

# CORRIDOR RESOURCES INC.

## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON TUESDAY, JUNE 14, 2011

### TO THE SHAREHOLDERS OF CORRIDOR RESOURCES INC.:

Notice is hereby given that the annual and special meeting (the "Meeting") of Shareholders of Corridor Resources Inc. ("Corridor") will be held at the offices of Bennett Jones LLP, 4500 Bankers Hall East, 855 – 2<sup>nd</sup> Street S.W., Calgary, Alberta on Tuesday, June 14, 2011 at 3:00 P.M. (Calgary time). The purposes of the Meeting are:

1. to receive the audited financial statements of Corridor for the year ended December 31, 2010, together with the Auditors' Report on those statements;
2. to elect directors of Corridor for the next year;
3. to appoint auditors for Corridor for the next year and to authorize the directors to fix their remuneration;
4. to consider and, if thought appropriate, approve an amendment to the articles of Corridor to increase the minimum number to three directors and to increase the maximum number to nine directors;
5. to consider and, if thought appropriate, approve the amended and restated shareholders rights plan of the Corporation; and
6. to transact such other business as may properly be brought before the meeting or any adjournment thereof.

Shareholders are referred to the accompanying Management Information Circular dated May 6, 2011 (the "Circular") for more detailed information with respect to the matters to be considered at the Meeting.

Individuals, corporations or other persons directly registered with Computershare Trust Company of Canada ("Computershare") as Shareholders of Corridor on May 2, 2011 ("Registered Owners") may attend the Meeting in person and vote. Shareholders owning shares through a brokerage firm or in any other manner who are not directly registered with Computershare on May 2, 2011 ("Beneficial Owners") who wish to attend the Meeting and vote should enter their own names in the blank space on the Form of Proxy provided to them by their broker (or the broker's agent) and return that proxy to their broker (or the broker's agent) in accordance with the instructions provided by their broker (or agent), well in advance of the Meeting. Registered and beneficial owners who do not wish to attend the Meeting or to vote their shares in person may be represented by proxy. A person appointed as proxyholder does not need to be a Shareholder of Corridor. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying Form of Proxy (the "Proxy"), or other appropriate form of proxy, in accordance with the instructions set forth in the Circular. **For Registered Owners, the Proxy, or an alternate form of proxy, will not be valid unless it is received by Computershare Trust Company of Canada ("Computershare") not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment of the Meeting. Proxies may be deposited at Computershare at 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 (facsimile: (866) 249-7775) or mailed to Computershare at Computershare, Attention: Proxy Department, 135 Beaver Creek, P.O. Box 300, Richmond Hill, Ontario L4B 4R5.**

Only persons registered as holders of Common Shares on the records of Corridor as of the close of business on May 2, 2011 are entitled to receive notice of the Meeting. **Beneficial Owners should complete and return the form of proxy in accordance with the instructions provided therein.**

Dated at Halifax, Nova Scotia this 6<sup>th</sup> day of May, 2011.

By the Order of the Board of Directors

*"Lisette F. Hachey"*  
Chief Financial Officer and Corporate Secretary

# **CORRIDOR RESOURCES INC.**

## **INFORMATION CIRCULAR FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS to be held on June 14, 2011**

### **MANAGEMENT SOLICITATION OF PROXIES**

**This management information circular (the "Circular") is furnished in connection with the solicitation by the management of Corridor Resources Inc. ("Corridor" or the "Corporation") of proxies to be used at the annual and special meeting (the "Meeting") of the holders (the "Shareholders") of common shares ("Common Shares") of Corridor, to be held at the offices of Bennett Jones LLP, 4500 Bankers Hall East, 855 – 2<sup>nd</sup> Street S.W., Calgary, Alberta on Tuesday, June 14, 2011 at 3:00 p.m. (Calgary time) for the purposes set forth in the accompanying notice of meeting (the "Notice") and in this Circular.**

### **GENERAL PROXY MATTERS**

#### **Management Solicitation of Proxies**

Management of Corridor is soliciting proxies in respect of the Meeting. Solicitation will be primarily by mail, but may also be by way of telephone, facsimile or oral communication by the directors, officers or regular employees of Corridor, at no additional compensation to them. The costs of the solicitation of proxies will be borne by Corridor.

#### **Voting of Common Shares at the Meeting and Record Date**

As at May 2, 2011, there were 88,447,466 Common Shares issued and outstanding, each of which carries the right to one vote at meetings of the Shareholders.

**Persons registered as Shareholders ("Registered Shareholders") on the books of Corridor maintained by Computershare as of the close of business on May 2, 2011 (the "Record Date") are entitled to receive notice of and to vote at the Meeting. Shareholders who do not hold Common Shares in their own name on the records of Corridor are not entitled to receive notice of the Meeting or to vote in respect of such shares at the Meeting, and should refer to the section entitled "Advice to Beneficial Holders of Common Shares" immediately below for details regarding how they may exercise voting rights in respect of Common Shares beneficially held by them.**

Any person who acquires Common Shares from a Shareholder after the Record Date may vote those Common Shares if, not later than 10 days prior to the Meeting, that person makes a request in writing and in satisfactory form to Computershare to have his or her name included as a Registered Shareholder on the list of Shareholders for the Meeting and establishes that he or she owns such Common Shares.

#### **Voting by Proxy**

Shareholders can attend the Meeting in person or appoint a person (who need not be a Shareholder) to represent them at the Meeting.

A form of proxy (the "**Proxy**") accompanies this Circular, and each person named in the Proxy is either a director and/or an officer of Corridor. **A Shareholder has the right to appoint a person (who does not**

**need to be a Shareholder), other than the persons designated in the Proxy, to represent him or her at the Meeting.** To exercise this right, a Shareholder should strike out the management designated names on the Proxy and insert the name of the desired person in the blank space provided on the Proxy. Alternatively, a Shareholder may complete another appropriate form of proxy. The Proxy, or an alternate form of proxy, will not be valid unless it is received by Computershare Trust Company of Canada ("**Computershare**") not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment of the Meeting. Proxies may be deposited at Computershare at 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 (facsimile: (866) 249-7775) or mailed to Computershare at Computershare, Attention: Proxy Department, 135 Beaver Creek, P.O. Box 300, Richmond Hill, Ontario L4B 4R5.

A Shareholder may vote by telephone or by internet 24 hours a day, 7 days a week. To vote by telephone the Shareholder should call 1-866-732-VOTE (8683) from a touch tone phone, or if the Shareholder is outside of North America, the Shareholder should call 1-312-588-4290. To vote using the internet, a Shareholder should access [www.investorvote.com](http://www.investorvote.com). To vote by telephone or internet, the Shareholder will need to provide the control number noted on the applicable Proxy. For further information on voting by telephone or by internet, see the Proxy accompanying this Circular.

### **Exercise of Discretion by Proxyholders**

The persons named in the Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed, on any ballot that may be called for, in accordance with the direction of the Shareholder appointing them. **In the absence of such specification, the proxyholder shall be deemed to have been granted the authority to vote the relevant Common Share FOR: (i) the election of the directors as set forth in this Circular; (ii) the appointment of auditors at such remuneration as may be determined by the Board of Directors of Corridor (the "Board of Directors") as set forth in this Circular; (iii) the approval of the amendment to the articles of Corridor as set forth in this Circular; and (iv) the approval of the amended and restated shareholder rights plan of Corridor (which amends and restates the current shareholder rights plan of Corridor) as set forth in this Circular. The Proxy also confers discretionary authority upon the persons named in the Proxy with respect to amendments to, or variations of, the matters identified in the Notice and with respect to other matters that may properly be brought before the Meeting.** As of the date hereof, the management of Corridor knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice.

