

RARE ELEMENT RESOURCES LTD
Form DEF 14A
October 26, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to § 240.14a-12

RARE ELEMENT RESOURCES LTD.

(Name of Registrant as Specified in its Charter)

NOT APPLICABLE

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
 - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
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 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

Notice of Annual Meeting of Shareholders

and

Management Information Circular

2012

RARE ELEMENT RESOURCES LTD.

225 Union Blvd, Suite 250

Lakewood, Colorado, 80228

Dear Shareholder:

Our fiscal year 2012 was another year of successful achievement of key milestones in the development of our Bear Lodge Rare Earth Project, our 100%-owned property located near Sundance, Wyoming, USA. We completed our Preliminary Feasibility Study (PFS) that demonstrated the technical merits as well as robust economic returns for the project. Our exploration team, once again, was able to meet our exploration goals for the year and significantly increased our resource base. We will continue our focused exploration program in our commitment to further define the quality and extent of the Bear Lodge Property. We are equally committed to our permitting timeline and our rare earth production goals in 2015-2016. Our goal is to produce shareholder value by meeting each and every milestone. At the same time, we remain dedicated to protecting shareholder value by fostering a culture that has the highest regard for environmental stewardship, employee health and safety, and maintaining valued relationships in our communities.

At this year's Annual Meeting of Shareholders, the Board of Directors recommends you vote promptly on the following proposals that will continue positioning your Company for the future:

.

Elect our Board of Directors;

.

Ratify the appointment of Ehrhardt Keefe Steiner & Hottman PC, Certified Public Accountants as our independent registered public accounting firm; and

.

Transact such other business that properly comes before the Annual Meeting.

We hope you will attend this year's Annual Meeting of Shareholders, to be held at the Sheraton Denver West, 360 Union Boulevard, Lakewood, Colorado 80228 at 2:00 p.m., local time, on December 11, 2012.

Only shareholders of record at the close of business on October 25, 2012 are entitled to notice of, and to vote at, the Annual Meeting.

Respectfully,

/s/ Randall J. Scott

RANDALL J. SCOTT
*President, Chief Executive Officer
and Director*

Lakewood, Colorado
October 26, 2012

RARE ELEMENT RESOURCES LTD.

225 Union Blvd, Suite 250

Lakewood, Colorado, 80228

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting of the shareholders of Rare Element Resources Ltd. (the Company) will be held at the Sheraton Denver West, 360 Union Boulevard, Lakewood, Colorado 80228 on Tuesday, December 11, 2012 at 2:00 p.m. (Mountain Standard time) (the Annual Meeting). At the meeting, the shareholders will receive the audited financial statements for the fiscal year ended June 30, 2012, together with the auditor's report thereon, and consider resolutions to:

1.

Elect directors of the Company to serve for the ensuing year or our next Annual Meeting;

2.

Ratify the appointment of Ehrhardt Keefe Steiner & Hottman PC, Certified Public Accountants, as auditor of the Company for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor; and

3.

Transact such other business as may properly be put before the Annual Meeting.

Nominees for directors to be elected at the Annual Meeting are set forth in the enclosed Information and Proxy Circular.

Only shareholders of record at the close of business on October 25, 2012, the record date fixed by the Board of Directors, are entitled to notice of, and to vote at, the Annual Meeting.

YOUR VOTE IS IMPORTANT

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER**

11, 2012. OUR PROXY STATEMENT IS ATTACHED. FINANCIAL AND OTHER INFORMATION CONCERNING RARE ELEMENT RESOURCES LTD. IS CONTAINED IN OUR 2012 ANNUAL REPORT TO SHAREHOLDERS. YOU MAY ACCESS THIS PROXY STATEMENT AND OUR 2012 ANNUAL REPORT TO SHAREHOLDERS AT <http://materials.proxyvote.com>.

Whether or not you plan to attend the Annual Meeting, we urge you to vote and submit your proxy in order to ensure the presence of a quorum.

Registered holders may vote:

1.

By Internet: go to <http://www.proxyvote.com/75381M>

2.

By toll-free telephone: call 1-800-690-6903; or

3.

By mail (if you received a paper copy of the proxy materials by mail): mark, sign, date and promptly mail the enclosed proxy card in the postage-paid envelope.

Beneficial Shareholders. If your shares are held in the name of a broker, bank or other holder of record, follow the voting instructions you receive from the holder of record to vote your shares.

By order of the Board of Directors,

/s/ Randall J. Scott

RANDALL J. SCOTT

President, Chief Executive Officer

and Director

Lakewood, Colorado

October 26, 2012

RARE ELEMENT RESOURCES LTD.

225 Union Blvd, Suite 250

Lakewood, Colorado, 80228

INFORMATION AND PROXY CIRCULAR

(as at October 25, 2012, except as otherwise indicated)

SOLICITATION OF PROXIES

This information and proxy circular (the **Circular**) is provided in connection with the solicitation of proxies by the management and board of directors (the **Board**) of Rare Element Resources Ltd. (the **Company**). The form of proxy which accompanies this Circular (the **Proxy**) is for use at the annual meeting of the shareholders of the Company to be held on Tuesday, December 11, 2012 (the **Meeting**), at the time and place set out in the accompanying notice of meeting (the **Notice of Meeting**).

The solicitation of proxies by management and the Board of the Company will be made primarily by mail or by notice and access to electronic materials on the internet, but solicitation may be made by telephone or in person with the cost of such solicitation to be borne by the Company. While no arrangements have been made to date, the Company may contract for the solicitation of proxies for the Meeting. Such arrangements would include customary fees which would be borne by the Company.

