



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "Meeting") of the shareholders of TriNorth Capital Inc. (the "Corporation") will be held at the offices of McCarthy Tétrault LLP, Suite 5300, Toronto Dominion Bank Tower, Toronto, Ontario on Monday, June 22, 2009 at 10:00 am (Toronto time) for the following purposes:

- 1) TO RECEIVE and consider the consolidated financial statements of the Corporation for the year ended December 31, 2008 and the auditors' report thereon;
- 2) TO ELECT directors;
- 3) TO APPOINT auditors and authorize the directors to fix their remuneration;
- 4) TO CONSIDER and, if deemed advisable, to pass, with or without modification, a special resolution in the form attached as Schedule "A" to the management information circular of the Corporation dated May 19, 2009 (the "Circular") approving an amendment to the Corporation's articles to consolidate the issued and outstanding common shares of the Corporation on the basis of one post-consolidation common share for every ten pre-consolidation common shares, as more particularly described in the accompanying Circular;
- 5) TO CONSIDER and, if deemed advisable, to pass, with or without modification, a special resolution in the form attached as Schedule "B" to the Circular approving an amendment to the management agreement between the Corporation and Lawrence Asset Management Inc. (the "Manager") to adjust the manner of calculating the Manager's annual management fee, as more particularly described in the accompanying Circular;
- 6) TO CONSIDER and, if deemed advisable, to pass, with or without modification, a resolution in the form attached as Schedule "C" to the Circular approving, confirming and ratifying the amended and restated stock option plan of the Corporation, as more particularly described in the accompanying Circular; and
- 7) TO TRANSACT such other business as may properly come before the Meeting or any adjournment thereof.

Additional information relating to the business to be submitted to the Meeting is contained in the accompanying Circular.

The consolidated financial statements of the Corporation for the year ended December 31, 2008 are contained in the Corporation's annual report, a copy of which accompanies this notice.

Any shareholder who is unable to attend the Meeting in person is requested to sign and date the enclosed form of proxy and return such form of proxy in the envelope provided for that purpose for use at the Meeting.

DATED at Toronto, Ontario this 19th day of May, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "John D. Pennal"

John D. Pennal
President



**MANAGEMENT INFORMATION CIRCULAR
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

SOLICITATION OF PROXIES

This management information circular (this "Circular") is furnished in connection with the solicitation of proxies by the management of TriNorth Capital Inc. (the "Corporation") for use at the annual and special meeting of the shareholders of the Corporation (the "Meeting") called for Monday, the 22nd day of June, 2009. It is expected that the solicitation of proxies will be primarily by mail, but proxies may also be solicited personally or by telephone by employees of the Corporation. The cost of soliciting proxies for management will be borne by the Corporation.

Appointment of Proxies

The persons named in the enclosed form of proxy are representatives of management of the Corporation and are directors and officers of the Corporation. **A shareholder who wishes to appoint some other person to represent such shareholder at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy. Such other person need not be a shareholder of the Corporation.**

To be valid, proxies must be deposited with the Corporation's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not later than 5:00 p.m. (Toronto time) on Thursday, June 18, 2009 or, if the Meeting is adjourned, not later than such time on the date that is two business days prior to the date of the adjourned meeting. Alternatively, proxies may be faxed to 1-866-249-7775 (toll-free) or 416-263-9524 by such time, in which event all pages of a proxy should be returned.

Non-Registered Holders

Only registered holders of common shares of the Corporation, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, common shares of the Corporation beneficially owned by a holder (a "Non-Registered Holder") are registered either:

- (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares, such as, 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.) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the notice of Meeting, this Circular, the form of proxy, and the 2008 annual report (collectively, the "meeting materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will either:

- A. more typically, be given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting instruction form by telephone); or
- B. be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare Trust Company of Canada, 100 University Avenue, Toronto, Ontario, M5J 2Y I, as described above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares they beneficially own. Should a Non-Registered Holder who receives either a proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. ***In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.***

Revocation

A registered shareholder who has given a proxy may revoke the proxy by:

- (a) completing and signing a proxy bearing a later date and depositing it with Computershare Trust Company of Canada as described above;
- (b) depositing an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used, or (ii) with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment of the Meeting; or
- (c) in any other manner permitted by law.

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

VOTING OF PROXIES

The management representatives designated in the enclosed form of proxy will vote or withhold from voting the shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions of the shareholder as indicated on the proxy and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of such instructions, such shares will be voted by the management representatives (i) FOR the election as directors of the Corporation of the nominees named in this Circular, (ii) FOR the appointment of Ernst & Young LLP, Chartered Accountants, Toronto, Ontario, as auditors of the Corporation and the authorization of the directors of the Corporation to fix the auditors' remuneration, and (iii) FOR each of the resolutions set out in Schedules "A", "B" and "C" to this Circular and more particularly described elsewhere in this Circular.**

The enclosed form of proxy confers discretionary authority upon the management representatives designated in the form of proxy with respect to amendments to or variations of matters identified in the notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this circular, the management of the Corporation knows of no such amendments, variations or other matters.

FORWARD-LOOKING STATEMENTS

Certain statements in this Circular that are not statements of historical fact, including statements relating to the proposed common share consolidation and the proposed amendment to the Management Agreement (as hereinafter defined), each as more particularly described herein, may constitute “forward-looking statements”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Circular, such statements use such words as “may”, “will”, “expect”, “believe”, “plan”, “intend”, “should”, “anticipate” and other similar terminology. These statements reflect current assumptions and expectations regarding future events and operating performance as of the date of this Circular. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under “Share Consolidation – Results of the Consolidation” and “Amendment to the Management Agreement”. Although the forward-looking statements contained in this Circular are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with such forward-looking statements. All forward-looking statements are made as of the date of this Circular, and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances. Accordingly, readers should not place undue reliance on forward-looking statements.

VOTING SHARES

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preference shares issuable in series. As at May 14, 2009, the record date established for the purpose of determining shareholders entitled to receive notice of and vote at the Meeting, the Corporation had 150,747,317 common shares and no preference shares issued and outstanding. Each holder of common shares of record at the close of business on such date will be entitled to one vote for each common share held on all matters proposed to come before the Meeting.

PRINCIPAL HOLDERS OF VOTING SECURITIES

To the knowledge of the directors and officers of the Corporation, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, securities of the Corporation carrying more than 10% of the voting rights attached to any class of outstanding voting securities.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The Corporation reduced the size of its board of directors (the “Board”) from seven to five directors in December, 2008. Five directors are to be elected, by a majority of the votes cast thereon, at the Meeting. **In the absence of a specification to the contrary in the form of proxy, the persons whose names are printed in the form of proxy intend to vote for election as directors of the five proposed nominees of management whose names are set forth in the table below. The Corporation’s management does not contemplate that any of the nominees will be unable to serve as a director, but, if such should be the case at the time of the Meeting, the persons whose names are printed in the form of proxy, in the absence of a specification to the contrary in the form of proxy, intend to vote for such other nominees as in their best judgment they deem advisable.** Each director will hold office until the next annual meeting of shareholders of the Corporation or until a successor is elected or appointed. The information concerning each of the nominees for directorship given below was provided, in part, by the individual nominees.

| Name, Municipality of Residence and Principal Occupation During Last 5 Years | Director Since | Offices with the Corporation and Significant Affiliates | Number of Common Shares of the Corporation Beneficially Owned Directly or Indirectly or Over Which Control or Direction is Exercised⁽³⁾ |
|---|-----------------------|--|---|
| AMAR BHALLA ⁽¹⁾⁽²⁾ Toronto, Ontario | October 10, 2007 | None | 850,000 ⁽⁴⁾ |
| President, Capit Investment Corp. (private investment corporation) since January 2000 and a partner at HB Investments Ltd. since January 2003 | | | |
| RENE BHARTI ⁽¹⁾ Toronto, Ontario | October 10, 2007 | None | None |
| President and Chief Executive Officer, Avion Resources Corp. (gold mining company) | | | |
| JOHN CROW ⁽¹⁾⁽²⁾ Toronto, Ontario | October 10, 2007 | None | None |
| Economic and Financial Consultant and Corporate Director. | | | |
| JOHN D. PENNAL ⁽²⁾ Toronto, Ontario | December 15, 1993 | President and Chief Executive Officer of the Corporation | 5,748,900 ⁽⁵⁾ |
| President and Chief Executive Officer of the Corporation. | | | |
| RAVI SOOD Toronto, Ontario | October 10, 2007 | None | 4,987,000 ⁽⁶⁾ |
| President and Chief Operating Officer of Lawrence Asset Management Inc. | | | |

(1) Member of Audit Committee.

(2) Member of Corporate Governance Committee.

(3) Information relating to shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective nominee individually.

(4) Mr. Bhalla has control and direction over 200,000 common shares held by Capit Investment Corp and holds 650,000 common shares directly.

⁽⁵⁾ Mr. Pennal holds 172,116 common shares directly, 5,035,784 common shares through 177 RDH Inc., a company controlled by him and 541,000 common shares are held by his wife, Mrs. Mary Ellen Pennal.

⁽⁶⁾ Mr. Sood acts as portfolio manager for Lawrence Partners Fund Inc. which holds 4,987,400 common shares.

Appointment of Auditors

At the Meeting, it is proposed to re-appoint Ernst & Young LLP, Chartered Accountants, Toronto, Ontario, as auditors of the Corporation and to authorize the Board to fix their remuneration. The auditors will hold office until the next annual meeting of shareholders of the Corporation or until their successors are appointed. Ernst & Young LLP was appointed the auditor of the Corporation in August 2008 upon the resignation of the Corporation's former auditor, Deloitte & Touche LLP.

Share Consolidation

At the Meeting, shareholders of the Corporation will be asked to consider and, if deemed advisable, to pass, with or without modification, a special resolution in the form attached as Schedule "A" to this Circular (the "Consolidation Resolution") approving an amendment to the Corporation's articles to consolidate its issued and outstanding common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares (the "Consolidation Ratio").

The Corporation has previously disclosed its intention to transfer its stock exchange listing from the Toronto Stock Exchange (the "TSX") to the TSX Venture Exchange (the "TSXV"). Management of the Corporation currently anticipates that such change of listing will occur prior to the date of the Meeting. The consolidation, which will become effective as soon as practicable following the date of the Meeting, will be subject to the approval of the stock exchange (being either the TSX or the TSXV) on which the common shares of the Corporation are listed as of the effective date of the consolidation.