### **Revocation of Proxies**

A Shareholder who has submitted a Proxy or alternative form of proxy may revoke it with an instrument in writing signed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, by a duly authorized officer or officers or attorney of such corporation, provided such instrument is deposited either: (i) at the registered office of Corridor, being 4500 Bankers Hall East, 855 - 2<sup>nd</sup> Street S.W., Calgary, Alberta, T2P 4K7, 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 form of proxy is to be used; (ii) with the Chairman of the Meeting immediately prior to the commencement of the Meeting or any adjournment of the Meeting; (iii) by the Shareholder personally attending at the Meeting and voting the securities represented by the proxy or, if the Shareholder is a corporation, by a duly authorized officer or officers or attorney of such corporation attending at the Meeting and voting such securities; or (iv ) in any other manner permitted by law.

## **Advice to Beneficial Holders of Common Shares**

**The information set forth in this section is of significant importance as most of the Shareholders do not hold their Common Shares in their own name.** Shareholders who do not hold their Common Shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of Corridor as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If the Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's own name on the records of Corridor. Such Common Shares will more likely be registered in the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of these shares are registered in the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker's clients. **Therefore, Beneficial Shareholders cannot be recognized at the Meeting for purposes of voting their Common Shares in person or by way of proxy unless their brokers or agents are given specific instructions. If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please contact your broker or agent well in advance of the Meeting to determine how you can do so.**

Applicable regulatory policy requires brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. In certain cases, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the Proxy provided to Registered Shareholders, however, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of Canadian brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Institution Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails that form to the Beneficial Shareholders and asks Beneficial Shareholders to return the instruction forms to Broadridge. Alternatively, Beneficial Shareholders can either call Broadridge's toll-free telephone number to vote their Common Shares or access their dedicated voting website at [www.proxyvotecanada.com](http://www.proxyvotecanada.com) to deliver their voting instructions. Broadridge then tabulates the results of all instructions received and provides instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote Common Shares directly at the Meeting – voting instructions must be provided to Broadridge (in accordance with the instructions set forth on the Broadridge form) well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the Proxy and return the Proxy to their brokers (or the broker's agent) in accordance with the instructions provided by such brokers (or agents) well in advance of the Meeting.**

**Beneficial Shareholders should contact their brokers or other intermediaries if they have any questions regarding the voting of their Common Shares held through such brokers or other intermediaries.**

## Principal Holders of Common Shares

To the knowledge of the directors and officers of Corridor, the only persons or companies that beneficially own, or control or direct, directly or indirectly, over 10% or more of the voting rights attached to the Common Shares are as follows:

Name	No. of Common Shares Owned or Controlled	% of Class
The Children's Investment Fund Management (UK) LLP <sup>(1)</sup>	13,446,234	15.2%
Trapeze Capital Corp. and Trapeze Asset Management Inc. <sup>(2)</sup>	12,532,240	14.2%
Sprott Asset Management Inc. <sup>(3)</sup>	14,822,976	16.8%

### Notes:

- (1) Information in respect of the Children's Investment Fund Management (UK) LLP is provided effective December 31, 2010.
- (2) Information in respect of Trapeze Capital Corp. and Trapeze Asset Management Inc. is provided effective March 31, 2011.
- (3) Information in respect of Sprott Asset Management Inc. is provided effective March 31, 2011.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### *Overview*

The Corporate Governance Committee (the "**Governance Committee**") of the Board of Directors of Corridor (the "**Board**") is responsible for developing compensation and human resources policies and developing and assessing Chief Executive Officer and management compensation, development and succession. Members of the Corporate Governance Committee during the financial year ended December 31, 2010 were J. Douglas Foster (Chair), John H. Bray and Robert D. Penner, each of whom is independent within the meaning of National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

#### *Compensation Philosophy and Objectives*

Corridor's compensation program is designed to encourage behavior and performance among Corridor's key employees, including its executive officers, which the Governance Committee believes is in the best interest of Shareholders.

The objectives of Corridor's compensation program are to: (i) keep compensation consistent with Corridor's strategic business and financial objectives and competitive within the oil and gas industry and the local market; and (ii) enable Corridor to attract, motivate, and retain executive personnel as the Governance Committee deems necessary to maximize return to Shareholders.

The incentive portion of the compensation program currently rewards positive performance with respect to increased performance relative to the prior year which is influenced by factors such as operating costs per unit of production, reserves, environmental stewardship and safety record.

The compensation program is also structured so as to provide each executive officer and key employee with a competitive income, to create meaningful incentive for this group of employees to remain at Corridor and not be unreasonably susceptible to recruiting efforts by competitors of Corridor, and to align the interests of this group of employees with those of Corridor's shareholders. Corridor's compensation program and the magnitude of its specific components reflect the competitive nature of the oil and gas industry. Further, although the principles described above apply to all key employees and the design of

the compensation program, the Governance Committee also intends that individual performance by executive officers and key employees be rewarded.

***Elements of Corridor's Compensation Program***

Overall remuneration of each executive officer is determined having regard to individual measures such as the officer's current responsibilities, individual performance and years of experience, as well as broader corporate financial, and operational performance. Consideration is also given to the Corporation's current stage of development, competition within the industry for experienced proven management personnel, available industry compensation surveys, and available compensation surveys from the Association of Petroleum Engineers. Ultimately, the Corporation's compensation practices are designed, revised and adjusted with performance enhancement as the primary objective.

Corridor's compensation program currently consists of three primary components: an annual base salary, a performance sharing plan (formerly the discretionary incentive bonus plan), and periodic grants of long-term incentives in the form of stock options granted pursuant to the Stock Option Plan. In addition, in 2007, the Board authorized the Corporation to implement an employee share purchase plan, effective January 1, 2008, that continues to be in effect, to encourage employees, including executive officers, to accumulate savings through the ownership of Common Shares. Under this plan, eligible employees who elect to enroll in the plan may, generally, make contributions up to 10% of their eligible earnings and the Corporation will match such contributions, which aggregate contributions will be used to purchase Common Shares.

The executive officers participate in other group benefit plans (life, disability, health and dental insurance) that are available to all employees of the Corporation, and which are comparable to those offered to industry peers.

The amount of base salary, performance sharing plan (or discretionary incentive bonus) payments and the fair value of share options awarded to the executive officers and other senior employees for 2010, 2009 and 2008 are stated in the "Summary Compensation Table".

Salary and option grant numbers for the Corporation's executive officers (other than the Chief Executive Officer) and non-officer personnel are recommended by the Chief Executive Officer, reviewed by the Governance Committee, and approved by the Board. Compensation of the Chief Executive Officer is recommended by the Governance Committee and approved by the Board.

The Governance Committee believes that the criteria behind the Corporation's compensation decisions are appropriate and effective to make overall compensation levels competitive to attract and retain quality employees but not excessive or out-of-step with market realities. The compensation of the Chief Executive Officer is based on the same criteria as are applied to the other executive officers of the Corporation.

***Why does Corridor choose to pay each element?***

The purpose of base salary is to create cash compensation for executive officers that is competitive in the industry and will enable Corridor to attract, motivate, and retain capable executives. Corridor chooses to make payments under the performance sharing plan because it believes that rewarding employees based on both corporate and individual performance furthers the interests of Shareholders. The purpose of Corridor's long-term incentives is to align the executive officers' compensation with their contribution to the success of Corridor in creating shareholder value, tie their long-term economic interest directly to those of Corridor's shareholders, and provide a retentive effect on the executive officers. Stock options

also allow executive officers to have equity ownership in Corridor in addition to their direct purchases of Common Shares and to share in the appreciation in value of Common Shares over time.

The Corporation's general approach is to target base salaries at the 50<sup>th</sup> percentile of the Canadian oil and gas market based on compensation surveys from Towers Watson Energy and the Association of Petroleum Engineers and a range of salaries in the Carrigan Partners database.