It is anticipated that this Circular and the accompanying Proxy will be first mailed to shareholders on or about October 26, 2012.

The corporate headquarters and executive offices of the Company are located at 225 Union Blvd, Suite 250, Lakewood, Colorado 80228 and its telephone number is (720) 278-2460.

All references to currency in this Circular are in U.S. dollars, unless otherwise indicated.

APPOINTMENT AND REVOCATION OF PROXY

Appointment of Proxy

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder has the right to designate a person (who need not be a shareholder) other than the persons named in the Proxy to represent the shareholder at the Meeting. A registered shareholder who wishes to appoint some other person or company to serve as their representative at the Meeting may do so by striking out the printed names and inserting** the desired person's name in the blank space provided in the Proxy. The instrument appointing a proxyholder must be in writing and signed by the registered shareholder, or such registered shareholder's attorney authorized in writing, or if the registered shareholder is a corporation, by a duly authorized officer or attorney, of such corporation. An undated but executed proxy will be deemed to be dated the date of the mailing of the proxy by the Company or its agent.

If you received a paper copy of the proxy materials by mail and wish to vote your proxy by mail, mark your vote on the enclosed proxy card; then follow the directions on the card. To vote your proxy using the Internet or by telephone, see the instructions set forth on the Notice of Annual Meeting of

Shareholders included with this proxy statement or the Notice of Internet Availability of Proxy Materials mailed to our shareholders on or about October 26, 2012.

Revocation of Proxy

A registered shareholder may revoke the Proxy by:

(a)

signing a proxy with a later date and delivering it to the registered office of the Company at any time up to and including the last business day before the day set for the Meeting;

(b)

signing and dating a written notice of revocation and delivering it to the registered office of the Company at any time up to and including the last business day before the day set for the Meeting;

(c)

signing and dating a written notice of revocation and providing it at the Meeting to the chair of the Meeting; or

(d)

attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The common shares of the Company (the Common Shares) represented by proxy in the enclosed form will be voted or withheld from voting by the designated proxyholder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares for which management and the Board of the Company are the designated proxyholders will be voted in accordance with the Board's recommendation for such matter or matters, as described under each such proposal in this Circular.

Exercise of Discretion by Proxyholders

The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting, subject to any limitation imposed by applicable law. At the time of printing of this Circular, the management of the Company knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting. If any amendment or variation or other matter comes before the Meeting, the persons named in the proxy will vote in accordance with their best judgment on such amendment, variation or matter, subject to any limitation imposed by applicable law.

Non-Registered Holders

The information set out in this section is important to many shareholders, as a substantial number of shareholders do not hold their Common Shares in their own name.

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are non-registered shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares.

A person is not a registered shareholder (a Non-Registered Holder) in respect of shares which are held either: (a) in the name of an intermediary (an Intermediary) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (CDS) in Canada and the Depository Trust Company (DTC) in the United States), of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as Non-Objecting Beneficial Owners, or NOBOs. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as Objecting Beneficial Owners, or OBOs. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has elected to send the Notice of Meeting, this Circular and the Proxy (collectively, the Meeting Materials) directly to the NOBOs, and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Intermediaries will frequently use service companies to forward the Meeting Materials to the OBOs. Generally, an OBO who has not waived the right to receive Meeting Materials will either:

(a)

be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the OBO and must be completed, but not signed, by the OBO and deposited with Computershare; or

(b)

more typically, be given a voting instruction form (VIF) which is not signed by the Intermediary, and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute

voting instructions which the Intermediary must follow.

The Meeting materials are being sent to both registered shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. 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 request for voting instruction.

The Meeting Materials sent to NOBOs who have not waived the right to receive meeting materials are accompanied by a VIF, instead of a Proxy. By returning the VIF in accordance with the instructions noted on it, a NOBO is able to instruct the voting of his or her shares.

VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder, or his or her nominee, the right to attend and vote at the Meeting.

Please return your voting instructions as specified in the VIF. Non-Registered Holders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Financial Statements

The audited financial statements of the Company for the fiscal year ended June 30, 2012 together with the auditor's report on those statements (the Financial Statements), will be presented to the shareholders at the Meeting.

A copy of the Company's Annual Report on Form 10-K, including financial statements and financial statement schedules, required to be filed with the U.S. Securities and Exchange Commission (the SEC) pursuant to the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act), for the fiscal year ended June 30, 2012 may be obtained by any beneficial owner of the Common Shares of the Company, determined as of October 25, 2012, free of charge on the Company's website (www.rareelementresources.com) or by written request to:

Corporate Secretary

225 Union Blvd, Suite 250

Lakewood, Colorado 80228

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at October 25, 2012, the Company's authorized capital consists of an unlimited number of Common Shares without par value of which 44,824,245 Common Shares are issued and outstanding. All Common Shares in the capital of the Company carry the right to one vote. Voting rights are not cumulative.

The Board of Directors of the Company has fixed the close of business on October 25, 2012 as the record date for the purpose of determining the shareholders entitled to received notice of and to vote at the Meeting, but failure of any shareholder to receive notice of the Meeting does not deprive such shareholder of the entitlement to vote at the Meeting. Only shareholders of record at the close of business on October 25, 2012 who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described herein will be entitled to vote or to have his or her Common Shares voted at the Meeting.

Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

Broker Non-Votes and Abstention

Brokers and other intermediaries, holding Common Shares in street name for their customers, are required to vote the shares in the manner directed by their customers. Under the *Business Corporations Act* (British Columbia), brokers are not entitled to vote shares held in street name for their customers where they have not received written voting instructions from the Non-Registered Holders of those shares. Under the rules of the NYSE MKT, brokers are prohibited from giving proxies to vote on non-routine matters (including, but not limited to, non-contested director elections and executive compensation matters) unless the beneficial owner of such shares has given voting instructions on the matter.

The absence of a vote on a matter where the broker has not received written voting instructions from a Non-Registered Holder is referred to as a broker non-vote. Because both matters to be voted upon at the meeting require a plurality vote, any shares represented at the Meeting but not voted (whether by abstention, broker non-vote or otherwise) will have no impact on any matters to be acted upon at the Meeting.

Ownership of the Company's Common Shares by Certain Beneficial Owners

To the knowledge of the directors and executive officers of the Company, based on the absence of Schedule 13 filings with the Securities and Exchange Commission (SEC), there is no person who beneficially owns, controls or directs, directly or indirectly, 5% or more of the issued and outstanding Common Shares of the Company as of October 25, 2012.

SHARE OWNERSHIP TABLE

The following table sets forth certain information regarding beneficial ownership, control or direction, directly or indirectly, of the Company's Common Shares, as of October 19, 2012, by (i) each of the Company's executive officers and directors and (ii) the Company's executive officers and directors as a group.

Name and Position	Common Shares Beneficially Owned ⁽¹⁾	Percentage of Class ⁽²⁾
Donald E. Ranta - <i>Former Chief Executive Officer & President, Current Director and Chairman, Golden, CO, USA</i>	744,500 ⁽³⁾	1.7%
Randall J. Scott - <i>Chief Executive Officer & President, Director Littleton, CO, USA</i>	120,000 ⁽⁴⁾	0.3%
M. Norman Anderson - <i>Director Vancouver, BC Canada</i>	324,000 ⁽⁵⁾	0.7%
Norman W. Burmeister - <i>Director Dubois, WY, USA</i>	515,231 ⁽⁶⁾	1.1%
Gregory E. McKelvey - <i>Director Pine, AZ, USA</i>	262,600 ⁽⁷⁾	0.6%
Paul Schlauch - <i>Director Greenwood Village, CO, USA</i>	100,000 ⁽⁸⁾	0.2%
Paul H. Zink - <i>Director Centennial, CO, USA</i>	40,000 ⁽⁹⁾	0.1%
David P. Suleski - <i>Chief Financial Officer Lakewood, CO, USA</i>	184,000 ⁽¹⁰⁾	0.4%
Jaye T. Pickarts - <i>Chief Operating Officer Littleton, CO, USA</i>	316,253 ⁽¹¹⁾	0.7%
Kelli C. Kast - <i>Chief Administrative Officer & General Counsel Evergreen, CO, USA</i>	15,000 ⁽¹²⁾	0.0%
George G. Byers - <i>VP of Government and Community Relations Denver, CO, USA</i>	176,000 ⁽¹³⁾	0.4%
James G. Clark - <i>VP of Exploration Camas, WA, USA</i>	204,000 ⁽¹⁴⁾	0.5%

Mark T. Brown - *Former Chief Financial Officer and Director*

Nominee

<i>Vancouver, BC Canada</i>	1,916,000 ⁽¹⁵⁾	4.2%
All executive officers and directors as a group	4,917,584	10.4%

(1)

Includes Common Shares outstanding as of October 25, 2012, plus any securities or options held by such person exercisable for or convertible into Common Shares, or vesting, within 60 days after October 25, 2012.

(2)

In accordance with Rule 13d-3(d)(1) under the U.S. Securities Exchange Act of 1934, as amended, the applicable percentage of ownership for each person is based on 44,824,245 Common Shares outstanding as of October 19, 2012, plus any securities or options held by such person exercisable for or convertible into Common Shares, or vesting, within 60 days after October 19, 2012.

(3)

472,000 Common Shares and 260,000 options are held personally by Mr. Ranta personally and an additional 12,500 shares are held by Mr. Ranta's spouse.

(4)

120,000 options are held by Mr. Scott personally.

(5)

50,000 Common Shares and 274,000 options are held by Mr. Anderson personally.

(6)

241,231 Common Shares and 274,000 options are held by Mr. Burmeister personally.

(7)

188,600 Common Shares and 74,000 options are held by Mr. McKelvey personally.

(8)

5,000 Common Shares and 95,000 options are held by Mr. Schlauch personally.

(9)

40,000 options are held by Mr. Zink personally.

(10)

184,000 options are held by Mr. Suleski personally.

(11)

3,253 Common Shares and 310,000 options are held by Mr. Pickarts personally. Another 3,000 Common Shares are held by his spouse.

(12)

15,000 options are held by Ms. Kast personally.

(13)

70,000 Common Shares and 106,000 options are held by Mr. Byers personally.

(14)

204,000 options are held by Mr. Clark personally.

(15)

881,000 of these Common Shares are held by Pacific Opportunity Capital Ltd., a company of which Mr. Brown is the President and a director, 40,000 of these Common Shares are held by a company 100% owned by Mr. Brown, 3,000 shares are owned by Mr. Brown's spouse and 693,000 of these Common Shares are held by Mr. Brown personally. Another 298,000 options vested are held by Mr. Brown personally. Mr. Brown resigned as the Chief Financial Officer on August 22, 2011 and is nominated for election to the Board at the Meeting.