Notwithstanding the approval of the Consolidation Resolution by shareholders, the Consolidation Resolution provides that the Board may, in its sole discretion, revoke the Consolidation Resolution and abandon the proposed consolidation without further approval or action by or prior notice to shareholders.

Reasons for the Consolidation

The Board and management of the Corporation believe that it is in the best interests of shareholders for the Corporation to complete the share consolidation for several reasons. The consolidation may provide the Corporation with increased flexibility to seek additional financing opportunities and to pursue strategic transactions because it may improve the market's perception of the Corporation. The anticipated higher share price resulting from the consolidation may permit the purchase of the Corporation's common shares by certain institutional investors and investment funds that are currently prohibited, pursuant to minimum share price thresholds under their investment policies and guidelines, from purchasing shares of the Corporation at current price levels. The Corporation's shareholders may benefit from relatively lower trading costs since certain investment banks and brokerage firms charge commissions based on the number of common shares traded when they buy or sell the Corporation's common shares, and if the share price were higher, such investors may pay lower commissions to trade a fixed dollar amount of the Corporation's common shares than they would if the Corporation's share price was lower. In addition, certain investment banks and brokerage firms will not provide market research and analysis for low priced stock on a consistent basis, and banks and other financial institutions are more likely to allow higher priced shares to be used as collateral for loans.

Results of the Consolidation

As a result of the consolidation, (i) the number of issued and outstanding common shares of the Corporation will be reduced from approximately 150.7 million as of May 14, 2009 to approximately 15.07 million, and (ii) the exercise or conversion price and the number of common shares of the Corporation issuable under any of the Corporation's outstanding stock options and warrants will be proportionately adjusted upon the consolidation based on the Consolidation Ratio.

The consolidation will affect all shareholders uniformly and will not affect any shareholder's percentage ownership interest in the Corporation, except to the limited extent that the consolidation would result in any shareholder owning a fractional share. No fractional common shares will be issued upon the consolidation, and if as a result of the consolidation a shareholder becomes entitled to a fractional common share, such fraction will be rounded down to the nearest whole number of common shares.

If the consolidation is implemented, registered shareholders of the Corporation will be required to exchange their existing share certificates for new share certificates representing post-consolidation common shares. As soon as practicable following the effective date of the consolidation, registered shareholders will be sent a letter of transmittal containing instructions on how to surrender their existing share certificates to the Corporation's registrar and transfer agent, Computershare Trust Company of Canada. Upon receipt of this letter of transmittal, share certificates representing pre-consolidation common shares and any other required documents, the Corporation's registrar and transfer agent will send to each registered shareholder a new share certificate representing the number of post-consolidation common shares to which the shareholder is entitled. Until surrendered, each share certificate representing pre-consolidation common shares will be deemed for all purposes to represent the number of post-consolidation common shares (being one-tenth of the number appearing on the old share certificate) to which such holder is entitled as a result of the consolidation.

Non-registered shareholders holding their common shares through an investment dealer, broker or other nominee should note that such nominees may have different procedures for processing the consolidation than are applicable to registered shareholders. Non-registered shareholders should contact their nominees if they have any questions regarding the procedures applicable to them.

Holders of common shares should consider the following risk factors associated with the proposed consolidation:

- The future effect of the consolidation on the market price of the common shares cannot be accurately predicted. While the Board and management of the Corporation believe that the Corporation's share price will increase as an immediate result of the consolidation becoming effective, the resulting share price may be less than the direct arithmetic result of the consolidation. Moreover, the market price of the Corporation's common shares may not be sustainable at the level immediately following the consolidation becoming effective. There are numerous factors and contingencies that could affect the Corporation's share price following the consolidation, including the state of the market for the common shares at the time, the Corporation's reported results of operations and progress on strategic objectives in future periods, and general economic conditions.
- There can be no assurance that the consolidation will achieve the desired benefits for the Corporation or its shareholders set out under "Share Consolidation – Reasons for the Consolidation" above.
- The trading liquidity of the Corporation's common shares generally could be adversely affected by the reduced number of common shares that will be outstanding following the consolidation. In addition, the consolidation may result in some shareholders owning "odd lots" of less than 100 common shares of the Corporation on a post-consolidation basis. Odd lots may be more difficult to sell, or require greater transaction costs per share to sell, than shares in "board lots" of even multiples of 100 shares.

Required Approval and Board Recommendation

In order to be adopted, the Consolidation Resolution must be approved by at least 66 $\frac{2}{3}$ % of the votes cast by shareholders present in person or represented by proxy at the Meeting. **The Board recommends that the shareholders vote in favour of the Consolidation Resolution set out in Schedule "A" to this Circular. In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote any common shares represented by proxies held by them FOR the Consolidation Resolution.**

Amendment to the Management Agreement

Lawrence Asset Management Inc. (the “Manager”) has been retained as the manager of the Corporation pursuant to a management agreement dated July 18, 2007, as amended on August 28, 2007 and further amended on March 26, 2009 (the “Management Agreement”). A summary of the Management Agreement is set out below under “Management of Lawrence Asset Management Inc.”

As part of its compensation for its management services, the Manager is currently entitled to receive an annual management fee (the “Management Fee”) from the Corporation in the amount equal to 2.00% of the net asset value of the Corporation (“NAV”) calculated daily and paid monthly in arrears. The daily NAV calculation is performed by RBC Dexia Trust Company (the “Valuation Agent”), which acts as valuation agent for the Corporation pursuant to a valuation services agreement between them dated October 22, 2007. The Valuation Agent charges the Corporation a fee of \$125 each time the calculation is performed.

At the Meeting, shareholders of the Corporation will be asked to consider and, if deemed advisable, to pass, with or without modification, a special resolution in the form attached as Schedule “B” to this Circular (the “Amendment Resolution”) approving an amendment to the Management Agreement to change the frequency of calculation of the NAV for purposes of determining the Management Fee from daily to monthly. Management of the Corporation is proposing this amendment to the Management Agreement as part of its previously announced business strategy for 2009 to minimize the Corporation’s expenses and conserve cash. The estimated saving to the Corporation of calculating NAV on a monthly basis rather than on a daily basis is approximately \$31,500 annually.

While shareholder approval of the proposed amendment to the Management Agreement is not required pursuant to applicable corporate or securities law, in the prospectus of the Corporation dated November 13, 2007 filed with Canadian securities regulators relating to the Corporation’s offering of units, the Corporation stated that it had agreed with the Manager that certain matters require the approval of the holders of the Corporation’s common shares by a two-thirds majority vote at a meeting called and held for such purpose, including (i) any change in the basis of calculating fees or other expenses that are charged to the Corporation which could result in an increase in charges to the Corporation, and (ii) a decrease in the frequency of calculating NAV per common share. Depending on the movement of NAV during a given month, it is possible that the annual Management Fee calculated based on a monthly NAV could be greater than, less than or equal to the Management Fee calculated based on a daily NAV. However, management of the Corporation does not currently anticipate that any difference in the annual Management Fee calculated under these two methods will be material.

Required Approval and Board Recommendation

In order to be adopted, the Amendment Resolution must be approved by at least 66⅔% of the votes cast by shareholders present in person or represented by proxy at the Meeting. **The Board recommends that the shareholders vote in favour of the Amendment Resolution set out in Schedule “B” to this Circular. In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote any common shares represented by proxies held by them FOR the Amendment Resolution.**

Amendment to the Stock Option Plan

At the Meeting, shareholders of the Corporation will be asked to consider and, if deemed advisable, to pass, with or without modification, a resolution in the form attached as Schedule “C” to this Circular (the “Stock Option Plan Resolution”) approving, confirming and ratifying the Corporation’s amended and restated stock option plan (the “Option Plan”).

The Option Plan was originally adopted by the Board on March 25, 2008 and approved by the shareholders at a meeting held on April 22, 2008. In connection with the Corporation’s anticipated transfer of its listing from the TSX to the TSXV, the Board has made certain amendments to the Option Plan to enable it to conform with TSXV requirements. These amendments include, among other things: (i) deleting the ability of an option holder to exercise his or her options on a “cashless” basis; (ii) limiting the transferability of options to transfers by bequest or inheritance upon the death of an option holder; and (iii) providing for certain restrictions on the number of options permitted to be granted to consultants

and employees conducting investor relations activities, and providing for staged vesting of any options issued to consultants conducting investor relations activities.

The full text of the amended and restated Option Plan showing the amendments is attached as Schedule “E” to this Circular. The Board intends that these amendments to the Option Plan will become effective as of the date that is the later of the date that shareholder approval is received and the actual date that the Corporation’s common shares commence their listing on the TSXV.

Required Approval and Board Recommendation

In order to be adopted, the Stock Option Plan Resolution must be approved by a majority of the votes cast by shareholders present in person or represented by proxy at the Meeting. **The Board recommends that the shareholders vote in favour of the Stock Option Plan Resolution set out in Schedule “C” to this Circular. In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote any common shares represented by proxies held by them FOR the Stock Option Plan Resolution.**

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

On June 30, 2005, the Canadian Securities Administrators (“CSA”) adopted National Policy 58-201 *Corporate Governance Guidelines* (the “Policy”) and National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”). The Policy provides guidelines on the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items relating to corporate governance practices, while NI 58-101 requires Canadian reporting issuers to disclose their corporate governance practices on an annual basis. The Corporation’s approach to corporate governance is described below.

The Corporation has reviewed its own corporate governance practices in light of the guidelines contained in the Policy. The Corporation’s practices comply in large part with the guidelines, however, the current directors of the Corporation consider that some of the guidelines are not suitable for the Corporation at its current state of development and therefore the Corporation’s governance practices do not reflect these particular guidelines. Given that the Corporation is a relatively small issuer in terms of both its activities and market capitalization, the directors of the Corporation believe that the current governance structure is cost-effective and appropriate for the needs of the Corporation’s shareholders.