In addition, Corridor believes that the employment agreement with the Chief Executive Officer and the change of control agreement with the Chief Financial Officer promote stability and continuity, particularly if the situation arises where Corridor is actively being considered as an acquisition target.

***How does Corridor determine the amount (and, where applicable, the formula) for each element?***

The Corporation has engaged Gillian King, HR Consulting, every year since 2007 to provide advice regarding the development of human resources policies, job descriptions and assessing compensation for the executive officers and employees of the Corporation. In addition, in 2010 the Corporation engaged Carrigan Partners, a compensation specialist, to review the Corporation's compensation practices and to implement a fair and equitable compensation program for the Corporation. After determining the Corporation's compensation philosophy of paying salaries at the 50<sup>th</sup> percentile of the Canadian oil and gas market based on compensation surveys from Towers Watson Energy, the Association of Petroleum Engineers and a range of salaries in the Carrigan Partners database, and after determining the Corporation's ability to pay the resulting salaries, base salaries were recommended.

**Base salary.** The Chief Executive Officer reviews and recommends the salary and option grant numbers for the Corporation's executive officers and employees (other than with respect to the Chief Executive Officer), which recommendations are reviewed by the Governance Committee and subsequently approved by the Board. Compensation of the Chief Executive Officer is reviewed by the Governance Committee and subsequently approved by the Board.

Based on the comprehensive compensation review done by Carrigan Partners, average salary increases of 3% and 4% were recommended effective June 1, 2010 and January 1, 2011, respectively. Based on the information received from Carrigan Partners, and upon recommendation from the Governance Committee, the Board approved these salary increases.

**Performance Sharing Plan.** The performance sharing plan is intended to provide employees the opportunity to realize gains above the median when identified corporate and individual performance objectives are exceeded. By placing emphasis on variable compensation, the Corporation aims to tie a portion of the total executive compensation package to increases in the Corporation's performance and the value of the Common Shares. See "*Executive Compensation – Performance Graph*".

On August 12, 2010, and upon the advice of Carrigan Partners and the recommendation of the Governance Committee, the Board approved a performance sharing payment to reward senior management and employees for the corporate performance of the Corporation and individual performance of employees. The Board considered the success of the Corporation during 2009 in establishing the aggregate amount to be distributed to employees (including the Named Executive Officers) pursuant to the performance sharing plan, which aggregate amount equaled the sum of multiples ranging from 3.5% – 15% of the employees' total 2009 base salary. Factors considered by the Board in 2010 included: the successful fracing program, including fracing of the vertical Green Road G-41 well; the marketing of the Frederick Brook shale gas opportunity; the entering into of the joint venture and option agreement with Apache Canada Ltd.; the Corporation's strong safety and environmental performance; reduced drilling activity; reduced production rates; and the associated reduced revenue and cash flow. The Corporation distributed this performance sharing payment for the year ended December 31, 2009 on

September 15, 2010. Of the total amount distributed to employees, 25% was distributed pro rata based on fractions of each employee's base salary in recognition of the Corporation's corporate performance in 2009 and the remaining 75% was distributed to employees based upon management's assessment of each employee's individual performance in 2009.

**Long Term Incentive Awards.** Effective March 27, 2008, the Corporation adopted the amended and restated stock option plan (the "**Stock Option Plan**"), which plan was approved by Shareholders at the annual meeting of Shareholders held on May 15, 2008. The principal purposes of the Stock Option Plan are (i) to enable the Corporation to attract and retain qualified directors, officers, employees and service providers; (ii) to promote a proprietary interest in the Corporation on the part of directors, officers and employees of the Corporation and consultants to the Corporation by providing such persons with the opportunity to acquire an equity interest in the Corporation or augment their equity interest in the Corporation, as the case may be; (iii) to provide an additional incentive to directors, officers, employees and service providers in their efforts on behalf of the Corporation; and (iv) to promote the profitability of the Corporation. See "*Executive Compensation – Stock Option Plan*". Options are awarded by the Board on the recommendation of the Governance Committee or the Chief Executive Officer, as applicable.

An aggregate of 1,286,000 options were granted to officers, employees and consultants during the year ended December 31, 2010, of which 7,500 options were granted to attract and retain new employees, 528,500 options were granted on September 21, 2010, with an exercise price of \$5.21, in connection with the corporate achievement component (relating to the 2009 calendar year) of the performance sharing plan payment, and 750,000 options were granted to Mr. Phillip R. Knoll in connection with his acceptance of the offer to be the President and Chief Executive Office of the Corporation in September 2010.

During the year ended December 31, 2010, 48,332 options were exercised. See "*Executive Compensation - Stock Option Plan*".

**Other Benefits.** During 2010, the Governance Committee did not make any changes to the other perquisites that the executive officers receive. Those benefits include participation in plans available to all Corridor employees, such as life, disability, and health and dental insurance, parking and gym memberships.

**New CEO and President.** In April 2010, Mr. Norman Miller, the President and Chief Executive Officer and co-founder of the Corporation, advised the Board of Directors of his intention to resign at the end of September 2010. In May, the Governance Committee interviewed a number of executive search firms and hired Odgers Berndtson to assist with the process of obtaining a successor to Mr. Miller. The Governance Committee met on numerous occasions and conducted several interviews, before unanimously agreeing upon the selection of Mr. Phillip R. Knoll. The compensation arrangements negotiated with Mr. Knoll were considered by the Governance Committee to be reasonable in the circumstances. The salary being paid to Mr. Knoll is similar to that previously paid to Mr. Miller, except that Mr. Knoll's salary was increased by an amount to offset that he does not receive Directors fees. Another of the components of Mr. Knoll's compensation is the grant of 750,000 options. In view of the Corporation's stage of development and the nature of its prospects, general advice received in respect of CEO compensation in the oil and gas sector, the recognition of the need to provide inducement to attract a qualified candidate as a new CEO, as well as other factors considered relevant, the Governance Committee considered the option grant to Mr. Knoll to be reasonable. The Corporation also entered into an employment contract with Mr. Knoll which provided for the terms described above, as well as for certain payments in the event of termination for cause or upon a change of control. Again, these provisions were carefully reviewed and were considered reasonable.

## Compensation Practices Review

In the past year, senior management was charged with reviewing the Corporation's compensation practices, which review resulted in the Board approving an adjustment to the employees' salaries and payments under the performance sharing plan, as described in this section.

The Board, upon recommendation of the Governance Committee, has determined to further review the Corporation's compensation practices and also the possible adoption of share ownership guidelines for the directors and senior management of the Corporation to, among other things, further align the interests of the Shareholders and the Board and management.

## Summary Compensation Table

The following table sets forth information concerning the total compensation paid to each President and Chief Executive Officer, the Chief Financial Officer of Corridor and the most highly compensated senior employees at December 31, 2010 whose total compensation was, individually, more than \$150,000 for the financial year ended December 31, 2010 (collectively, the "**Named Executive Officers**").