Change in Control

The Company has no knowledge of any arrangement that might result in a change in control in the future. To the Company's knowledge, there are no arrangements, including any pledge by any person of the Company's securities, the operation of which may at a subsequent date result in a change in the Company's control.

Quorum

The Company's Article provide that any two persons who are present or represent by proxy shareholders who, in the aggregate, hold at least 5% (1/20) of the issued and outstanding shares entitled to be voted at the meeting shall constitute a quorum.

Dissenters' Rights of Appraisal

No action is proposed herein for which the laws of British Columbia or the Articles of the Company provide a right of a shareholder to dissent and obtain appraisal of or payment for such shareholder's Common Shares.

ELECTION OF DIRECTORS

Director and Nominee Experience and Qualifications

The Company's Board of Directors believes that the Board, as a whole, should possess a combination of skills, professional experience and diversity of viewpoints necessary to oversee the Company's business. In addition, the Board believes that there are certain attributes that every director should possess, as reflected in the Board's membership criteria (further described below). Accordingly, the Board and the Nominating, Corporate Governance and Compensation Committee (NCG&C Committee) consider the qualifications of director and director candidates individually and in the broader context of the Board's overall composition and the Company's current and future needs.

The NCG&C Committee reviews and makes recommendations regarding the composition and size of the Board in order to ensure the Board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds. Board membership criteria include items relating to ethics, integrity and values, sound business judgment, professional experience, industry knowledge, and diversity of viewpoints, all in the context of an assessment of the perceived needs of the Board at that point in time. The Board, as a whole, should possess a variety of skills, occupational and personal backgrounds, experiences and perspectives necessary to oversee the Company's business. In addition, Board members generally should have relevant technical skills or financial acumen that demonstrates an understanding of the financial and operational aspects of a rare earth mining exploration and development company.

In evaluating director candidates and considering incumbent directors for renomination, the Board and the NCG&C Committee have not formulated any specific minimum qualifications, but, rather, consider a variety of factors. These include each nominee's independence, financial acumen, personal accomplishments, career specialization, and experience in light of the needs of the Company. For incumbent directors, the factors also include past performance on the Board.

Eight directors are to be elected at the Annual Meeting, each to serve until the next annual general meeting of the shareholders or until their successors are duly elected or appointed. The management and Board propose to nominate the persons listed below for election as directors of the Company. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the management and Board will be voted FOR the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable or unwilling to serve as a director.

The following table sets out the names and ages of the nominees for election as directors; their provinces or states and country of residence, the offices they hold within the Company, if any; their occupations; and the dates since which they have served as directors of the Company:

Name, Age Province or state and country of residence and Current Positions, , if any, held in the Company **Served as director since**
DONALD E. RANTA, 70 October 1, 2007
 Colorado, USA

Director and Chairman
RANDALL J. SCOTT, 61 February 3, 2012
 Colorado, USA

Director, President & Chief

Executive Officer
M. NORMAN ANDERSON, 81 ⁽²⁾ July 13, 2003
 British Columbia, Canada

Director
MARK T. BROWN, 44 ⁽³⁾ n/a
 British Columbia, Canada

Director Nominee
NORMAN W. BURMEISTER, 73 ⁽¹⁾⁽²⁾ July 17, 2003
 Wyoming, USA

Director
GREGORY E. MCKELVEY, 69 ⁽¹⁾⁽²⁾ February 19, 2008
 Arizona, USA

Director
PAUL SCHLAUCH, 70 July 5, 2011
 Colorado, USA

Director
PAUL ZINK, 57 ⁽¹⁾ February 3, 2012
 Colorado, USA

Director

(1)

Current member of the Company's Audit Committee. Paul H. Zink is the chair of the Audit Committee.

(2)

Current member of the Nominating, Corporate Governance and Compensation Committee. Gregory McKelvey is the chair of the Nominating, Corporate Governance and Compensation Committee.

(3)

Mr. Brown formerly served as a director of the Company from June 3, 1999 to February 3, 2012.

The following are brief biographies of the Company's nominees for election to the Board:

Donald Ranta is an exploration and development executive experienced in planning, implementing and directing successful exploration and qualification programs throughout North America and South America. Mr. Ranta was appointed Chairman of the Board of Directors of the Company in December 2011 and has been a Director of the Company since May 2007. He served as the Company's President and Chief Executive Officer from October 2007 to December 2011. Since July 2008, Mr. Ranta has been a director of Avrupa Minerals Ltd., and since September 2008, he has been a director of Otis Gold Corp. Previously, Mr. Ranta was Vice President of Exploration for Echo Bay Mines and Manager/Vice President for North American Exploration at Phelps Dodge Mining Company. Mr. Ranta also served as the President and board member of the Society for Mining, Metallurgy & Exploration. Mr. Ranta obtained a Bachelor of Science degree from the University of Minnesota in June of 1965, a Masters degree from the University of Nevada in June of 1967 and a PhD from the Colorado School of Mines in May of 1974.

Mr. Ranta's extensive experience in planning, implementing and directing successful exploration and evaluation programs in North America is key to the Company's current business plans in relation to the ongoing exploration and development of the Company's Bear Lodge Project. Mr. Ranta's long history as a director of the Company and his intimate knowledge of the Company's projects together with his

extensive experience within the industry bring a valuable perspective to the Company's Board in relation to the proper management and oversight of the Company's projects. Accordingly, the Board believes that Mr. Ranta should once again serve on the Board.