Board of Directors

The majority of the Board of the Corporation are independent within the meaning of Multilateral Instrument 52-110 *Audit Committees* (“MI 52-110”). An independent director for such purposes is one who is free of any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. The Board consists of five directors, three of whom, Mr. Amar Bhalla, Mr. Rene Bharti and Mr. John Crow, are independent. The other directors are Mr. John D. Pennal, President and Chief Executive Officer of the Corporation, and Mr. Ravi Sood, President and Chief Operating Officer of Lawrence Asset Management Inc., the Manager of the Corporation. John Crow is Chairman of the Board. In order to further facilitate open and candid discussion among the independent directors, every Board meeting is followed by an *in camera* session at which no executive directors or representatives of the Manager are present.

Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Throughout 2008, the Board held a total of six meetings. The following table sets out the attendance record at Board and Board committee meetings of individuals who were directors during 2008.

| Director | Number and % of Meetings Attended During 2008 | |
|-------------------------------------|---|---------------------------------|
| | Board of Directors | Board Committees ⁽⁴⁾ |
| AMAR BHALLA ⁽¹⁾⁽²⁾ | 6/6 (100%) | 7/7 (100%) |
| RENE BHARTI ⁽¹⁾ | 4/6 (67%) | 4/5 (80%) |
| JOHN CROW ⁽¹⁾⁽²⁾ | 6/6 (100%) | 7/7 (100%) |
| ANDREW EDWARDS ⁽³⁾ | 2/6 (33%) | None |
| DR. STEPHEN HAGGERTY ⁽³⁾ | 5/6 (83%) | None |
| JOHN D. PENNAL ⁽²⁾ | 6/6 (100%) | 2/2 (100%) |
| RAVI SOOD | 6/6 (100%) | None |

(1) Member of Audit Committee.

(2) Member of Corporate Governance Committee.

(3) Andrew Edwards and Dr. Stephen Haggerty resigned as a director on December 11, 2008.

(4) The Audit Committee met five times during 2008. The Corporate Governance Committee met twice during 2008.

The following current directors are board members of the following reporting issuers in addition to the Corporation:

| Director | Reporting Issuer(s) |
|----------------|---|
| AMAR BHALLA | Nyah Resources Inc. Carlaw Capital II Corp. Carlaw Capital III Corp. |
| RENE BHARTI | Avion Resources Inc. |
| JOHN CROW | Lawrence Enterprise Fund Inc. High Income Preferred Shares Corporation Canadian Tire Bank |
| JOHN D. PENNAL | Centiva Capital Inc. |
| RAVI SOOD | Lawrence Enterprise Fund Inc. Chrysalis Capital V Corporation |

Board Mandate

The Board has adopted a detailed written Board Mandate and Governance Guidelines which provides that the Board is responsible for the stewardship of the Corporation and management is responsible for the day-to-day operation of the Corporation. Under the Board Mandate, the Board's stated objective is to enhance long-term value for shareholders of the Corporation, and in pursuing these objectives, the Board has expressly assumed responsibility for strategic planning, risk assessment, the Corporation's communications policy, accounting and financial reporting, disclosure controls and procedures and internal controls, and overseeing the performance of the Manager under the Management Agreement. A copy of the Corporation's Board Mandate and Governance Guidelines is attached to this Circular as Schedule "D".

The Board discharges its mandate directly and through two standing committees, the Audit Committee and the Corporate Governance Committee.

Position Descriptions

Owing to the size and composition of the Board, the Board has not developed written position descriptions for the Chair of the Board, the chair of each Board committee, or the Chief Executive Officer. The roles and responsibilities of individuals holding these positions are not fixed in a formal way, but rather through discussion amongst the individuals involved and Board members generally having regard to all of the circumstances of the Corporation.

The Chief Executive Officer of the Corporation is responsible for the general management of the day-to-day affairs of the Corporation within the guidelines established informally from time to time by the Board, consistent with decisions requiring prior approval of the Board and the Board's expectations of the Chief Executive Officer. The Corporation has retained Lawrence Asset Management Inc. as the Manager of the Corporation as described under "Management of the Corporation". Since the appointment of the Manager, the primary role of the CEO has been to oversee and monitor the actions of the Manager.

Orientation and Continuing Education

All current directors are intimately familiar with the Corporation's activities. New directors will be provided with an orientation session of the Corporation's business activities by the Corporation's Manager. These orientation sessions may include meetings with the Manager's staff as well as meetings with management from the Corporation's investee companies. In addition, as a matter of ongoing education, the Board is briefed on emerging issues, such as IFRS conversion and corporate governance developments, by external consultants.

Expectations and responsibilities of directors, including attendance at board meetings and advance review of meeting materials, are conveyed to Board members by the Chairman of the Board.

Ethical Business Conduct

The Board has adopted a written Code of Ethical Conduct and Business Practices (the "Code") to ensure that the Corporation's directors, officers and employees act in accordance with applicable laws and observe the highest ethical standards in their business relationships. The Code imposes on every director, officer and employee of the Corporation the responsibility to create and maintain a fair, honest and professional workplace. The Board as a whole is responsible for monitoring and ensuring compliance with the Code. Given the relatively small size of the Corporation, Board members and the Chairman of the Board in particular have personal and regular contact with the Manager's employees. These discussions are open and frank and range from conflicts of interest to corporate governance and reporting. Any breaches to the Code are to be reported to the Audit Committee. To date there have been no reported material breaches to the Code.

A copy of the Code may be obtained by written request to the Corporate Secretary, TriNorth Capital Inc., 220 Bay Street, Suite 1500, Toronto, Ontario, M5J 2W4.

Directors must avoid conflicts of interest, both real and perceived. In practice, should a director have an interest in, or otherwise be in a conflict of interest as regards, a potential transaction or agreement being considered by the Board, he will disclose his conflict of interest and withdraw from any discussions, assessment or decision relating to the proposed transaction or agreement, including voting thereon.

Nomination of Directors

The Corporate Governance Committee receives suggestions for Board candidates from individual board members and the Manager and makes recommendation to the full Board. The Corporate Governance Committee periodically reviews the current profile of the Board. The Corporation's objective is to have a sufficient range of expertise and experience to ensure that the Board can fulfill its responsibilities effectively. Board members are selected for their ability to contribute to dealing with the issues that arise. In December 2008 the Board was reduced from seven members to five members. The Board believes that at its current size, it has sufficient skills and expertise to govern the Corporation effectively.

Compensation

Following the reorganization of the Corporation and the assumption of the management of the Corporation by Lawrence Asset Management Inc. in October 2007, the Corporation ceased to maintain a Compensation Committee. Director compensation is determined by the Corporate Governance Committee. The Corporate Governance Committee reviews director compensation periodically to ensure that directors are remunerated fairly on the basis of their workload, time commitment and to remain competitive with director compensation trends of similar sized companies. Any director that is an employee of the Corporation or the Manager does not receive any compensation as a director.

Assessments

The Board does not regularly make formal assessments of the Board, its committees and its individual directors, owing to the size and composition of the Board. As a small working board, the Board as a whole satisfies itself on an informal basis, from time to time, that the Board, its committees, and its individual directors are performing effectively.

Board Committees

The two standing committees of the Board are the Corporate Governance Committee and the Audit Committee. Each Committee operates pursuant to a written charter which, among other things, authorizes such Committee to retain outside legal, accounting and other advisers where the Committee determines it to be necessary to assist it in discharging its responsibilities, and to set up and pay the compensation of any such advisers.

Corporate Governance Committee

The primary role of the Corporate Governance Committee is to assist the Board in fulfilling its corporate governance oversight responsibilities. In the discharge of this role, the Committee shall, among other things: review the composition of the Board and its committees and make recommendations for any changes thereto; make recommendations on succession planning for the Chief Executive Officer; review and make recommendations on compensation for Board and committee service and the Corporation's directors' and officers' insurance coverage; monitor and make recommendations regarding the performance of the Board, its committees and the Chief Executive Officer; and monitor the relationship between the Board, management of the Corporation and the Manager.

The Committee currently has Mr. Crow, Mr. Pennal and Mr. Amar Bhalla as members, of whom a majority consisting of Messrs. Crow and Bhalla qualify as independent directors. The Corporate Governance Committee met twice in 2008.

Audit Committee

The Audit Committee's role is to assist the Board to promote and improve the credibility and objectivity of financial reports. The Committee oversees the accounting and financial reporting processes of the Corporation and reviews and recommends for approval by the Board disclosure relating to financial matters. The Committee manages the relationship between the Corporation and its external auditors by overseeing the work of the external auditors and by making recommendations to the Board on the engagement, remuneration and termination of the external auditors based on its evaluation of their performance.

The Audit Committee currently consists of John Crow as Chairman, and Amar Bhalla and Rene Bharti as members. Each of these individuals qualifies as an independent director in accordance with MI 52-110. The Audit Committee met five times in 2008.

Certain information relating to the Audit Committee and its members is set out in the Corporation's annual information form dated April 27, 2009 under the headings "Directors and Officers" and "Corporate Governance – Audit Committee".

COMPENSATION DISCUSSION AND ANALYSIS

Following the reorganization of the Corporation and the assumption of the management of the Corporation by the Manager in October 2007, the Corporation was able to reduce the size of its management team. The Corporation has two executive officers, of which only one, the President and Chief Executive Officer, is an employee of the Corporation and receives compensation from the Corporation. The Chief Financial Officer is an officer of the Manager, and receives no compensation from the Corporation. In view of the fact that only a single individual's performance must be assessed and rewarded each year, the Corporation has ceased to maintain a Compensation Committee.

The Corporate Governance Committee is responsible for reviewing the goals and objectives of the Chief Executive Officer at the beginning of each year and providing an appraisal of his performance for the most recently completed year. Decisions with respect to the compensation of the Chief Executive Officer are made by the full Board. The Chief Executive Officer is not present during Board discussions of his own compensation.

Compensation Philosophy and Objectives

The Board's executive compensation program for the Chief Executive Officer is designed to fairly compensate and motivate him as the sole employee of the Corporation. The Board's philosophy is to competitively compensate the Chief Executive Officer for total performance and contribution to the Corporation's success.

The overall compensation program is designed to provide a total rewards approach to compensation based on the principle of competitive compensation.

Components of the Chief Executive Officer's Compensation

Prior to the reorganization of the Corporation and the assumption of the management of the Corporation by the Manager effective October 10, 2007, the major components of the compensation program for the Chief Executive Officer were (i) base salary and (ii) short term cash incentives (bonuses). The base salary for the Chief Executive Officer was determined by reference to individual performance, contribution and value as determined by the Board.