Name and principal position	Year	Salary (\$)	Share-based awards <sup>(1)</sup> (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value <sup>(4)</sup> (\$)	All other compensation <sup>(5)</sup> (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans <sup>(3)</sup>			
Phillip R. Knoll <sup>(6)</sup> President and Chief Executive Officer	2010	53,125	-	2,075,550	-	-	-	-	2,128,675
Norman W. Miller <sup>(7)(8)</sup> President and Chief Executive Officer	2010	180,043	-	-	59,225	-	-	17,886	257,154
	2009	236,900	-	97,278	-	-	-	23,690	357,868
	2008	234,025	-	123,231	34,500	-	-	23,402	415,158
Lisette Hachey Chief Financial Officer	2010	151,940	-	138,370	26,860	-	-	15,119	332,289
	2009	149,327	-	81,065	-	-	-	14,933	245,325
	2008	147,160	-	90,369	14,000	-	-	14,715	266,244
Larry Huskins Senior Drilling and Completions Engineer	2010	168,412	-	138,370	25,060	-	-	16,759	348,601
	2009	165,515	-	81,065	-	-	-	16,552	263,132
	2008	162,759	-	102,693	22,575	-	-	16,276	304,303
Douglas Bailey Production Operations Manager	2010	168,259	-	138,370	20,330	-	-	16,743	343,702
	2009	165,365	-	81,065	-	-	-	16,536	262,926
	2008	162,959	-	73,938	15,511	-	-	11,655	264,063
Dr. Tom Martel Chief Geologist	2010	167,684	-	138,370	24,950	-	-	16,686	347,690
	2009	164,800	-	81,065	-	-	-	16,480	262,345
	2008	162,800	-	90,369	16,000	-	-	11,613	280,782

### Notes:

- (1) Corridor does not grant share-based awards.
- (2) The grant date fair value of the options in the table above was calculated using the Black-Scholes-Merton model, which is the fair value determined in accordance with Section 3870 of the CICA Handbook. For 2010, this calculation was based on a risk free interest rate of 2.5%, an expected life of 3 years and an expected volatility of 80%. Corridor uses the Black-Scholes-Merton model as it is commonly used in the oil and gas industry.
- (3) Corridor does not have any non-equity long-term incentive plans.
- (4) Corridor does not have any defined benefit or defined contribution plans or any plans that provide for the payment of pension plan benefits.
- (5) Includes amounts payable at December 31, 2008, 2009 and 2010 towards the purchase of common shares of the Corporation relating to the Corporation's matching of the employee share purchases during the applicable year in connection with the Corporation's employee share purchase plan.
- (6) Mr. Knoll was appointed a director effective September 21, 2010 and as President and Chief Executive Officer effective October 18, 2010.
- (7) Mr. Miller resigned as President and Chief Executive Officer effective October 18, 2010. Mr. Miller continues to be a director of the Corporation.
- (8) Mr. Miller also received director's fees of \$22,500, \$30,000 and \$30,000 in his capacity as a director of Corridor in 2008, 2009 and 2010, respectively. In addition Mr. Miller was granted 250,000 options in September 2010 in his capacity as a director, of which Mr. Miller surrendered, for no consideration, 200,000 options on May 6, 2011. See "*Executive Compensation – Directors Compensation*" and "*Particulars of the Matters to be Acted upon at the Meeting – Election of Directors*" in this Circular.

The fair value of the options as set forth in the table above is the 'grant date fair value', and calculated in accordance with the Black-Scholes-Merton model, which is a permitted methodology and the basis for the accounting treatment of Corridor in its financial statements. The resulting fair value is an estimate of the value which will ultimately be received based on the historical volatility in the Corporation's share price. However, as of the date hereof, the closing price of the Common Shares on the TSX is lower than the exercise price of all options granted in 2010.

### Incentive Plan Awards

The following table sets forth information regarding all option-based awards outstanding as at December 31, 2010 for each Named Executive Officer. Corridor has not granted any share-based awards to any Named Executive Officers.

#### Outstanding Option-Based Awards<sup>(1)</sup>

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup> (\$)
Phillip R. Knoll	750,000	5.21	September 21, 2015	182,500
Norman W. Miller	100,000	5.50	July 27, 2011	44,000
	30,000	9.48	May 20, 2013	-
	60,000	2.56	July 14, 2014	67,600
	50,000 <sup>(3)</sup>	5.21	September 21, 2015	-
Lisette Hachey	50,000 <sup>(4)</sup>	5.38	April 19, 2011	28,000
	22,000	9.48	May 20, 2013	-
	42,000	2.56	July 14, 2014	29,294
	50,000	5.21	September 21, 2015	-
Larry Huskins	50,000	5.09	July 4, 2011	42,500
	25,000	9.48	May 20, 2013	-
	50,000	2.56	July 14, 2014	56,334
	50,000	5.21	September 21, 2015	-
Douglas Bailey	25,000	5.82	October 2, 2011	3,000
	18,000	9.48	May 20, 2013	-
	50,000	2.56	July 14, 2014	56,334
	50,000	5.21	September 21, 2015	-
Dr. Tom Martel	25,000	5.50	July 27, 2011	11,000
	22,000	9.48	May 20, 2013	-
	50,000	2.56	July 14, 2014	56,334
	50,000	5.21	September 21, 2015	-

**Notes:**

- (1) Corridor has not granted any share-based awards to any Named Executive Officers.
- (2) Calculation is based on the number of options which have vested and a share price of \$5.94, which is the closing price of the Common Shares on the TSX on December 31, 2010.
- (3) On May 6, 2011, Mr. Miller agreed to surrender, for no consideration, 200,000 of the aggregate 250,000 options granted on September 21, 2010, such that Mr. Miller's number of options in the above table has been adjusted to 50,000 options. See "Executive Compensation – Directors Compensation" and "Particulars of the Matters to be Acted upon at the Meeting – Election of Directors" in this Circular.
- (4) Ms. Hachey's options expired, without being exercised, on April 19, 2011.

The following table sets forth the dollar value that would have been realized if options had been exercised on the vesting date during the year ended December 31, 2010.

**Incentive Plan Awards – Value Vested or Earned During the Year**<sup>(1)</sup>

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)</b>
Phillip R. Knoll	-
Norman W. Miller	52,400
Lisette Hachey	43,668
Larry Huskins	43,668
Douglas Bailey	43,668
Dr. Tom Martel	43,668

**Note:**

- (1) Corridor has not granted any share-based awards or any non-equity incentive plan compensation plan to any Named Executive Officers.

During the year ended December 31, 2010, an aggregate 8,000 options were exercised by the Named Executive Officers.

**Stock Option Plan**

Corridor's amended and restated stock option plan (the "**Stock Option Plan**") dated effective March 27, 2008 was approved by Shareholders at the annual and special meeting of Shareholders held on May 15, 2008. Under the Stock Option Plan, the Board may, from time to time, issue options ("**Options**") to directors, officers and employees of Corridor (and its affiliates) and persons who provide services to Corridor (and its affiliates).

Pursuant to the Stock Option Plan, Options may only be granted to persons or corporations ("**Eligible Optionees**"): (a) who are (i) employees (full-time or part-time), officers or directors of Corridor (or one or more of its affiliates), or (ii) consultants who are engaged to provide services to Corridor (or one or more of its affiliates) on an on-going basis under a written contract with Corridor (or one or more affiliates), who devote or are expected to devote a significant amount of time and attention to the business and affairs of Corridor (or one or more of its affiliates) and who are engaged to provide services for an initial, renewal or extended period of 12 months or more, and (b) who the Board selects for participation in the Stock Option Plan. Options may also be granted to corporations that are controlled by an Eligible Optionee.

The maximum number of Common Shares reserved for issuance pursuant to Options granted under the Stock Option Plan is set at 8,262,513 (the "**Option Threshold**"), which represented 10% of the aggregate number of issued Common Shares (calculated on a non-diluted basis) as at April 10, 2008 and 9.3% of the aggregate number of issued common shares (calculated on a non-diluted basis) as at May 2, 2011.