Randall J. Scott currently serves as President and Chief Executive Officer of the Company. Mr. Scott is a metallurgical engineer with over thirty years of experience in the industry. His experience includes leading performance teams in operations, administration, project development program management, business development and major improvement initiatives. Mr. Scott was appointed as a Director of the Company in February 2012 and as President and Chief Executive Officer in December 2011. Mr. Scott previously worked for Thompson Creek Metals Company Inc. as Vice President, Corporate Responsibility and Strategy from May 2011 to November 2011, as Director Strategic Management from August 2010 to May 2011 and as Project Sponsor Enterprise Resource Planning Implementation from January 2010 to August 2010. Prior to that, he served as Vice President of Metals Norwest Corporation during January 2010. From 2002 until 2009, he served as the Principal Real Estate Agent and Team Leader for Scott Home and Land Real Estate Team. Mr. Scott held senior management positions with Cyprus Amax Coal Company and RAG American Coal Company from 1995 to 2001, and prior to that Mr. Scott held senior management positions with Cyprus Metals Company from 1989 until 1995. Mr. Scott received his Bachelor of Science degree in metallurgical engineering from the Colorado School of Mines and his Masters of Business Administration from the University of Arizona.

Mr. Scott's background in metallurgical engineering at operating mines and extensive high-level executive positions with producing mining companies are valuable additions to the Board. His understanding of mining operations, including production elements as well as corporate responsibility and safety, as well as other key operating metrics is unique in his contribution. Accordingly, the Board believes that Mr. Scott should once again serve on the Board.

M. Norman Anderson worked with Cominco, now Teck Resources, during which time he spent a four-year period in an executive position with Amax Lead Zinc Inc. In 1978, he became President and Chief Operation Officer of Cominco, and in 1980 he assumed complete responsibility for Cominco's business as Chairman and Chief Executive Officer. Mr. Anderson left the Chairman and Chief Executive Officer position of Cominco in 1986 and has been a director and consultant to the mining industry since that time. He is a current director of Barkerville Gold Mines (since June 2012). Mr. Anderson has also been a director of other mining companies including Cia de Minas Bonaventura SA (February 1995-March 2011); Hudbay Minerals Ltd. (December 2004-March 2009); and Anatolia Mineral Development Ltd. (January 2004-April 2008). Mr. Anderson obtained a Bachelor of Science degree from the University of Manitoba, became a Professional Engineer in 1961 and became a fellow of the Institute of Materials, Minerals and Mining in 1989.

Mr. Anderson's experience as a high level executive officer in the resource sector combined with his experience as a board member for several other resource companies bring a key perspective to the Board's role in directing the management of the Company's projects. Further, his degree as a Professional Engineer and his experience as a fellow of the Institute of Materials, Minerals and Mining bring an expertise to the Board in relation to the analysis and understanding of the Company's mineral resources. As the Company's Bear Lodge property is an exploration stage property that the Company is moving towards development, Mr. Anderson's experience within the resource sector and his understanding of the Company's resource position are valuable to the implementation of the Company's current business plan. Accordingly, the Board believes that Mr. Anderson should once again serve on the Board.

Mark T. Brown is the President of Pacific Opportunity Capital Ltd., a private company which provides financial solutions, equity and management services to small and medium size entrepreneurial enterprises. Mr. Brown previously served as the Company's President from June 1999 to June 2002 and Chief Financial Officer from July 2002 to August 2011 and as a director from June 1999 to January 2012. Mr. Brown is currently a director of Almaden Minerals Ltd. (since November 2007); Animas Resources Ltd. (since June 2006); Avrupa Minerals Ltd. (since January 2008); Estrella Gold Corporation (since July 2011); Big Sky Petroleum Corporation (since May 2008); Galileo Petroleum Ltd. (since June 2000); Strategem Capital Corporation (since September 2001); and Sutter Gold Mining Inc. (since November 2000). He is a former director of Mediterranean Resources Ltd. (until May 2009); Pitchstone Exploration Ltd. (until July 2012); International Bethlehem Mining Corp. (until October 2008); G4G Resources Ltd. (until September 2008); Rockhaven Resources Ltd. (until June 2008); Inform Resources Corp. (until March 2008); and BHR Buffalo Head Resources (until March 2008). Mr. Brown received a Bachelor of Commerce Degree from the University of British Columbia in 1990 and is a member of the Institute of Chartered Accountants of British Columbia. Prior to joining Pacific Opportunity Capital Ltd., Mr. Brown worked with PricewaterhouseCoopers (1990 to 1994); Miramar Mining (1994-1995) and Eldorado Gold (1995-1997).

Mr. Brown brings extensive experience in the areas of financing, accounting and consulting for publicly traded companies involved in the mining industry. Further, Mr. Brown serves on the Board of several other companies in the resource sector and brings extensive experience in relation to the oversight and direction of the Company's financial position. Given Mr. Brown's prior positions with the Company and the current development status of the Company's Bear Lodge property, the Company's desire to move its projects toward development and the Company's need to raise additional financing to accomplish these goals, Mr. Brown's financial and business expertise both generally and as to the Company is valuable to the Company's current business plan. Accordingly, the Board believes that Mr. Brown should once again serve on the Board.