Upon the appointment of the Manager, a new base salary was fixed by the Board for the Chief Executive Officer and it became the sole component of his compensation reflecting the fact that the Manager had assumed responsibility for managing the Corporation and its investments. Effective on the reorganization of the Corporation on October 10, 2007, the employment agreement with the Chief Executive Officer was terminated without payment and was replaced by a three (3) year agreement with an annual salary of \$200,000. The amount of base salary under the current employment agreement reflects the fact that the primary role of the Chief Executive Officer became one of overseeing and monitoring the actions of the Manager. Accordingly, the compensation of the Chief Executive Officer is not directly tied to the performance of the Corporation or its share price.

A \$20,000 bonus was paid to the Chief Executive Officer in 2006 in recognition of his role in successfully managing the Corporation's investments. No bonus was awarded in 2007 or 2008. The Corporation does not anticipate awarding incentive-based compensation to the Chief Executive Officer following the reorganization.

STATEMENT OF EXECUTIVE COMPENSATION

Aggregate Compensation

For the fiscal year ended December 31, 2008 there were two executive officers of the Corporation and the aggregate cash compensation paid to them by the Corporation for services rendered during the period was \$200,000.

Summary Compensation Table

The following table sets forth all annual and long-term compensation for the financial years ended December 31, 2008, 2007 and 2006 in respect of the President and Chief Executive Officer of the Corporation.

| Name and Principal Position | Year | Salary (\$) | Share-Based Awards (\$) | Option-Based Awards (\$) | Non-Equity Incentive Plan Compensation (\$) | | Pension Value (\$) | All Other Compensation (\$) | Total Compensation (\$) |
|---|------|-------------|-------------------------|--------------------------|---|---------------------------|--------------------|-----------------------------|-------------------------|
| | | | | | Annual Incentive Plans | Long-Term Incentive Plans | | | |
| John D. Pennal President and Chief Executive Officer | 2008 | 200,000 | 0 | 0 | 0 | 0 | 0 | 0 | 200,000 |
| | 2007 | 305,795 | 0 | 0 | 0 | 0 | 0 | 320,000 ⁽²⁾ | 625,795 |
| | 2006 | 275,000 | 0 | 0 | 20,000 ⁽¹⁾ | 0 | 0 | 0 | 295,000 |

- (1) Effective January 1, 2006 Mr. Pennal was awarded a discretionary cash bonus of \$20,000 in recognition of his efforts in managing the Corporation's investments.
- (2) The Corporation previously had an Employee Share Purchase Plan ("ESPP") pursuant to which the Corporation loaned \$320,000 to Mr. Pennal for the purpose of acquiring 800,000 common shares of the Corporation. The ESPP was designed to provide incentives to employees to purchase shares of the Corporation and align their long-term interests in share ownership with the goals of the Corporation. The ESPP was terminated and the \$320,000 loan was forgiven as part of the reorganization of the Corporation completed in October, 2007.

No other compensation was paid to Mr. Pennal in the past three years.

Matthew Hoang, the Chief Financial Officer of the Corporation, is not an employee of the Corporation. Mr. Hoang is the Chief Financial Officer of Lawrence Asset Management Inc., the Manager of the Corporation, and receives no compensation from the Corporation for performing the Chief Financial Officer function.

Stock Options

The Corporation's Option Plan was approved by the shareholders at a meeting held on April 22, 2008. **The summary of the Option Plan gives effect to the amendments described under the heading "Amendment to the Stock Option Plan" above which are to be considered by shareholders at the Meeting.**

The Option Plan is a means of compensating a director or employee of the Corporation or any of its affiliated entities, and any consultant who, because of his or her roles and responsibilities, is designated by a committee, comprising either the Board or such members of the Board as may be designated by the Board (the "Committee"), as a potential participant in the Option Plan, for their contributions to the performance of the Corporation (the "Eligible Persons"). The Option Plan is intended to (i) provide an incentive to Eligible Persons of the Corporation to further development, growth and profitability of the Corporation; (ii) contribute in providing such Eligible Persons with a total compensation and rewards package; and (iii) assist the Corporation in retaining and attracting directors, employees and consultants with experience and ability.

The Committee designates, in its absolute discretion, from among the Eligible Persons those to whom options shall be granted (each, a "Participant"), the number of shares to be covered by each option, the exercise price for each option, the period during which the same may be exercised and the other terms and conditions attaching thereto. The number of shares that may be issued as a result of the grant of options under the Option Plan shall not exceed 10% of the number of issued and outstanding shares of the Corporation.

The Option Plan provides that the exercise price of the options may not be lower than the closing price of the shares on the TSX or the TSXV, as the case may be, on which the Corporation's common shares are listed for trading, on the trading day prior to the date of the grant of an option; provided that if there is no closing price on such trading day, then market value shall mean the mid-point between the bid and ask on such exchange at the close of trading on the trading day prior to the date of grant.

The Option Plan provides, among other things, that (i) no single individual (and his associates) shall be granted options which could result in the issuance of shares exceeding 5% of the issued and outstanding shares of the Corporation, within a one-year period, to such individual (and his associates) in aggregate; (ii) the number of shares reserved for issuance to any single individual pursuant to options shall not exceed 5% of the number of issued and

outstanding shares of the Corporation; (iii) the number of shares reserved for issuance, pursuant to the Option Plan and all other established or proposed share compensation arrangements of the Corporation, to all insiders shall not exceed 10% of the issued and outstanding shares; (iv) the number of shares issued within a one-year period, pursuant to the Option Plan and all other established or proposed share compensation arrangements of the Corporation, to insiders shall not exceed 10% of the issued and outstanding shares; (v) the number of options granted to all individuals employed to conduct investor relations activities, or to any one consultant, in any 12 month period shall not exceed 2% of the issued and outstanding shares; and (vi) any options issued to consultants conducting investor relations activities shall vest in stages over 12 months with no more than ¼ of such options vesting in any 3 month period.

The Option Plan provides that the purchase price for the shares covered by an option granted under the Option Plan shall be paid in full at the time of exercise of such option.

The Option Plan provides that (i) each option shall be exercisable during a period established by the Committee provided that the expiry of such period cannot exceed ten years after the date of grant (the “Expiry Date”); and (ii) an option may be exercised at any time, or from time to time, during its term as to any number of whole shares which are then available for purchase, provided that no partial exercise may be for less than 100 whole shares.

Unless the Committee decides otherwise, options granted under the Option Plan will expire at the earlier of the Expiry Date and: (i) 12 months after the effective date of a Participant’s retirement or disability; (ii) 12 months after a Participant’s death; or (iii) 12 months after the effective date that a Participant ceases to be a full-time employee or consultant of the Corporation for any reason other than retirement, disability or death. The Option Plan also provides that if the term of an option of any Participant under the Option Plan expires during or within 10 business days of the expiration of a blackout period implemented by the Corporation, then the term of the option or the unexercised portion thereof shall be extended by 10 business days after the expiration of such blackout period.

The Board has the authority, at any time, to amend or revise the terms of the Option Plan, subject to the receipt of all necessary regulatory approvals, provided that no such amendment or revision shall alter the terms of any options previously granted under the Option Plan. The following may not be amended without approval of the shareholders of the Corporation: (i) increases to the maximum or number of shares reserved for issuance under the Option Plan; (ii) amendments to grant additional powers to the Board to amend the Option Plan or entitlements without shareholder approval; (iii) reduction in the exercise price of options granted pursuant to the Option Plan or other entitlements held by insiders; (iv) extension of the term of options granted pursuant to the Option Plan held by insiders; and (v) changes to the insider participation limits which result in shareholder approval to be required on a disinterested basis.

The Board may at any time and from time to time by resolution terminate the Option Plan, but no such termination shall, except with the written consent of the Participants concerned, affect the terms and conditions of options previously granted under the Option Plan to the extent that they have not been exercised, unless the rights of such Participants shall then have terminated or been wholly exercised.

The following table sets forth certain summary information concerning the Option Plan as at December 31, 2008.

| | Number of Common Shares to be Issued Upon Exercise of Outstanding Options | Weighted Average Exercise Price of Outstanding Options (C\$) | Number of Common Shares Remaining Available for Future Issuance (Excluding Common Shares to be Issued Upon Exercise of Outstanding Options) |
|-------------|--|---|--|
| Option Plan | 1,322,194 | \$0.08 | 13,752,538 ⁽¹⁾ |

⁽¹⁾ The maximum number of common shares that may be issued under the Option Plan as a result of the grant of options under the Option Plan is 10% of the number of issued and outstanding common shares.

On May 12, 2008, the Corporation implemented a directors’ stock option plan (the “Directors’ Plan”) which permits directors to receive their quarterly fees either in cash or in stock options granted under the Option Plan. Each

option granted under the Directors' Plan is for a maximum term of seven years with an exercise price equal to the closing price of the Corporation's common shares on the last day of the applicable quarter and vests immediately.

No options were issued under the Option Plan to executive officers of the Corporation in 2008, and neither the Chief Executive Officer nor the Chief Financial Officer currently holds any outstanding options.