The Stock Option Plan provides that all grants of Options thereunder will be subject to the following terms and conditions: (a) an Eligible Optionee may hold more than one Option at any time; however, no one Eligible Optionee will be granted Options that, when combined with any other security based compensation arrangement, would entitle the Eligible Optionee to purchase more than 5% of the total number of issued and outstanding Common Shares; (b) the number of Common Shares reserved at any time for issuance to insiders pursuant to Options, when combined with the number of Common Shares issued to insiders pursuant to any other security based compensation arrangement, will not exceed 10% of the total number of issued and outstanding Common Shares; (c) there may not be issued to insiders,

within a one-year period, a number of Common Shares that, when combined with the number of Common Shares issued to insiders pursuant to any other security based compensation arrangement, would exceed 10% of the total number of issued and outstanding Common Shares; and (d) there may not be issued to any one insider and such insider's associates, within a one-year period, a number of Common Shares that, when combined with the number of Common Shares issuable to such insider and such insider's associates pursuant to any other security based compensation arrangement, would exceed 5% of the total number of issued and outstanding Common Shares. The forgoing limits may be calculated on a diluted basis with the consent of the TSX.

The exercise price of each Option will be determined in the discretion of the Board at the time the Option is granted, provided that the exercise price will not be lower than the "Market Price". For purposes of the Stock Option Plan, "Market Price" means the closing price of the Common Shares on the TSX on the last trading day prior to the date the Option is granted for which there was a closing price on the TSX; provided that in the event the Common Shares are not listed on any exchange, the Market Price will be such price as is determined by the Board.

All Options granted under the Stock Option Plan will be subject to a fixed term and will be exercisable from time to time as determined in the discretion of the Board at the time of the grant, provided that no Option will have a term exceeding five years (or such longer period as is permitted by the TSX).

Unless otherwise determined by the Board, if any Option is scheduled to expire (a) at a time when the holder of the Option is subject to restrictions on trading securities of Corridor under a trading "blackout" established by Corridor; or (b) within five business days after the termination of such blackout period, the Option will, notwithstanding the scheduled expiry date of such Option, expire as of the date that is 10 business days following the end of such applicable blackout period and shall be exercisable by the holder at any time up to the applicable time on such revised expiry date.

In the event that an Eligible Optionee ceases to hold the position of director, officer or employee of Corridor (or any of its affiliates) or a service provider to Corridor (or any of its affiliates) for any reason whatsoever (other than as a result of death, incapacity, termination with cause or permanent disability), the Option will terminate on the earlier of its expiry date and 90 days after such cessation. In the event of the death, incapacity or permanent disability of an Eligible Optionee, the Option will terminate on the earlier of its expiry date and 12 months after the date of death, incapacity or permanent disability of the Eligible Optionee.

At or after the time that any fully vested Option could be exercised by an Eligible Optionee, the Eligible Optionee may elect to surrender, at his or her option, in whole or in part, his or her rights under any Option by written notice to the Corporation stating that such Eligible Optionee wishes to surrender his or her Option in exchange for a payment equal to the positive difference between the Exchange Date Price (as defined below) and the exercise price of the Option in respect of each Common Share that would otherwise be issued upon exercise of such Option (or portion of such Option) surrendered. The Board has the sole discretion to consent or disapprove of the election of the Eligible Optionee to receive cash. If the Board disapproves of the election, the Participant may (i) exercise the Option under the Stock Option Plan or (ii) retract the request to surrender such Option and retain the Option. The Corporation will withhold from the amount otherwise payable such amounts as may be required to be withheld under applicable law. **"Exchange Date Price"** means a price per Common Share equal to the closing price of the Common Shares on the stock exchange on the last trading day prior to the date the Option was surrendered by the Eligible Optionee or if the Common Shares are not then listed on any stock exchange, the Exchange Date Price shall be determined by the Board.

Options granted under the Stock Option Plan are not assignable or transferable by an Eligible Optionee, except for: (i) a limited right of assignment to allow the exercise of Options by an Eligible Optionee's

heirs, executor or legal representative (as the case may be) in the event of death, incapacity or permanent disability; and (ii) with the approval of the Board and the TSX, a right to transfer such Options to a corporation controlled by the Eligible Optionee and wholly-owned by the Eligible Optionee or his spouse or children (or any of them).

The Board has the right to amend the Stock Option Plan and to suspend, terminate or discontinue the Stock Option Plan. Any amendments to the Stock Option Plan are subject to the approval of applicable regulatory authorities, including the TSX. Any amendment to the Stock Option Plan shall take effect only with respect to Options granted after the effective date of such amendment, provided that an amendment may apply to any outstanding Options with the mutual consent of Corridor and the Eligible Optionees to whom such Options were granted.

Under the Stock Option Plan, the Board has the power and authority to approve amendments to the Stock Option Plan (or to Options), without further approval of the Shareholders, including, without limitation, to the extent that such amendment: (a) is for the purpose of curing any ambiguity, error or omission in the Stock Option Plan or to correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan; (b) is necessary to comply with applicable law or the requirements of any stock exchange on which the Common Shares are listed; (c) is an amendment respecting administration or eligibility for participation under the Stock Option Plan; (d) changes the terms and conditions on which Options may be or have been granted pursuant to the Stock Option Plan, including changes to the vesting provisions and the term of any Option; (e) changes the termination provisions of an Option or the Stock Option Plan in a manner that does not entail an extension of such Option beyond its original expiry date (except in respect of a revised expiry date established in light of the existence of any trading "blackout", as described above); or (f) is an amendment to the Stock Option Plan of a "housekeeping" nature; provided that in the case of any amendment referred to in paragraph (a) or (b) above, the amendment does not: (i) change the number of Common Shares issuable under the Stock Option Plan; (ii) add any form of financial assistance by Corridor for the exercise of any Option; (iii) result in material or unreasonable dilution in the number of outstanding Common Shares or any material benefit to an Eligible Optionee; or (iv) change the class of eligible participants under the Stock Option Plan if such change would have the potential of broadening or increasing participation by insiders of Corridor.

Subject to any required regulatory approvals, the Board may amend the term of any Option (which in no event shall exceed five years from the date of grant (or such longer period as is permitted by the TSX)) and the termination provisions of Options granted pursuant to the Stock Option Plan without shareholder approval, provided that if the Board proposes to increase the Option Threshold, reduce the exercise price for Options granted to insiders or extend the term of any Option granted to an insider of Corridor pursuant to the Stock Option Plan (unless the extension is in respect of a revised expiry date established in light of the existence of any trading "blackout", as described above), such amendments will require Common Shareholder approval.

### **Pension Plan Benefits**

Corridor has not adopted any retirement plan, pension plan or deferred compensation plan.

### **Termination and Change of Control Benefits**

None of the Named Executive Officers has an employment agreement with the Corporation, other than an agreement with Phillip R. Knoll, Chief Executive Officer of the Corporation, and a change of control agreement with Lisette Hachey, Chief Financial Officer of the Corporation. Each such agreement is for an indefinite term.

Pursuant to the employment agreement with Mr. Knoll, upon the termination of Mr. Knoll's employment, for any reason in the absence of cause, Mr. Knoll shall be entitled to receive a lump sum equal to the total of 24 times the monthly salary paid for the month immediately preceding the date of termination plus 10% (to recognize the loss of benefits). Alternatively, in the event of a change of control of the Corporation, Mr. Knoll may terminate his employment with the Corporation and the Corporation shall be required to pay Mr. Knoll a lump sum equal to the product obtained from multiplying the monthly salary paid for the month immediately preceding the date of termination plus 35% (to recognize the loss of benefits and loss of payments under the Corporation's corporate performance plan) by a factor of 18, with such factor increasing by two for each additional completed year of service up to a maximum of 24.

Pursuant to the change of control agreement with Ms. Hachey, upon a change of control of the Corporation where, within the 12 month period following the change of control, there is any fundamental adverse change or series of changes in the employment of Ms. Hachey, Ms. Hachey may elect to terminate her employment within 90 days of such event and the Corporation will be required to pay Ms. Hachey a lump sum equal to the product obtained from multiplying the monthly salary paid for the month immediately preceding the date of termination by a factor of 12, with such factor increasing by one for each additional completed year of service up to a maximum of 18.