Norman W. Burmeister graduated from the Colorado School of Mines in Mining Geology in 1961 and has over 50 years of experience in the mining industry. He was Chief Geologist for Silver Standard Resources from 1965 to 1978, responsible for two grass root discoveries, the Minto copper deposit in Yukon and the Mill Creek gold deposit in Nevada, both of which became producing ore bodies. In 1980, he founded Bull Run Corporation and served as its Chairman/CEO until 1992. During that period Bull Run successfully found, explored and developed a significant gold mine in Elko County, Nevada. From 2003 to 2007, he was the President and Chief Executive Officer as well as a director of Bayswater Uranium Corp. In 1998, Mr. Burmeister identified the Bear Lodge opportunity and was responsible for its acquisition. From 2003 to 2005, he was the President and Chief Executive Officer of the Company and its predecessor companies. From March 2006 until May 2012, Mr. Burmeister was the President, Chief Executive Officer and a director of Saratoga Gold Company Ltd.

Mr. Burmeister has extensive experience as a chief geologist and high-level executive in the mining industry. Further, Mr. Burmeister's degree in Mining Geology permits him to bring valuable insight to the Board on the geology of the Company's Bear Lodge property. Mr. Burmeister aided the Company in the identification of the Bear Lodge property and was the former President and Chief Executive Officer of the Company. Mr. Burmeister's past experience in running the Company combined with his knowledge of the Company's key property and his extensive experience as a geologist and executive of the resource sector are valuable to the Company's current business plan. Accordingly, the Board believes that Mr. Burmeister should once again serve on the Board.

Gregory E. McKelvey has more than forty years of extensive, international experience in Latin America, Africa and Europe in expanding responsibilities for significant mining companies such as Kennecott, Cominco, Homestake, and Phelps Dodge. He also acts as an Adjunct Faculty member at the University

of Arizona in their International Center for Mining Health, Safety and Environment and worked for the United States Geological Society in Latin America. Mr. McKelvey has successfully directed and led innovative exploration efforts, resulting in the discovery and identification of several major ore deposits. Previously, he acted as the Managing Partner of Global Mine Discovery Partnership LLC (2001-2004), and, since April 2005, he has been a geologic consultant for Quadra Mining, Newmont Gold, Gerald Minerals and Phelps Dodge Exploration Corporation. He is the former President and CEO of Animas Resources Ltd. (2007-2011) and currently serves as a director of Avrupa Minerals Ltd. (since July 2008) and Redhawk Resources Inc. (since November 2009). He obtained a Bachelor of Arts degree in Geology in June of 1966 from the University of Montana and a Master's degree in Geology in May of 1967 from Franklin & Marshall College.

Mr. McKelvey's experience with international mining companies and his degree in geology bring a valuable perspective to the Company's operations as the Company competes on the international level with large mining companies to identify and acquire resource properties. Further, Mr. McKelvey's experience in directing successful exploration projects and identifying key mineral deposits bring essential knowledge and experience to the Company's Board as the Company seeks to further the exploration and potential development of the Company's Bear Lodge project and as the Company evaluates potential future acquisitions. Accordingly, the Board believes that Mr. McKelvey should once again serve on the Board.

Paul Schlauch has more than forty years of experience in legal issues relating to the mining industry. Mr. Schlauch was appointed as a Director of the Company in July 2011. He was a practicing attorney at Holland and Hart from February 1995 until his retirement as a Partner in December 2009 and as Of Counsel in July 2011. His former practice included providing legal counsel on diverse mining issues including operational and regulatory matters, litigation, arbitration, structuring and negotiation of mining related transactions, and many other legal activities associated with mining, and exploration and development activities. After retiring from Holland and Hart, Mr. Schlauch continued to provide legal consulting for the Company until July 2012. Mr. Schlauch has worked extensively on public land legal issues as they relate to location, maintenance and patenting of mining and mill site claims, land exchanges, acquisition of various property use rights and the resolution of claim conflicts. From 2000 to 2010, he served as an Adjunct Professor of law at the University of Denver School of Law, where he has taught courses on mineral law and policy. Mr. Schlauch has been active in natural resource industry professional organizations and is the past President of the Rocky Mountain Mineral Law Foundation, as well as the past President of the International Mining Professionals Society. Mr. Schlauch graduated cum laude with an A.B. in chemistry from Colgate University in 1963 and completed a law degree in 1966 at the University of Virginia. He also holds an appointment as an Honorary Lecturer and Course Director on the Faculty of the Centre for Energy, Petroleum and Minerals Law and Policy at the University of Dundee, Scotland.

Mr. Schlauch has specialized knowledge on mining law in the United States and mineral law and policy generally. Mr. Schlauch's experience in the legal community with a practice focused on counseling mining companies regarding a wide array of mineral law issues brings unique knowledge to the Company's Board that is valuable to the Board's oversight of its current Bear Lodge property and execution of its current business plan. Accordingly, the Board believes that Mr. Schlauch should once again serve on the Board.

Paul H. Zink has over thirty years of experience in the financial and extractive industries. Mr. Zink was appointed as a Director of the Company in February 2012. He has been the President of Eurasian Capital, the royalty and merchant banking division of Eurasian Minerals Inc., since July 2010. From March 2008, Mr. Zink served as President and, from November 2009, served as a director of International Royalty Corporation until its sale to Royal Gold, Inc. in February 2010. From January 1994 to March 1997, Mr. Zink managed Pegasus Gold, Inc.'s acquisition efforts. He served as Chief Financial Officer for Koch Mineral Services, a unit of Koch Industries Inc., and as Chief Credit Officer for the parent company, from April 1997 to August 2000. Mr. Zink currently serves as a director of Atna Resources Ltd. (since April 2011). Mr. Zink began his career in the metals and mining industry with J.P. Morgan & Co., working for seventeen years on merger and acquisition analysis, banking and project finance advisory work for European mining companies, and sell-side equity research on U.S. mining stocks. Mr. Zink holds a Bachelor of Arts degree in economics and international relations from Lehigh University and completed J.P. Morgan's Management Training Program and numerous other executive courses and is a member of the Advisory Council for the UC-Denver Business School's J.P. Morgan Center for Commodities.