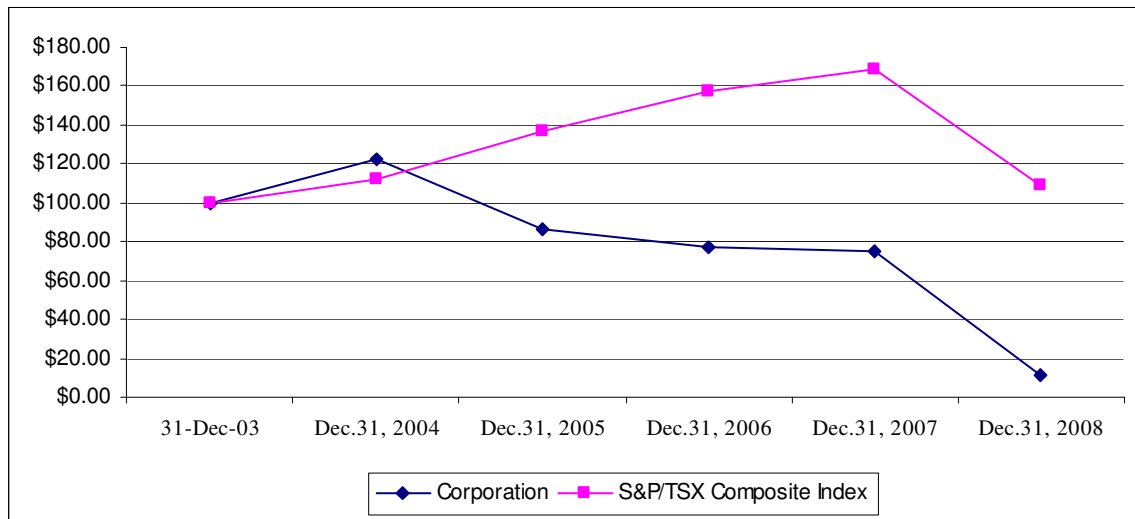
Employment Agreement

John Pennal and the Corporation entered into an employment agreement dated in October, 2007 which provides for Mr. Pennal's employment as President and Chief Executive Officer of the Corporation for a salary of \$200,000 per annum for three years. Subject to earlier termination as set out below, the agreement provides that Mr. Pennal's employment will terminate on October 10, 2010. The agreement also provides that the Corporation may terminate the employment of Mr. Pennal for cause at any time in which case Mr. Pennal will only receive his unpaid base salary, any accrued vacation pay earned by him, and reimbursement for any reasonable out of pocket expenses incurred by him in the course of his employment and for which he provides the appropriate statements and receipts verifying such expenses. In any circumstances other than for cause, his employment may be terminated immediately upon paying to Mr. Pennal the base salary he would have earned from the date of his termination to the end of the term of this agreement, less statutory deductions. Mr. Pennal may terminate his employment with the Corporation for any reason upon the giving of not less than one month's notice in writing.

SHAREHOLDER RETURN PERFORMANCE GRAPH

The chart below compares the yearly percentage change in the cumulative total shareholder return on the Corporation's common shares on the Toronto Stock Exchange from December 31, 2003 until December 31, 2008 with the cumulative total return of the S&P/TSX Composite Index (formerly known as the TSX 300 Index):

Comparison of Cumulative Total Shareholder Return on Common Shares of the Corporation and the S&P/TSX Composite Index



| | Dec. 31/03 | Dec. 31/04 | Dec. 31/05 | Dec. 31/06 | Dec. 31/07 | Dec. 31/08 |
|-------------------------|------------|------------|------------|------------|------------|------------|
| Corporation | \$100.00 | \$122.73 | \$86.36 | \$77.27 | \$75.00 | \$11.36 |
| S&P/TSX Composite Index | \$100.00 | \$112.48 | \$137.12 | \$157.12 | \$168.27 | \$109.33 |

Note: Assumes that the initial value of either investment was \$100 on December 31, 2003 and that all dividends were reinvested.

Since the reorganization of the Corporation and the assumption of the management of the Corporation by the Manager effective October 10, 2007, the annual salary of the Chief Executive Officer has been fixed by his three year employment agreement with the Corporation and does not generally depend upon the share price performance of the Corporation. Prior to this, a \$20,000 bonus was paid to the Chief Executive Officer in 2006 in recognition of his role in managing the Corporation's investments.

COMPENSATION OF DIRECTORS

Except for Mr. John Pennal (whose compensation is fully reflected in the previous Summary Compensation Table above), and Mr. Ravi Sood, each of whom receives no compensation for serving as a director, the following table sets out all compensation payable to the Board for the Corporation's most recently completed financial year.

During 2008, each of the directors, other than Messrs. Crow, Sood and Pennal, received an annual retainer of \$20,000. Mr. Crow's retainer was \$25,000. Mr. Crow receives \$1,000 for each committee meeting attended and the directors other than Messrs. Crow, Sood and Pennal receive \$750 for each meeting attended.

| Name | Fees Earned ⁽¹⁾ (\$) | Share-Based Awards (\$) | Option-Based Awards (\$) | Non-Equity Incentive Plan Compensation (\$) | Pension Value (\$) | All Other Compensation (\$) | Total (\$) |
|----------------------|---------------------------------|-------------------------|--------------------------|---|--------------------|-----------------------------|------------|
| AMAR BHALLA | 25,250 | Nil | Nil | Nil | Nil | Nil | 25,250 |
| RENE BHARTI | 23,000 | Nil | Nil | Nil | Nil | Nil | 23,000 |
| JOHN CROW | 32,000 | Nil | Nil | Nil | Nil | Nil | 32,000 |
| ANDREW EDWARDS | 20,000 | Nil | Nil | Nil | Nil | Nil | 20,000 |
| DR. STEPHEN HAGGERTY | 20,000 | Nil | Nil | Nil | Nil | Nil | 20,000 |

⁽¹⁾At the beginning of every year, each director has the opportunity to elect to receive his directors' fees during the year either (i) all in cash, (ii) all in the form of options, or (iii) 50% each in the form of cash and options. In 2008, Messrs. Bhalla, Bharti and Crow received all of their fees in the form of options and Messrs. Edwards, and Haggerty received 50% of their fees in the form of options.

The following table sets out all options awarded to directors in lieu of cash for their fees earned for the year ended December 31, 2008. The number of options granted was calculated (based on the fees earned in the above table) as of their respective dates of grant using the Black-Scholes option pricing model and the following assumptions: risk-free interest rate – 3.41% to 3.45%; expected option life - 7 years; volatility - average rate of 109%; and expected dividend yield - Nil.

| Name | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised In-the-Money Options (\$) |
|----------------------|--|-----------------------------------|-------------------------------|---|
| AMAR BHALLA | 34,724 | 0.19 | May 12, 2015 | Nil |
| | 28,822 | 0.30 | June 30, 2015 | Nil |
| | 58,700 | 0.11 | September 30, 2015 | Nil |
| | 216,688 | 0.03 | December 31, 2015 | Nil |
| RENE BHARTI | 34,724 | 0.19 | May 12, 2015 | Nil |
| | 25,840 | 0.30 | June 30, 2015 | Nil |
| | 58,700 | 0.11 | September 30, 2015 | Nil |
| | 166,668 | 0.03 | December 31, 2015 | Nil |
| JOHN CROW | 43,782 | 0.19 | May 12, 2015 | Nil |
| | 36,773 | 0.30 | June 30, 2015 | Nil |
| | 74,010 | 0.11 | September 30, 2015 | Nil |
| | 275,002 | 0.03 | December 31, 2015 | Nil |
| ANDREW EDWARDS | 15,098 | 0.19 | May 12, 2015 | Nil |
| | 9,939 | 0.30 | June 30, 2015 | Nil |
| | 25,520 | 0.11 | September 30, 2015 | Nil |
| | 83,334 | 0.03 | December 31, 2015 | Nil |
| DR. STEPHEN HAGGERTY | 15,098 | 0.19 | May 12, 2015 | Nil |
| | 9,939 | 0.30 | June 30, 2015 | Nil |
| | 25,520 | 0.11 | September 30, 2015 | Nil |
| | 83,334 | 0.03 | December 31, 2015 | Nil |

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Mr. Ravi Sood is the President and Chief Operating Officer and Mr. Matthew Hoang is the Chief Financial Officer of Lawrence Asset Management Inc., the Manager of the Corporation.

Except as otherwise disclosed in this Circular, no person who has been a director or executive officer of the Corporation since the commencement of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any of their respective associates or affiliates, has any material interest, direct or indirect, in any matter to be acted upon at the Meeting.

Except as otherwise disclosed in this Circular, no director or executive officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any of their respective associates or affiliates, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

MANAGEMENT OF LAWRENCE ASSET MANAGEMENT INC.

Lawrence Asset Management Inc. has been retained as the Manager of the Corporation pursuant to the Management Agreement. The Manager's principal office is located at 220 Bay Street, Suite 1500, Toronto, Ontario M5J 2W4.

The following are the names, municipalities of residence, offices and principal occupations of the directors and executive officers of the Manager:

| Name and Municipality of Residence | Position with Manager | Principal Occupation During the Last 5 Years |
|---|--|---|
| JACK LAWRENCE Toronto, Ontario | Chairman, Chief Executive Officer and Director | Chairman and Chief Executive Officer, Lawrence & Company Inc. |
| RAVI SOOD Toronto, Ontario | President and Chief Operating Officer | President and Chief Operating Officer of Lawrence Asset Management Inc. |
| MATTHEW HOANG Toronto, Ontario | Chief Financial Officer | Chief Financial Officer, Lawrence Asset Management Inc. since May 1, 2007; prior thereto Chief Financial Officer, MediResource Inc. (internet health content provider) since December, 2004; prior thereto Consultant since May 1997. |
| MARC ROBINSON Toronto, Ontario | Vice President | Vice President of Lawrence Asset Management Inc. |
| CATHERINE STRETCH Toronto, Ontario | Vice President | Vice President of Lawrence Asset Management Inc. |

The Manager is responsible for providing or arranging for administrative services required by the Corporation including, without limitation, authorizing the payment of expenses, preparing financial statements, income tax returns, other reports and continuous disclosure materials, ensuring that the Corporation complies with regulatory requirements, preparing the reports of the Corporation to securityholders and the Canadian securities regulatory authorities, determining the amount of distributions to be paid by the Corporation and retaining and negotiating contractual agreements with third party providers of services, including advisors, registrars, transfer agents, auditors and printers.

The Manager also provides investment management and investment advisory services to the Corporation, which include making all investment decisions. The Manager is required to exercise the powers and discharge the duties of its office honestly, in good faith and with a view to the best interests of the Corporation and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. The Management Agreement provides that the Manager will not be liable in any way for any default, failure or defect of the assets held by the Corporation if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Manager will incur liability in cases of wilful misconduct, bad faith, negligence or disregard of its duties or standard of care, diligence and skill.

The Manager may resign as Manager of the Corporation upon 120 days' notice to the Corporation. If no new manager is appointed within such 120 day period, the Management Agreement will be terminated on the date that is 60 days following the last day of the 120 day period. Other than fees and expenses payable to the Manager pursuant to the Management Agreement up to and including the date of termination, no additional payments will be required to be made to the Manager as a result of any termination.