### **Directors Compensation**

For the financial year ended December 31, 2010, the directors' compensation included payments of retainers and the grant of options, all as set forth under the heading "*Particulars of Matters to be Acted Upon at the Meeting – Election of Directors*". In addition, directors were reimbursed for reasonable travel expenses. No other compensation, including compensation from any share-based awards or non-equity incentive plans was provided to any director of Corridor. Mr. Phillip R. Knoll, the President and Chief Executive Officer of the Corporation, does not receive compensation for services as a director.

During 2010, the Directors each received cash payments equal to \$30,000, other than Mr. Foster who received cash payments of \$60,000 in his capacity as Chairman of the Board. Each director, other than Mr. Knoll, the President and Chief Executive Officer of the Corporation, received 250,000 options on September 21, 2010. Upon further reflection, including a review of directors' compensation practices in general and, in particular, the option grants of a broad cross section of other TSX listed junior oil and gas companies, on May 6, 2011, each such director agreed to surrender, for no consideration, 200,000 of the aggregate 250,000 options granted on September 21, 2010.

As noted under the heading "*Executive Compensation - Compensation Discussion and Analysis – Compensation Practices Review*", the Board has determined to review the Corporation's compensation practices and also the possible adoption of share ownership guidelines for the directors and senior management of the Corporation to, among other things, further align the interests of Shareholders and the Board and management.

### **Equity Compensation Plan Information**

The following table sets forth, as at December 31, 2010, the compensation plan of Corridor under which Common Shares are authorized for issuance:

<u>Plan Category<sup>(1)</sup></u>	<u>Number of Common Shares to be Issued Upon Exercise of Outstanding Options</u>	<u>Weighted-Average Exercise Price of Outstanding Options</u>	<u>Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans</u>
Equity Compensation plans approved by securityholders			
Stock Option Plan	4,988,668 <sup>(2)</sup>	4.95	3,033,513

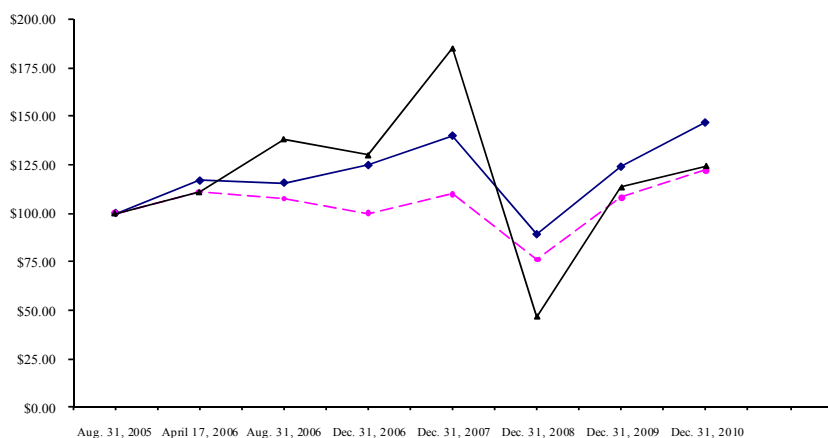
**Notes:**

- (1) The only compensation under which equity securities are authorized for issuance is the Stock Option Plan. See "*Executive Compensation – Stock Option Plan*".
- (2) On May 6, 2011, directors of the Corporation surrendered an aggregate 1,200,000 options, which reduces the number of Common Shares to be issued upon the exercise of outstanding options from 4,988,668 to 3,788,668 Common Shares.

**Performance Graph**

The following performance graph illustrates, over the five year period ended December 31, 2010, the cumulative return to shareholders of an investment in the Common Shares of the Corporation compared to the cumulative total shareholder return on the S&P/TSX Composite Index and the S&P/TSX Oil & Gas Exploration and Production Sub-Industry Index.

**Total Return on \$100 Investment from August 31, 2005 to December 31, 2010**



	Aug. 31, 2005	Apr. 17, 2006 <sup>(1)</sup>	Aug. 31, 2006 <sup>(2)</sup>	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010
◆ S&P/TSX Composite Index	\$100	\$116.76	\$115.65	\$124.74	\$140.00	\$89.05	\$123.95	\$146.79
● S&P/TSX Oil & Gas Exploration & Production Sub-Industry Index	\$100	\$110.99	\$107.43	\$99.81	\$109.92	\$76.09	\$108.21	\$122.21
▲ Corridor	\$100	\$110.90	\$138.36	\$129.98	\$185.32	\$46.54	\$113.42	\$124.53

**Notes:**

- (1) Prior to April 17, 2006, the Common Shares were listed and traded on the TSX Venture Exchange. Effective April 17, 2006, the Common Shares were listed and commenced trading on the TSX.
- (2) Corridor changed its financial year end from August 31 to December 31 on November 13, 2006.

Compensation to Named Executive Officers was higher than the trend of total shareholder return for the period from August 31, 2005 to December 31, 2010. During this period, the price of the Common Shares increased by 24.5% compared to an increase of 46.8% on the S&P TSX Composite Index and an increase of 22.21% in the S&P/TSX Oil/Gas Exploration/Production Sub-Industry Index. During this same period, total compensation for the Named Executive Officers (excluding the fair value of the options granted) increased by 176%. (Note that the increase is based on five Named Executive Officers in 2010 compared to only four similar positions in 2005.) Following the economic downturn and economic performance in 2008, the Board determined, in 2009, to freeze salaries and not to award any bonuses for the 2008 fiscal year. In 2010, compensation to the Named Executive Officers was increased by 3% following recommendations from Carrigan Partners, a compensation specialist, and bonuses were awarded for the 2009 fiscal year in recognition of, among other factors, the increase of 144% in Corridor's share price from December 31, 2008 to December 31, 2009 and the entering into of the joint venture and option agreement with Apache Canada Ltd. The decision to award bonuses was also based on the comprehensive compensation review performed by Carrigan Partners, the results of which showed that Corridor's total compensation was lower than the 50<sup>th</sup> percentile of the Canadian oil and gas market; however, base salaries were generally comparable to this market.

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

Except as disclosed elsewhere in this Circular, no director or executive officer of the Corporation and no person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares (collectively, an "**Informed Person**") and no proposed director of the Corporation or any associate or affiliate of any Informed Person or proposed director, 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 that materially affects or would materially affect the Corporation or any of its subsidiaries.

### **CORPORATE GOVERNANCE PRACTICES**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders. The Board views effective corporate governance as an essential element for the ongoing well-being of the Corporation and its shareholders. With that in mind, the Board reviews the Corporation's corporate governance practices on an ongoing basis to ensure that they provide for effective stewardship of the Corporation.

The disclosure of the Corporation's corporate governance practices is presented pursuant to the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and is set forth at Schedule "A" hereto.

### **PARTICULARS OF THE MATTERS TO BE ACTED UPON AT THE MEETING**

#### **Receipt of 2010 Financial Statements**

Corridor's financial statements for the financial year ended December 31, 2010 have been forwarded to Shareholders in accordance with applicable regulatory requirements. No formal action will be taken at the Meeting to approve the financial statements, with the requirements of the *Business Corporations Act* (Alberta) being met with the advance circulation of such financial statements. If any Shareholders have questions respecting such financial statements, the questions may be brought forward at the Meeting.

### **Appointment of Auditors**

PricewaterhouseCoopers LLP, Chartered Accountants, is the auditor of the Corporation. PricewaterhouseCoopers LLP was appointed by the Board, upon recommendation of the Audit Committee, as auditors of the Corporation effective March 26, 2010.

Shareholders will be asked at the Meeting to pass an ordinary resolution re-appointing PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation to hold office until the close of the next annual meeting of Shareholders at a remuneration to be determined by the Board.