Mr. Zink has extensive high-level executive mining experience, specifically in the financial, strategic and valuation areas. His specialized financial background brings to the Board experience with financial and accounting statements, audit oversight and controls. He further brings to the Board a background in mining merger and acquisitions and business combinations. Accordingly, the Board believes that Mr. Zink should be elected to serve on the board.

The Company does not currently have an executive committee of its Board.

Director Independence

The Board reviewed and determined each director's relationships with the Company in determining independence under Section 803A of the NYSE MKT Company Guide (United States) and NI 58-101 (Canada). As further described in *Director Compensation*, Messrs. Ranta, Anderson and Schlauch each had consulting agreements with the Company during the fiscal year 2012. Mr. Ranta's agreement, which is currently active, provides for an hourly fee and expense reimbursement for investor relations and strategic alliance work performed outside of his director responsibilities. The fees paid to Mr. Ranta in fiscal year 2012 were \$73,275. Mr. Anderson's consulting relationship, which has been terminated as of June, 2012, provided for an hourly fee for engineering work performed outside his director responsibilities. The fees paid to Mr. Anderson in fiscal year 2012 were \$22,000. Mr. Schlauch's consulting agreement, which terminated in July 2012, provided for an hourly fee and expense reimbursement for legal work performed outside his director responsibilities. The fees paid to Mr. Schlauch in fiscal year 2012 were \$20,890. Based upon the foregoing, the Board determined that Messrs. Ranta, who served as the Company's CEO in fiscal year ending June 30, 2012; and Scott, as an executive of the Company, are not independent. Mr. Brown, a director nominee, is a former Chief Financial Officer of the Company, and is the President and a director of Pacific Opportunity Capital Ltd. (POC), which is under a current consulting arrangement with the Company. Please see more information on the consulting arrangement with POC in the section entitled *Management Contracts*. Based upon this prior officer position, and the consulting arrangement, the Board has determined that Mr. Brown would not be deemed independent.

As a result of these analyses, the Board has determined that the proposed directors would constitute a Board consisting of a majority of independent directors, as required under Section 803A of the NYSE MKT Company Guide and NI 58-101.

Family Relationships

There are no family relationships among any directors, officers or persons nominated to be directors of the Company.

Arrangements between Officers and Directors

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, no director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company that: (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (any of the foregoing being an order), that was issued while he was acting in the capacity of director, chief executive officer or chief financial officer of that company; or (ii) was subject to an order that was issued after he ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while he was acting in that capacity, except for the following: M. Norman Anderson, a director of the Company, is a current director of Barkerville Gold Mines Ltd. (since June 2012), a publicly traded Canadian company, that became subject to a cease trade order issued by the British Columbia Securities Commission, effective August 14, 2012, stating that the company had filed a technical report that was not in the required form under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

Moreover, to the knowledge of the Company, no director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company that: (i) was bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his/her assets; or (ii) within one year of his 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.

Individual Bankruptcies

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

U.S. Legal Matters

No director or officer of the Company is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries. During the past ten years, no director or executive officer of the Company has:

(a) filed or has had filed against such person, a petition under the U.S. federal bankruptcy laws or any state insolvency law, nor has a receiver, fiscal agent or similar officer been appointed by a court for the business or property of such person, or any partnership in which such person was a general partner, at or within two years before the time of filing, or any corporation or business association of which such person was an executive officer, at or within two years before such filings;

(b) been convicted or pleaded guilty or *nolo contendere* in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offences);

(c) been the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting such person's activities in any type of business, securities, trading, commodity or banking activities;

(d) been the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any U.S. federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any type of business, securities, trading, commodity or banking activities, or to be associated with persons engaged in any such activity;

(e) been found by a court of competent jurisdiction in a civil action or by the SEC, or by the U.S. Commodity Futures Trading Commission to have violated a U.S. federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

(f) been the subject of, or a party to, any U.S. federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of: (i) any U.S. federal or state securities or commodities law or regulation; or (ii) any law or regulation respecting financial institutions or

insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or (iii) any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

(g) been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C.78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the U.S. Commodity Exchange Act (7 U.S.C.1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

The directors must be elected by an affirmative vote of a plurality of the votes cast, either in person or by proxy, at the Meeting on this matter. Plurality voting means that the eight directors receiving the greatest number of FOR votes will be elected to the Board. Cumulative voting (*i.e.*, a form of voting where shareholders are permitted to cast all of their aggregate votes for a single nominee) will not be permitted.

The Board recommends a vote FOR each of the nominees for director.