In the event that the Manager is in material breach of the Management Agreement and, if capable of being cured, any such breach or default has not been cured within 30 days' written notice of such breach or default to the Manager, the Management Agreement may be terminated by the Corporation. The Corporation may terminate the Management Agreement immediately in the event of the commission by the Manager of any fraudulent act and the Management Agreement will be automatically terminated if the Manager becomes bankrupt, insolvent or makes a general assignment for the benefit of its creditors.

As compensation for its management services, the Manager is entitled to receive an annual Management Fee (the "Management Fee") from the Corporation in the amount equal to 2.00% of the net asset value of the Corporation ("NAV"), which is currently calculated daily and paid monthly in arrears. Such Management Fee shall be paid by the Corporation to the Manager on or before the tenth day following the relevant month end. The Manager is also entitled to be reimbursed for all reasonable costs and expenses incurred by it in performing its duties. The Manager, and not the Corporation, pays fees for any investment advisory and investment management services provided by a third party to the Corporation. For the financial year ended December 31, 2008, the Corporation has paid the Manager \$805,880 (GST included) in Management Fees.

In addition to the Management Fee, the Corporation will pay the Manager an annual performance fee (the "Performance Fee") equal to 20% of the difference by which the percentage increase in the net asset value per common share in a calendar year exceeds a cumulative 6% amortized return.

In addition, the Manager and each of its directors, officers, employees, shareholders, representatives and agents will be indemnified and saved harmless by the Corporation from and against all liabilities and expenses (including all legal fees, judgements and amounts paid in settlement), reasonably incurred by the Manager or any of its officers, directors, employees, shareholders, representative or agents in the exercise of its duties, unless those liabilities and expenses were incurred as a result of wilful misconduct, bad faith, negligence or a breach by the Manager of the standard of care described above.

The management services of the Manager are not exclusive and nothing in the Management Agreement prevents the Manager or any of its affiliates from providing similar management services to other clients, including investment funds (whether or not their investment objectives, strategies and policies are similar to those of the Corporation) or from engaging in other activities.

ANNUAL INFORMATION FORM AND ADDITIONAL INFORMATION

The Corporation's annual information form for the Corporation's fiscal year ended December 31, 2008 may be obtained upon request from the Chief Financial Officer of the Corporation. Additional information relating to the Corporation and the Corporation's comparative financial statements and MD&A for its most recently completed financial year are available on the SEDAR website maintained by the Canadian securities regulators at www.sedar.com or by written request to the Chief Financial Officer, TriNorth Capital Inc., Suite 1500, 220 Bay Street, Toronto, Ontario, Canada M5J 2W4. This information is not incorporated by reference into this management information circular.

APPROVAL BY BOARD OF DIRECTORS

The Board of the Corporation has approved the contents of this management information circular and the sending of it to each director, the shareholders and the auditors of the Corporation.

Toronto, Ontario
May 19th, 2009

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "John D. Pennal"

John D. Pennal
President

SCHEDULE “A”

CONSOLIDATION RESOLUTION

RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Corporation is hereby authorized to amend its articles to consolidate the issued and outstanding common shares in the capital of the Corporation on the basis of one post-consolidation common share for every ten pre-consolidation common shares, provided that in the event that such consolidation would otherwise result in the issuance of a fractional share, no fractional share will be issued and such fraction will be rounded down to the nearest whole number of common shares.
2. Notwithstanding the approval of this special resolution by the shareholders of the Corporation, the directors of the Corporation, in their sole discretion and without the requirement to obtain any further approval from the shareholders of the Corporation, are hereby authorized and empowered to revoke this special resolution at any time prior to the issuance by the Director appointed under the *Canada Business Corporations Act* of a certificate of amendment giving effect to the amendment to the articles of the Corporation approved hereby.
3. Any director or officer of the Corporation is hereby authorized and directed to execute and deliver all such documents and instruments, and to take all such other actions, as such director or officer may determine to be necessary or desirable to give full effect to the foregoing resolution, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments and the taking of such actions.

SCHEDULE "B"

AMENDMENT RESOLUTION

RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Corporation is hereby authorized to amend the management agreement dated July 18, 2007, as amended on August 28, 2007 and as further amended on March 26, 2009, between the Corporation and Lawrence Asset Management Inc. (the "Manager") to provide that, for purposes of calculating the annual management fee payable by the Corporation to the Manager in the amount equal to 2.00% of the net asset value of the Corporation ("NAV"), NAV shall be calculated on a monthly basis instead of a daily basis.
2. Any director or officer of the Corporation is hereby authorized and directed to execute and deliver all such documents and instruments, and to take all such other actions, as such director or officer may determine to be necessary or desirable to give full effect to the foregoing resolution, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments and the taking of such actions.

SCHEDULE "C"

STOCK OPTION PLAN RESOLUTION

RESOLVED THAT:

1. The amended and restated stock option plan of the Corporation attached as Schedule "E" to the management information circular of the Corporation dated May 19th, 2009 is hereby approved, confirmed and ratified with effect as of the date that is the later of (i) the date on which the common shares of the Corporation are listed for trading on the TSX Venture Exchange and (ii) the date on which this resolution is approved by the shareholders of the Corporation.
2. Any director or officer of the Corporation is hereby authorized and directed to execute and deliver all such documents and instruments, and to take all such other actions, as such director or officer may determine to be necessary or desirable to give full effect to the foregoing resolution, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments and the taking of such actions.

SCHEDULE “D”

BOARD MANDATE AND GOVERNANCE GUIDELINES

1. BOARD MANDATE

The mandate of the board of directors shall be to enhance long-term value for shareholders. Its role shall be of a supervisory nature and in the discharge of its mandate, it shall assume responsibility for broad corporate policies and for the overall effective and ethical performance of the corporation.

It is noted that the corporation has entered into an agreement dated August 28, 2007 (the “Management Agreement”) with Lawrence Asset Management Inc. (“LAMI”) which provides, subject to the terms and conditions contained therein, that LAMI will manage the undertaking and affairs of the corporation. A non-exhaustive list of services to be supplied to the Corporation by LAMI is set forth in Section 5 of the Management Agreement.

LAMI has agreed that for so long as LAMI is the manager of certain activities of the Company pursuant to the Management Agreement, LAMI will follow these guidelines and LAMI will ensure that its employees, officers and representatives will follow these guidelines.

During the operation of the Management Agreement, the board has the responsibility for monitoring the performance of LAMI under such agreement. Any responsibility not delegated to LAMI under the Management Agreement, or delegated to LAMI or an employee thereof or to a committee of the board hereunder remains with the board.

The board will review and may periodically modify this document as appropriate to reflect the evolution of its governance practices.

The board will, directly or through its committees, assume specific responsibility for the following functions:

(a) *Strategic Planning*

- The board will regularly review, question and approve investment strategies proposed by LAMI and its execution of its duties and responsibilities pursuant to the Management Agreement. LAMI’s responsibility is to develop corporate strategic plans which will take into account the opportunities and risks of the business, and to implement such plans once board review is complete.
- The board will monitor corporate performance against strategic plans including assessing operating results on behalf of shareholders to evaluate whether the investments are being properly managed.

(b) *Risk Assessment*

- The board will have overall responsibility for assessing the principal risks facing the corporation’s investments, reviewing options for their mitigation and overseeing the implementation of appropriate systems to manage such risks.

(c) *Communications Policy*

- The board will approve the corporation’s policies and practices with respect to disclosure of financial and other information consistent with disclosure requirements under applicable securities law.

(d) *Accounting and Financial Reporting/Disclosure Controls and Procedures and Internal Controls*

- The board will oversee the quality and integrity of the corporation's accounting and financial reporting systems, internal controls and disclosure controls and procedures to assure the results that the controls are designed to achieve.

(e) *Review of LAMI*

- The board is responsible for overseeing the performance of LAMI under the Management Agreement and taking decisions on behalf of the corporation which may be necessary or desirable in connection with such agreement.

GOVERNANCE GUIDELINES

2. The Chair of the Board

The policy of the board will be to select as Chair a director who is not an executive of the corporation or of LAMI.

3. Independence and Qualification of Directors

At a minimum, a majority of the board shall be composed of directors who must be determined to have no material relationship with the corporation or LAMI and who, in the reasonable opinion of the board, must be unrelated and independent under the laws, regulations and listing requirements to which the corporation is subject. The board will monitor the mix of skills and experience of its directors in order to assure that it has the necessary tools to perform its oversight function effectively.

When a director's principal business association changes significantly, the director will tender his or her resignation for consideration by the board of the continued appropriateness for board service.

4. Board Meetings

Directors are expected to attend board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Materials that are important to the board's understanding of the business to be conducted at a meeting shall be distributed in ample time for review beforehand. After appropriate consultations, the Chair of the board will establish the agenda for each board meeting. Board members shall be free to suggest items for inclusion on the agenda or to raise subjects that are not on the agenda for that meeting.

Every meeting of the board shall be followed by an *in camera* session at which no executive directors or members of LAMI are present.

5. Committees

The board will delegate certain of its functions to committees. The corporation's current committee structure (Audit and Governance) is considered appropriate. However, this structure may change as the board considers from time to time which of its responsibilities can best be fulfilled through a detailed review of matters in committee. Committees will operate according to board-approved written mandates outlining duties and responsibilities. Task force committees may, however, be established on an *ad hoc* basis to deal with specific subjects. All members of committees shall meet the independence criteria set forth in applicable laws, rules or listing requirements. Committee members shall be appointed by the board after consultation with the individual directors. Committee chairs shall be rotated periodically.

The chair of each committee, in consultation with committee members, shall determine the frequency and length of committee meetings, consistent with any requirements set forth in the committee's charter. After appropriate consultations, the chair of each committee shall develop the committee's agenda. Each committee will report on the result of each committee meeting at the next board meeting.

6. Director Access to LAMI Personnel

Directors shall have full and free access to senior management and other employees of LAMI. Meetings or contacts that a director wishes to initiate may be arranged through the President and Chief Executive Officer or directly by the director.

7. Communications with Outside Parties

If an outside party approaches a director on a matter of interest to the corporation, the director should bring the matter to the attention of the Chair who shall determine an appropriate response.

8. Retirement from the Board

There shall be no prescribed retirement age for directors of the Corporation. The Governance Committee shall as part of its mandate annually review director performance.