**Unless otherwise directed in the Proxy, the persons named in the accompanying Proxy intend to vote in favour of the ordinary resolution to appoint PricewaterhouseCoopers LLP, Chartered Accountants, of Halifax, Nova Scotia as auditors of Corridor to hold office until the close of the next annual meeting of Shareholders at a remuneration to be determined by the Board.**

### **Election of Directors**

Corridor is required by its articles of incorporation to have a minimum of two and a maximum of seven directors. The Board has set the number of directors to be elected at the Meeting at seven. There are currently seven directors of Corridor, each of whom will be standing for re-election at the Meeting, being: J. Douglas Foster, Phillip R. Knoll, John H. Bray, Achille E. Desmarais, Norman W. Miller, Robert D. Penner and W. C. (Mike) Seth and their term of office expires at the close of the Meeting. Each nominee has consented to being named in this Circular and to serve as a director if elected. Each elected director will hold office until the close of the next annual meeting or until his or her successor is duly elected or appointed.

Corridor has adopted individual director voting.

**Unless otherwise directed in the Proxy, the persons named in the Proxy intend to vote in favour of the election as directors of Corridor of the nominees whose names are set forth below.**

The Board does not contemplate that any of the nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his or her proxy that his or her Common Shares are to be withheld from voting on the election of each or specific directors.

The following summary sets forth, for each person proposed to be nominated for election as a Director, the following information: name, age, place of residence, independence from Corridor, date since the nominee has been a Director of Corridor, principal occupation, biography, areas of expertise, memberships on committees of the Board (the "**Committees**"), memberships on boards of other public companies, number of Board and Committee meetings attended in 2010, aggregate shareholdings as at May 6, 2011 and April 1, 2010 (the date of the 2010 Management Information Circular of the Corporation), including Common Shares and options, and net change, and total compensation received for the past two years.

Certain information set out below with respect to Director nominees is not within the knowledge of the Corporation and was provided by the respective Director nominees individually.

<b>J. Douglas Foster</b> Age: 54 Calgary, Alberta, Canada  <b>Independent</b>  <b>Director since:</b> 1998  <b>Chairman since:</b> 2006	<b>Principal Occupation</b>		<b>Lawyer, Bennett Jones</b>		
	Mr. Foster is a partner in the corporate/commercial department with the Bennett Jones LLP law firm and has extensive experience in the areas of mergers and acquisitions, privatizations, and corporate debt and equity financings. Mr. Foster received a BBA (1979) and an LLB (1981) from the University of New Brunswick and an LLM in corporate law from New York University (1982).				
	<i>Areas of Expertise:</i> Corporate finance, mergers and acquisitions and Energy				
	<i>Public Board Membership:</i> -				
	<i>Committee Membership:</i> Corporate Governance Committee				
	<b>Meetings Attended in 2010</b>		<b>#</b>	<b>%</b>	
	Board of Directors		12 of 12	100%	
	Corporate Governance Committee		10 of 10	100%	
	<b>Securities Held or Controlled</b>				
		<b>Common Shares (#)</b>	<b>Options (#)</b>		
	May 6, 2011	1,689,512	195,000 <sup>(1)</sup>		
	April 1, 2010	1,748,887	145,000		
	Net change	(59,375)	50,000		
<b>Value of Total Compensation Received</b>					
<b>Year</b>	<b>Directors fees (\$)</b>	<b>Option-based awards<sup>(2)</sup> (\$)</b>	<b>Total Compensation (\$)</b>		
2010	60,000	138,370 <sup>(1)</sup>	<b>198,370 <sup>(1)</sup></b>		
2009	60,000	72,959	<b>132,959</b>		

<b>John H. (Jack) Bray</b> Age: 64 Santa Ana, California, United States  <b>Independent</b>  <b>Director since:</b> Director since 1999	<b>Principal Occupation</b>		<b>President, Richland Properties Inc.</b>		
	Mr. Bray is the founder, President and Chief Executive Officer of Richland Investments, LLC and Richland Towers, LLC. Richland Investments, LLC is a privately owned real estate investment company, and Richland Towers, LLC is a privately owned broadcast communications tower owner and operator; both companies have operations in the United States. Mr. Bray has over 30 years of entrepreneurial business experience, having been active in real estate investment and development in Florida, California, Texas, and Canada, and in the development and management of communications infrastructure. Mr. Bray obtained a Bachelor of Science in Geological Engineering and an MBA from the University of Manitoba.				
	<i>Areas of Expertise:</i> Management and administration of real estate, communications and oil and gas investments				
	<i>Public Board Membership:</i> -				
	<i>Board Committees:</i> Corporate Governance Committee Audit Committee				
	<b>Meetings Attended in 2010</b>		<b>#</b>	<b>%</b>	

Board of Directors	12 of 12	100%	
Corporate Governance Committee	8 of 10	80%	
Audit Committee	3 of 5	60%	
<b>Securities Held or Controlled</b>			
	<b>Common Shares (#)</b>	<b>Options (#)</b>	
May 6, 2011	3,523,200	195,000 <sup>(1)</sup>	
April 1, 2010	3,373,200	145,000	
Net change	150,000	50,000	
<b>Value of Total Compensation Received</b>			
<b>Year</b>	<b>Directors fees (\$)</b>	<b>Option-based awards<sup>(2)</sup> (\$)</b>	<b>Total Compensation (\$)</b>
2010	30,000	138,370 <sup>(1)</sup>	<b>168,370 <sup>(1)</sup></b>
2009	30,000	72,959	<b>102,959</b>

<b>Achille E. Desmarais</b> Age: 72 Montréal, Québec, Canada  <b>Independent</b>  <b>Director since:</b> 2006	<b>Principal Occupation</b>	<b>Independent Consultant</b>			
	Mr. Desmarais was a Chartered Accountant and is a Chartered Financial Analyst. Mr. Desmarais is currently an independent consultant. From 1989 until his retirement in 2003, Mr. Desmarais was Senior Portfolio Manager and Investment Analyst at Caisse de dépôt et placement du Québec. While at the Caisse de dépôt, Mr. Desmarais specialized in the energy sector, oil and gas, pipelines and public utilities. Mr. Desmarais obtained a B.A.A. from École des H.É.C., a M.A. from Pontificio Instituto Biblico and a L.Th. from the Université de Montréal.				
	<i>Areas of Expertise:</i> Financial reporting and analysis				
	<i>Public Board Membership:</i> Les Mines J.A.G. Ltée. (TSXV)				
	<i>Board Committees:</i> Audit Committee Reserves Committee				
	<b>Meetings Attended in 2010</b>		<b>#</b>	<b>%</b>	
	Board of Directors		12 of 12	100%	
	Audit Committee		5 of 5	100%	
	Reserves Committee		3 of 3	100%	
	<b>Securities Held or Controlled</b>				
		<b>Common Shares (#)</b>	<b>Options (#)</b>		
	May 6, 2011	27,000	95,000 <sup>(1)</sup>		
	April 1, 2010	2,000	230,000		
	Net change	25,000	(135,000)		
<b>Value of Total Compensation Received</b>					
<b>Year</b>	<b>Directors fees (\$)</b>	<b>Option-based awards<sup>(2)</sup> (\$)</b>	<b>Total Compensation (\$)</b>		
2010	30,000	138,370 <sup>(1)</sup>	<b>168,370 <sup>(1)</sup></b>		
2009	30,000	72,959	<b>102,959</b>		

