Committee will annually review the general and specific criteria applicable to candidates to be considered for nomination to the Board. The objective of this review is to maintain the composition of the Board in a way that provides the best mix of skills and experience to guide the long term strategy and ongoing business operations of the Corporation. This review will take into account the desirability of maintaining a reasonable diversity of background skills and experience and personal characteristics among the directors, along with the key common characteristics required for effective Board participation.

Selection of New Directors

The Board, with the assistance of the Corporate Governance/Nominating Committee, is responsible for identifying suitable candidates to be recommended for election to the Board by the shareholders.

The Corporate Governance/Nominating Committee has the responsibility of gathering the names of potential nominees, screening their qualifications against the current skill and experience needs of the Board and making recommendations to the full Board. All directors are encouraged to identify potential candidates to the Corporate Governance/Nominating Committee.

Directors Who Change Their Present Job Responsibilities

A director, including any related director, who has a major change in principal occupation will offer to resign from the Board, which offer will then be considered by the Board. It is not intended that directors who retire or whose professional positions change should necessarily leave the Board, however, the Board feels that there should be an opportunity for the Board to review the continued appropriateness of Board membership under such circumstances.

Director Retirement Age

There is no retirement policy for directors.

Board Meetings and Agendas

The Board will meet a minimum of four times per year, at least once every quarter, and may call special meetings as required.

The Chair, in conjunction with the Chief Executive Officer and Corporate Secretary, will develop the agenda for each Board meeting. Under normal circumstances, the agenda and materials for the meeting will be distributed to directors not less than three business days before the meeting. All directors are free to suggest additions to the agenda.

Meetings of Independent Directors

At the end of each Board meeting, the independent directors will meet without the non-independent directors and management being present. This will provide the independent directors with an opportunity to raise and discuss issues that they did not wish to discuss with management present and ensure that the Board functions effectively and independently of management.

Board Information

Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors. Presentations on specific subjects at Board meetings will briefly summarize the material sent to directors, so as to maximize the time available for discussion on questions regarding the material.

It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance.

Non-Directors at Board Meetings

The Board appreciates the value of having certain non-directors, including senior members of management or experts and consultants attend Board meetings when necessary to provide information and opinions to assist the directors in their deliberations.

The Chair will determine which non-directors will attend Board meetings, and for which agenda items.

Committees

Committees are struck and disbanded at the discretion of the Board, and notwithstanding the Charter or mandate of any committee, the members of a committee will hold such office at the pleasure of the Board.

Committees analyze in greater depth policies and strategies developed by management, which are consistent with their Charter. They examine proposals and, where appropriate, make recommendations to the full Board. A committee will operate in accordance with a Board approved written mandate outlining its duties and responsibilities, and will not take action or make decisions on behalf of the Board unless specifically mandated to do so.

Each committee will undertake a comprehensive review of its Charter each year. In addition, each year the Board will review the Charter for all committees to ensure that together they meet the needs of the Corporation, and will recommend the addition or deletion of committees as necessary.

Board Contact with Senior Management

All of the directors have open access to senior management of the Corporation. The Board also encourages individual directors to make themselves available for consultation with senior management outside Board meetings in order to provide specific advice and counsel on subjects where such directors have special knowledge and experience.

Written communications from directors to members of senior management will be copied to the Chief Executive Officer.

The Board will conduct periodic review of its relationship with senior management of the Corporation.

New Director Orientation

New directors will be provided with an orientation and education program which will include written information about the duties and obligations of directors, the role of the Board and its committees, the contribution individual directors are expected to make, the business and operations of the Corporation, documents from recent Board meetings and opportunities for

meetings and discussion with senior management and other directors. The details of the orientation of each new director will be tailored to that director's individual needs and areas of interest.

Continuing Education

Continuing education opportunities will be provided for directors, so that directors may maintain or enhance their skills and abilities as directors and ensure their knowledge and understanding of the Corporation's business remains current. This will include opportunities for directors to visit the Corporation's various project sites on a regular basis.

Assessing the Board's Performance

The Corporate Governance/Nominating Committee will be responsible for carrying out a review and assessment of the overall performance and effectiveness of the Board, its committees and the contributions of individual directors on an annual basis. The objective of this review will be to facilitate a continuous improvement in the Board's execution of its responsibilities.

Director Compensation

The Compensation Committee will review the compensation of the directors each year and will make recommendations to the Board for consideration when it believes changes in compensation are warranted.

Limits to Management Authority

From time to time, the Board may establish limits on management's authority dependant on the nature and size of proposed transactions. These limits will permit some flexibility within approved budgets, but otherwise must not be exceeded without Board approval.

Oversight of Corporate Governance Practices

The Corporate Governance/Nominating Committee will be responsible for conducting periodic reviews of the Corporation's corporate governance policies and making policy recommendations aimed at enhancing Board and committee effectiveness.

The Board will review the disclosure of the Corporation's corporate governance practices in any documents in which such disclosure is included.

Outside Advisors for Individual Directors

Occasionally individual directors may need the services of an advisor to assist on matters involving their responsibilities as a Board member. The Board has determined that any director who wishes to engage an outside advisor at the expense of the Corporation will first obtain the authorization of the Chair or the Corporate Governance/Nominating Committee, unless such authorization is expressly permitted by the Charter for the relevant committee of which such director is a member.

Access to Chair and Independent Directors

Security holders and other interested parties may communicate directly with the Chair and the independent directors as a group. Communications should be sent to the Chair by regular mail (or other means of delivery) to the corporate headquarters address of the Corporation in a sealed envelope marked “Private and Strictly Confidential – Attention: Chair of the Board of Directors of Plutonic Power Corporation.” Any such envelope will be delivered unopened to the Chair.

General Legal Obligations

The Corporation is governed by the British Columbia *Business Corporations Act* (“BCBCA”), which also contains a number of provisions applicable to the Board’s responsibilities. These include:

1. A duty to manage or supervise the management of the business and affairs of the Corporation (BCBCA s.136(1)).
2. A duty to act honestly and in good faith with a view to the best interests of the Corporation (BCBCA s.142(1)(a)).
3. A duty to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (BCBCA s.142(1)(b)).