9. Director Compensation

The form and amount of director compensation will be determined by the board. The Board shall conduct reviews of director compensation at least every two years. Directors who are not employees of the corporation or any of its subsidiaries or affiliates shall not enter into any consulting arrangements with the corporation.

10. Individual Directors Engaging Outside Advisors

Any director may, after notice to and with the consent of the Chair of the board, retain an external adviser at the corporation's expense.

11. Orientation and Continuing Education

New directors shall participate in an informed orientation process to become familiar with the corporation and its strategic plans and businesses, significant financial matters, core values including ethics, compliance programs, corporate governance practices and other key policies and practices through a review of background materials and meetings with senior executives.

12. Board Confidentiality

Directors will maintain the absolute confidentiality of the deliberations and decisions of the board and the information received at meetings.

13. Resources and Authority of the Board

The board shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel or other experts as it deems appropriate.

14. Indemnification

The corporation will provide reasonable directors' and officers' liability insurance for the directors and shall indemnify directors to the fullest extent permitted by law.

SCHEDULE "E"
AMENDED AND RESTATED STOCK OPTION PLAN
TRINORTH CAPITAL INC.
STOCK OPTION PLAN

(As amended and restated as of •, 2009)

WHEREAS the board of directors of TriNorth Capital Inc. (the "**Corporation**") propose to adopt a Stock Option Plan;

NOW THEREFORE THIS STOCK OPTION PLAN provides as follows:

Section 1 - PURPOSE

1.1 The Plan has been established as a means of compensating Eligible Persons for their contributions to the performance of the Corporation. The Plan is intended to:

- (a) provide an incentive to Eligible Persons of the Corporation to further development, growth and profitability of the Corporation;
- (b) contribute in providing such Eligible Persons with a total compensation and rewards package; and
- (c) assist the Corporation in retaining and attracting directors, employees and consultants with experience and ability.

Section 2 - DEFINITIONS

2.1 In this Plan, unless the context otherwise requires, the following terms shall have the following meanings:

"Affiliated Entity" a person or a company is an Affiliated Entity of the Corporation if one is a ~~Subsidiary Entity~~ subsidiary of the other or if both are ~~Subsidiary Entities~~ subsidiaries of the same person or company or if each of them is controlled by the same person or company;

"Board" means the board of directors of the Corporation;

"Committee" means a committee comprising either the Board or such members of the Board as may be designated by the Board;

"Consultant" means an individual that (a) is engaged to provide on a *bona fide* basis consulting, technical, management or other services to the Corporation or to an Affiliated Entity of the Corporation (other than services provided in relation to a distribution) under a written contract between the Corporation or the Affiliated Entity and the individual or a Consultant Company ~~or Consultant Partnership~~ of the individual and (b) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliated Entity of the Corporation;

"Consultant Company" means a company of which a Consultant is ~~an employee or~~ a controlling shareholder;

"Consultant Partnership" means a partnership of which the Consultant is an employee or partner;

"Corporation" means TriNorth Capital Inc.;

“**Eligible Person**” means a director or ~~an~~ bona fide employee of the Corporation or any of its Affiliated Entities, and any bona fide Consultant who, because of his or her roles and responsibilities, is designated by the Committee as a potential Participant in the Plan;

“**Exchange**” means the Toronto Stock Exchange or the TSX Venture Exchange, as the case may be, on which the Shares are listed for trading at the relevant time;

“**Insider**” means (i) an insider of the Corporation, as defined in the *Securities Act* (Ontario), other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation, and (ii) an associate of any person who is an insider by virtue of (i) above;

“**Market Value**” means the closing price of the Shares on the Exchange on the trading day prior to the date of the grant of an Option; provided that if there is no closing price on such trading day, “Market Value” shall mean the mid-point between the bid and ask on the Exchange at the close of trading on the trading day prior to the date of grant;

“**Option**” means an option granted by the Corporation to a Participant to purchase authorized but unissued Shares pursuant to the terms of the Plan;

“**Outstanding Shares**” means the number of Shares issued and outstanding from time to time;

“**Participant**” means an Eligible Person to whom (or to whose Subsidiary Entity or Trust) Options are granted under the Plan;

“**Plan**” means this Stock Option Plan, ~~either as originally adopted or as amended from time to time, as the case may be;~~

“**Shares**” means common shares of the Corporation;

“**Specified Price**” means the price established by the Committee at not less than the Market Value of the Shares on the day of the grant of the Option;

“**subsidiary**” has the meaning given to such term in the *Securities Act* (Ontario);

“**Subsidiary Entity**” means a person or company that is ~~(a) controlled by the Participant, the Participant and one or more persons or companies each of which is controlled by the Participant or two or more persons or companies each of which is controlled by the Participant or (b) a Subsidiary Entity of a person or company that is the Participant’s Subsidiary Entity wholly owned by the Participant;~~

“**Trust**” means a trust governed by a registered retirement savings plan or registered retirement income fund established by or for the Participant or under which the Participant is the beneficiary; and

“**Trustee**” means a trustee appointed under a Trust.

2.2 In this Plan, unless the context requires otherwise, references to the male gender include the female gender and words importing the singular include the plural and vice versa.

2.3 Any reference made in this Plan to Sections or Schedules is, unless otherwise indicated, a reference to Sections of and Schedules to this Plan.

Section 3 - ADMINISTRATION OF THE PLAN

3.1 The Plan is under the direction of the Committee that, in addition to the specific powers conferred upon it hereunder, has full and complete authority to interpret the Plan and to prescribe such rules and regulations and make such other determinations as it deems necessary or desirable to meet the objectives of and to administer the Plan. The Corporation shall only grant Options to Eligible Persons or their respective Subsidiary Entities or Trusts.

Without limiting the generality of the foregoing, for greater certainty, the Committee shall have the power and authority to:

- (a) adopt rules and regulations for implementing the Plan;
- (b) determine the eligibility of persons to participate in the Plan, when Options to Eligible Persons shall be granted, the number of Shares subject to each Option, the Specified Price of the Shares for each Option and the vesting period for each Option;
- (c) interpret and construe the provisions of the Plan;
- (d) delegate any or all of their power and authority under (a), (b) and (c) above to such persons or groups of persons on such terms and on such conditions as the Committee may in their discretion determine; and
- (e) take such other steps as they determine to be necessary or desirable to give effect to the Plan.

Any decision, approval or determination made by a person or group of persons delegated the ability to make such decision, approval or determination pursuant to Section 3.1(d) above shall be deemed to be a decision, approval or determination, as the case may be, of the Committee.

Section 4 - NUMBER OF SHARES TO BE ISSUED UNDER THE PLAN

4.1 The number of Shares that may be ~~issued~~reserved for issuance as a result of the grant of Options under the Plan shall not exceed ~~a number of Shares up to a number not exceeding~~ 10% of the number of Outstanding Shares from time to time. ~~All Shares subject to Options that have expired, terminated in accordance with Section 5.5 hereof or have been cancelled (unless such cancellation occurs in conjunction with the granting of an Option to the same person on different terms) without having been exercised shall be available for any subsequent Options under the Plan.~~

4.2 Under the Plan:

- (d) no single Participant and his associates shall be granted Options which could result in the issuance of Shares exceeding 5% of the Outstanding Shares, within a one-year period, to such Participant and his associates in aggregate;
- (e) the number of Shares reserved for issuance to any single Participant pursuant to Options shall not exceed 5% of the number of Outstanding Shares;
- (f) the number of Shares reserved for issuance, pursuant to the Plan and all other established or proposed share compensation arrangements of the Corporation, to all Insiders shall not exceed 10% of the Outstanding Shares;
- (g) the number of Shares issued within a one-year period pursuant to the Plan and all other established or proposed share compensation arrangements of the Corporation to Insiders shall not exceed 10% of the Outstanding Shares;
- (h) the Corporation shall not grant Options to Insiders exceeding 10% of the Outstanding Shares within any twelve (12) month period;
- (i) the number of Options granted within any twelve (12) month period to individuals employed to conduct investor relations activities shall not in aggregate exceed 2% of the number of Outstanding Shares;

- (j) the number of Options granted to any one Consultant within any twelve (12) month period shall not exceed 2% of the number of Outstanding Shares;
- (k) any Options issued to Consultants conducting investor relations activities shall vest in stages over twelve (12) months with no more than ¼ of such Options vesting in any three month period; and
- (l) no Options will be granted to any individual performing consulting services for the Corporation as an employee of an entity other than a Consultant Company.

4.3 For the purposes of this Section 4, Options held by Trusts and Subsidiary Entities shall be considered to be held by the Participant.

Section 5 - OPTIONS

5.1 Grant of Options

5.1.1 Subject to Section 4, the Committee shall, in its absolute discretion, designate from among the Eligible Persons those to whom Options shall be granted, the number of Shares to be covered by each Option, the Specified Price for each Option, the period during which the same may be exercised and the other terms and conditions attaching thereto. Any Participant, at the time of the grant of an Option, may hold more than one Option. The grant of each Option shall be evidenced by an agreement, substantially in the form of Schedule 1, between the Corporation and the Participant setting forth the number of Shares covered by such Option, the Specified Price, the Option period, vesting periods, if any, and any other terms and conditions attaching thereto.

5.1.2 A Participant may, in his sole discretion, elect to have some or all of any Options granted to him granted to any one or more Trusts or Subsidiary Entities. Such election must be made prior to the execution of the agreement described in Section 5.1.1 and shall be evidenced in such agreement.

5.2 Payment of Specified Price

The Specified Price for the Shares covered by an Option granted under this Plan shall be paid in full at the time of exercise of such Option.

5.3 Option Period

Subject to the provisions of Section 5.5, each Option shall be exercisable during a period established by the Committee provided that such period shall expire no later than ten (10) years after the date of grant.

5.4 Exercise of Option

An Option may be exercised at any time, or from time to time, during its term as to any number of whole Shares which are then available for purchase; provided that no partial exercise may be for less than 100 whole Shares. A Participant electing to exercise an Option on his own behalf or on behalf of a Trust or Subsidiary Entity shall give written notice of the election to the Corporation, together with the aggregate amount to be paid for the Shares to be acquired pursuant to the exercise of an Option, by cheque payable at par in Toronto.