EXECUTIVE OFFICERS

The following table sets out the names and ages of the Company's current non-director executive officers, their provinces or states and country of residence, the offices they hold within the Company, and the dates since which they have served as officers of the Company:

Name, Age, Province or state and country of residence and Positions, current and former, if any, held in the Company	Served as officer since
DAVID SULESKI, 51 Colorado, USA <i>Chief Financial Officer</i> JAYE PICKARTS, 54 Colorado, USA	August 22, 2011 March 14, 2011
<i>Chief Operating Officer</i> JIM CLARK, 64 Colorado, USA <i>VP Exploration</i>	July 13, 2003

GEORGE BYERS, 65
Colorado, USA

February 11, 2011

VP Government and Community Relations
KELLI KAST, 45

July 2, 2012

Colorado, USA

VP General Counsel and Chief Administrative Officer

David Suleski is a Certified Public Accountant (inactive status) and has held numerous senior financial roles with various international mining companies. Mr. Suleski was appointed as the Company's Chief Financial Officer in August 2011. Previously, he served as Vice President and Chief Financial Officer of Atna Resources Ltd., a company listed on the Toronto Stock Exchange (TSX) with an operating gold mine and several advanced stage gold exploration projects, from March 2008 to July 2011 and as Vice President, Chief Financial Officer, Treasurer and Corporate Secretary of Canyon Resources Corp., Atna Resources Ltd.'s predecessor, from January 2006 to March 2008. In addition, Mr. Suleski has held financial and accounting positions with increasing levels of responsibility at diverse financial, accounting and mining companies including Arthur Young and Company, Coopers and Lybrand, Cyprus Amax Mineral Company, Pulte Mortgage, Apex Silver Mines Corporation and NM Rothschild & Sons (Denver) Incorporated. Mr. Suleski has a Bachelor of Business Administration degree in accounting from the University of Wisconsin - Whitewater and received his Certified Public Accountant certification in 1987.

Jaye Pickarts is a metallurgical engineer with more than 25 years of project evaluation and operations experience in the metal mining industry. Prior to his appointment as Chief Operating Officer of the Company in March 2011, he was the Senior Vice President and director of Knight Piesold and Company in Denver, Colorado for 12 years, where he was responsible for successfully coordinating the completion of many feasibility studies and environmental permitting programs in the western United States as well as internationally. Mr. Pickarts obtained a Bachelor of Science degree in mineral processing engineering from the Montana College of Mineral Science and Technology and completed the Business Administration Graduate Program at the University of Nevada, Reno. He is also a registered Professional Engineer in Colorado and Nevada and is considered to be a Qualified Person in accordance with applicable Canadian securities laws.

Jim Clark has more than 30 years of mineral and rare earth industry experience. Dr. Clark has planned, organized, and conducted all aspects of project exploration and target generation work as an employee and a consultant for a variety of mining companies, including Molycorp and Hecla Mining Company. Dr. Clark has a strong field orientation with extensive supervisory and project management experience in exploration programs for industrial minerals, precious and base metals, and specialty metals. He was senior geologist, then exploration supervisor, for Hecla Mining Company from 1986 through 1992. Dr. Clark has extensive experience in the exploration and mineralogical characterization of commodities related to alkaline igneous rocks, including rare earth elements (REE's), Niobium, and gold. He has consulted for a number of rare earth exploration companies, including Quest Rare Minerals, Ucore, and Namibia Rare Earths. Dr. Clark holds a Ph.D. in volcanic geology and igneous petrology from the University of Oregon, an M.S. in geological oceanography from Oregon State University, and a B.S. in geology from The Ohio State University. He is a licensed geologist in the state of Washington.

George Byers is a 35 year mining and energy industry veteran with extensive executive experience in federal, state and local government relations. Prior to his appointment as the Vice President of Government and Community Relations of the Company in February 2011, Mr. Byers acted as a consultant to the precious metals, rare earths, copper and uranium industries on a variety of public and government issues. He is the former President of the Northwest Mining Association, and presently serves on each of the board of directors for the Mountain States Legal Foundation, the Citizens Alliance for Responsible Energy (CARE), the University of Mississippi Engineering School Advisory Board and the Mississippi Mineral Resources Institute. Mr. Byers obtained a Bachelor of Arts degree in Geology from the University of Mississippi in 1969 and a Masters of Urban & Regional Planning (MURP) from the University of Mississippi in 1974.

Kelli Kast has over sixteen years of in-house legal experience, including seven years as a top legal officer in the precious metals industry. Ms. Kast was appointed Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary in July 2012. Prior to joining the Company, Ms. Kast served as Coeur d'Alene Mine's Vice President, General Counsel and Corporate Secretary from May 2005 to March 2009 and additionally as its Chief Administrative Officer from March 2009 to December 2011. Prior thereto, Ms. Kast was Corporate Counsel for HealthTech Inc. from 2004 to 2005 and the Assistant General Counsel and Corporate Secretary for Global Water Technologies Inc. and Psychrometric Systems, Inc. from 1997 through 2003. Ms. Kast earned her Juris Doctor from the University of South Dakota School of Law and her Bachelor's degree from the University of Idaho.

Named Executive Officers

Named Executive Officer or NEO means: (a) each Chief Executive Officer, (b) each Chief Financial Officer, (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year; and (d) each individual who

would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended June 30, 2012, the Company had seven NEOs, comprised of five current executives and two prior executives being: Randall J. Scott, the President and Chief Executive Officer (CEO) of the Company as of December 15, 2011; David Suleski, Chief Financial Officer (CFO) of the Company as of August 22, 2011; Jaye Pickarts, the Chief Operating Officer (COO) of the Company; Jim Clark the VP of Exploration; George Byers, VP of Government and Community Relations; Donald E. Ranta, the former President and Chief Executive Officer, who resigned as President and CEO on December 15, 2011; and Mark T. Brown, the former Chief Financial Officer of the Company, who resigned as the CFO on August 22, 2011.

COMPENSATION DISCUSSION AND ANALYSIS

2011 Shareholder Advisory Vote on Executive Compensation

The *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010* (the Dodd-Frank Act), requires that the Company provide its shareholders with the opportunity to vote to approve, on an advisory (non-binding) basis, the compensation of the Company's named executive officers as disclosed in this Circular in accordance with applicable SEC rules.

As described in great