Upon actual receipt by the Corporation of written notice and a cheque for the aggregate Specified Price, the Participant (including a Subsidiary Entity or Trustee) exercising the Option shall be registered on the books of the Corporation as the holder of the appropriate number of Shares. No person shall enjoy any part of the rights or privileges of a holder of Shares subject to Options until that person becomes the holder of record of those Shares. Disinterested shareholder approval shall be obtained by the Corporation prior to any reduction to the exercise price if the affected Participant is an insider (as defined in the *Securities Act* (Ontario)) of the Corporation at the time of the proposed amendment.

If the term of an Option of any Participant under the Plan expires during or within 10 business days of the expiration of a blackout period implemented by the Corporation, then the term of the Option or the unexercised portion thereof shall be extended by 10 business days after the expiration of such blackout period.

5.5 Termination of Employment

Unless otherwise decided by the Committee, the following rules shall apply:

- (a) in the event of the retirement or disability of a Participant, the vested Options held by such Participant, or any Subsidiary Entity or Trust which have vested by the date of exercise, are exercisable by such Participant, Subsidiary Entity or Trustee, as the case may be, twelve (12) months after the effective date of retirement or disability and, to the extent not exercised within that period, all Options shall terminate and expire on the expiration of such twelve (12) month period;
- (b) in the event of the death of the Participant before retirement, disability or otherwise ceasing to be a director, full-time employee or Consultant, the Options held by the Participant or any Subsidiary Entity or Trust and which, if applicable, have vested by the date of exercise, are exercisable by such Participant's legal representative(s), Subsidiary Entity or Trustee, as the case may be, twelve (12) months after the date of the Participant's death and, to the extent not exercised within that period, all Options shall terminate and expire on the expiration of such twelve (12) month period; and
- (c) in the event that the Participant ceases to be a director, full-time employee or Consultant of the Corporation for any reason other than retirement, disability or death, any Options held by the Participant, or any Subsidiary Entity or Trust, shall terminate on the expiration of such twelve (12) month period; provided, however, that the provisions of this Section 5.5 shall not be construed as extending the exercise period of any Option past the term thereof.

~~5.6 — Cashless Exercise~~

~~In lieu of paying aggregate Specified Price for the Shares to be issued pursuant to such exercise, the Eligible Person may elect to acquire the number of Shares determined by subtracting the Specified Price from the market value of the Shares on the date of exercise, multiplying the difference by the number of Shares in respect of which the Option was otherwise being exercised and dividing that product by the Market Value of the Shares. In such event, the number of common shares as so determined (and not the number of Shares to be issued under the Option) will be deemed to be issued under the Plan.~~

Section 6 - PARTICIPANT NOT A SHAREHOLDER

6.1 A Participant, a Subsidiary Entity or a Trust shall not have any rights as a shareholder of the Corporation with respect to any Shares covered by any Option until such time as and to the extent only that such Option has been exercised.

Section 7 - EFFECTS OF ALTERATION OF CAPITAL STOCK

7.1 Subject to Section ~~4.2(a), 4.~~ if the number of outstanding Shares of the Corporation shall be increased or decreased as a result of a stock split, consolidation or reclassification or if other changes with respect to the Shares shall occur, other than as a result of the issuance of Shares for fair value, or if additional Shares are issued pursuant to a stock dividend, or in the event of a merger, amalgamation or reorganization, then the number of and/or price payable for Shares subject to any unexercised Options shall be adjusted in accordance with applicable law and in such manner as the Board shall deem proper to preserve the rights of the Participants under the Plan substantially proportionate to those existing prior to such change or event. In addition, upon the occurrence of any such change or event, the maximum number of Shares that may be issued as a result of the grant of Options under the Plan shall be

adjusted by the Board so that it is substantially proportionate to that maximum number existing prior to such change or event.

Section 8 - TRANSFERABILITY

8.1 Options may be exercised by the Participant and, upon the Participant's death, the legal representative(s) of his or her estate or any other person who acquires his or her rights in respect of an Option by bequest or inheritance. ~~A person exercising an Option may subscribe for Shares only in his own name, on behalf of a Subsidiary Entity or Trust or in his capacity as a legal representative. Subject to the foregoing, all Options granted under the Plan are non-assignable and non-transferable.~~

~~8.2 — Options may be transferred between any of: (a) a Participant who is (i) an employee, officer or director of the Corporation or of an Affiliated Entity of the Corporation, or (ii) a Consultant, (b) a Subsidiary Entity, Consultant Company or Consultant Partnership of that Participant, and (c) a Trust established by or for that Participant or under which that Participant is the beneficiary. If the beneficiary of a Trust changes or if the control of a Subsidiary Entity, Consultant Company or Consultant Partnership changes, the Options granted to the Trust, Subsidiary Entity, Consultant Company or Consultant Partnership, as the case may be, will be immediately cancelled by the Corporation.~~

~~8.3 — Subject to applicable law, Options may also be transferred to a spouse, a minor child or a minor grandchild of an individual Participant or to a trust, of which at least one of the trustees is the Participant and the beneficiaries of which are one or more of the Participant and a spouse, minor child or minor grandchild of the Participant.~~

Section 9 - AMENDMENT AND TERMINATION

9.1 The Board may, at any time, amend or revise the terms of this Plan, subject to the receipt of all necessary regulatory approvals, provided that no such amendment or revision shall alter the terms of any Options previously granted under the Plan. The Board has the discretion to make amendments which it may deem necessary, without having to obtain shareholder approval. Such changes include, without limitation:

- (a) amendments of a "housekeeping" nature;
- (b) a change to the vesting provisions of Options; and
- (c) a change to the termination provisions of Options which does not entail an extension beyond the original expiry date.

9.2 Notwithstanding Section 9.1, the following may not be amended without approval of the shareholders of the Corporation:

- (a) increases to the maximum or number of Shares reserved for issuance under the Plan;
- (b) amendment to this Section 9 to grant additional powers to the Board to amend the Plan or entitlements without shareholder approval;
- (c) reduction in the exercise price of Options or other entitlements held by Insiders;
- (d) extension of the term of Options held by Insiders; and
- (e) changes to the Insider participation limits which result in shareholder approval to be required on a disinterested basis.

9.3 The Board may at any time and from time to time by resolution terminate the Plan, but no such termination shall, except with the written consent of the Participants concerned, affect the terms and conditions of Options

previously granted under the Plan to the extent that they have not been exercised, unless the rights of such Participants shall then have terminated or been wholly exercised.

Section 10 - LAWS

10.1 The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and those of Canada insofar as the latter may be applicable.

10.2 No Option may be exercised nor will the Corporation have any obligation to issue Shares pursuant thereto if such exercise or issue would be contrary to or violate any applicable law or any applicable regulation of a duly constituted authority.

10.3 Moreover, any Shares received upon the exercise of Options may, in certain circumstances, be subject to a hold period under applicable securities law. The Participant is responsible for ensuring that the resale of such Shares is lawful.

Section 11 - COMPLIANCE WITH STATUTES AND REGULATIONS

11.1 The granting of Options and the sale and delivery of Shares under this Plan shall be carried out in compliance with applicable statutes and with the regulations of governmental authorities and applicable stock exchanges. If the Committee determines that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with the granting of an Option or the issue or purchase of Shares under an Option, that Option may not be exercised in whole or in part unless that action shall have been completed in a manner satisfactory to the Committee.

Section 12 - PARTICIPATION VOLUNTARY

12.1 The Participation of an Eligible Person in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Eligible Person any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment nor a commitment on the part of the Corporation to ensure the continued employment of such Eligible Person.

12.2 The Plan does not provide any guarantee against any loss of profit which may result from fluctuations in the market price of the Shares.

12.3 The Corporation does not assume responsibility for the income or other tax consequences for the Eligible Persons participating in the Plan and Eligible Persons are advised to consult with their own tax advisors.

Section 13 - COMING INTO EFFECT

13.1 The Plan shall come into effect on the later of

- (a) approval by disinterested shareholders of the Corporation; and
- (b) approval by the Exchange.

ADOPTED ~~this~~the 25th day of March, ~~2008~~2008, as amended and restated as of the • day of •, 2009.

TRINORTH CAPITAL INC.

Per: _____

Per: _____

SCHEDULE 1

OPTION AGREEMENT

This agreement is entered into this ____ day of _____, between TriNorth Capital Inc. (the "Corporation") and _____ (the "Participant") pursuant to the Corporation's Stock Option Plan (the "Plan") adopted by the Corporation on ~~•, 2008.~~ March 25, 2008, as amended and restated.

Pursuant to the Plan and in consideration of \$1.00 paid and services provided to the Corporation by the Participant, the Corporation agrees to grant options ("Options") and issue common shares (the "Shares") of the Corporation to the Participant/the Subsidiary Entity(ies) described below/the Trust(s) described below governed by a registered retirement savings plan or registered retirement income fund established by or for the Participant or under which the Participant is the beneficiary, in each case in accordance with the terms of the Plan.

The granting and exercise of the Options and the issue of Shares are subject to the terms and conditions of the Plan, all of which are incorporated into and form a part of this agreement.

For greater certainty, the Corporation hereby grants to the Participant an Option to acquire Shares at an exercise price of \$• per Share which Options terminate • years from the date of this agreement. The Options shall vest at the rate and on the dates indicated below:

Date

Number

•

•

This agreement shall be binding upon and enure to the benefit of the Corporation, its successors and assigns and the Participant and the legal representatives of his or her estate, any Subsidiary Entity(ies) or Trust(s) and any other person who acquires the Participant's rights in respect of the Options by bequest, or inheritance ~~or transfer~~ pursuant to the provisions of the Plan.

By executing this agreement, the Participant confirms and acknowledges that his or her participation is voluntary and that he or she has not been induced to enter into this agreement or acquire any Option by expectation of employment or continued employment with the Corporation.

TRINORTH CAPITAL INC.

Per: _____

Per: _____

Witness



Participant

Description of Subsidiary Entity or Trust¹

Name of Subsidiary Entity _____ No. of Options _____

Name of Subsidiary Entity _____ No. of Options _____

Trustee _____ Account No. _____ No. of Options _____

Trustee _____ Account No. _____ No. of Options _____

Trustee _____ Account No. _____ No. of Options _____

¹ To be completed if Participant elects to have Options granted directly to a Subsidiary Entity or Trust.