<b>Phillip R. Knoll</b> Age: 56 Halifax, Nova Scotia, Canada  <b>Non-Independent</b>  <b>Director since:</b> Director since 2010	<b>Principal Occupation</b>		<b>President &amp; Chief Executive Officer of Corridor</b>	
	Prior to his appointment as President and CEO of Corridor in October 2010, Mr. Knoll was President of Knoll Energy Inc. (private energy consulting business) since July 2004. Prior thereto, Mr. Knoll was Group Vice President of Duke Energy Gas Transmission from January 2002 to July 2004 and Senior Vice President of WestCoast Energy Inc. from 1999 to 2002. In addition, Mr. Knoll has been President of Maritimes & Northeast Pipeline, President of Westcoast Gas Services, Chief Operating Officer of TransCanada Midstream and President of ANG Gathering & Processing Inc. and Senior Vice President Alberta Natural Gas. Mr. Knoll has 30 years of varied experience in the energy sector and has held leadership roles in the development, acquisition, implementation and operation of businesses across the natural gas industry. This entailed leading senior teams in the development and execution of strategic plans, as well as restructuring initiatives related to mergers and acquisitions.			
	<i>Areas of Expertise:</i> Energy			
	<i>Public Board Membership:</i> Bankers Petroleum Ltd. (TSX)			
	<i>Committee Membership:</i> -			
	<b>Meetings Attended in 2010</b>		<b>#</b>	<b>%</b>
	Board of Directors		2 of 3	67%
	<b>Securities Held or Controlled</b>			
		<b>Common Shares (#)</b>	<b>Options (#)</b>	
	May 6, 2011	15,449	750,000	
	April 1, 2010	-	-	
	Net change	15,449	750,000	
	<b>Value of Total Compensation Received</b>			
	<i>NOTE: Mr. Knoll did not receive any compensation in his capacity as a director of Corridor. See "Executive Compensation – Directors Compensation."</i>			
<b>Year</b>	<b>Salary, bonus and other compensation (\$)</b>	<b>Option-based awards<sup>(2)</sup> (\$)</b>	<b>Total Compensation (\$)</b>	
2010	53,125	2,075,550	2,128,675	
2009	-	-	-	

<b>Norman Miller</b> Age: 70 Calgary, Alberta, Canada  <b>Non-Independent</b>  <b>Director since:</b>	<b>Principal Occupation</b>		Independent Businessman	
	Mr. Miller resigned as President and Chief Executive Officer of Corridor in October 2010, a position he held since 1995. Mr. Miller is a member of APEGGA, and obtained an Engineering Diploma and B.Sc. for Dalhousie University and a Bachelor of Mining Engineering from Nova Scotia Technical College.			
	<i>Areas of Expertise:</i> Oil and natural gas engineering and management.			
	<i>Public Board Membership:</i> -			
<i>Board Committees:</i>		Reserves Committee		

1995	<b>Meetings Attended in 2010</b>		<b>#</b>	<b>%</b>	
	Board of Directors		12 of 12	100%	
	Reserves Committee		3 of 3	100%	
	<b>Securities Held or Controlled</b>				
		<b>Common Shares (#)</b>	<b>Options (#)</b>		
	May 6, 2011	789,713	240,000 <sup>(1)</sup>		
	April 1, 2010	1,153,835	190,000		
	Net change	(364,122)	50,000		
	<b>Value of Total Compensation Received</b>				
	<i>NOTE: This compensation includes Mr. Miller's compensation as President and Chief Executive Officer of Corridor. See "Executive Compensation – Summary Compensation Table"</i>				
<b>Year</b>	<b>Salary, bonus and other compensation (\$)</b>	<b>Director's fees (\$)</b>	<b>Option-based awards<sup>(2)</sup> (\$)</b>	<b>Total Compensation (\$)</b>	
2010	257,154	30,000	138,370 <sup>(1)</sup>	425,524 <sup>(1)</sup>	
2009	260,590	30,000	97,278	387,868	

<b>Robert D. Penner</b> Age: 67 Calgary, Alberta, Canada  <b>Independent</b>  <b>Director since:</b> 2006	<b>Principal Occupation</b>	<b>Independent Consultant</b>			
	Mr. Penner is a Chartered Accountant and a graduate member of the Institute of Corporate Directors. He is currently an independent consultant. From 1965 until his retirement in 2004, Mr. Penner worked with KPMG LLP, Chartered Accountants and its predecessors and was laterally a senior tax partner in that firm. Mr. Penner focused primarily on providing advisory services on taxation and related matters. Mr. Penner obtained his designation as a Chartered Accountant in Manitoba in 1970 and in Alberta in 1976. Mr. Penner is also a member of the audit committees and corporate governance committees of certain other public companies.				
	<i>Areas of Expertise:</i> Taxation, financial accounting and reporting, and corporate governance				
	<i>Public Board Membership:</i> Terra Energy Corp. (lead director) (TSX) Sustainable Energy Technologies Ltd (TSX) Storm Cat Energy Corporation (TSX) Gastar Exploration Ltd. (NYSE AMEX)				
	<i>Board Committees:</i> Audit Committee Corporate Governance Committee				
	<b>Meetings Attended in 2010</b>		<b>#</b>	<b>%</b>	
	Board of Directors		12 of 12	100%	
	Audit Committee		5 of 5	100%	
	Corporate Governance Committee		10 of 10	100%	
	<b>Securities Held or Controlled</b>				
	<b>Common Shares (#)</b>	<b>Options (#)</b>			
May 6, 2011	35,000	95,000 <sup>(1)</sup>			

	April 1, 2010	-	245,000
	Net change	35,000	(150,000)
<b>Value of Total Compensation Received</b>			
	<b>Year</b>	<b>Directors fees (\$)</b>	<b>Option-based awards<sup>(2)</sup> (\$)</b>
	2010	30,000	138,370 <sup>(1)</sup>
	2009	30,000	72,959
			<b>168,370<sup>(1)</sup></b>
			<b>102,959</b>

<b>W.C. (Mike) Seth</b> Age: 70 Calgary, Alberta, Canada  <b>Independent</b>  <b>Director since: 2006</b>	<b>Principal Occupation</b>	<b>Independent Consultant</b>		
	Mr. Seth has served as President of Seth Consultants Ltd., a private consulting firm, since June 2006. Prior thereto, he was Managing Director and President of McDaniel & Associates Consultants Ltd., a petroleum evaluations consulting firm for over sixteen years. He is currently a director of the following public energy-related companies: Connacher Oil & Gas Limited, Enerplus Corporation, Open Range Energy Corp., Reliable Energy Ltd. and Torquay Oil Corp. Mr. Seth is also the founder and director of Energy Navigator, Inc., a private software development firm servicing the petroleum industry. Mr. Seth has extensive experience in all aspects of oil and gas reserve evaluations and producing operations in Canada and internationally. Mr. Seth is a member of APEGGA and obtained a BA Sc (Mechanical Engineering) from the University of British Columbia.			
	<i>Areas of Expertise:</i> Estimation of reserves and resources			
	<i>Public Board Membership:</i> Enerplus Corporation (TSX) Connacher Oil and Gas Corporation (TSXV) Open Range Energy Corporation (TSX) Torquay Oil Corp. (TSXV) Reliable Energy Ltd. (TSX)			
	<i>Board Committees:</i> Reserves Committee			
	<b>Meetings Attended in 2010</b>		<b>#</b>	<b>%</b>
	Board of Directors		11 of 12	92%
	Reserves Committee		3 of 3	100%
	<b>Securities Held or Controlled</b>			
		<b>Common shares(#)</b>	<b>Options (#)</b>	
	May 6, 2011	134,200	95,000 <sup>(1)</sup>	
	April 1, 2010	-	245,000	
	Net change	134,200	(150,000)	
	<b>Value of Total Compensation Received</b>			
	<b>Year</b>	<b>Directors fees (\$)</b>	<b>Option-based awards<sup>(2)</sup> (\$)</b>	
	2010	30,000	138,370 <sup>(1)</sup>	
	2009	30,000	72,959	
			<b>168,370<sup>(1)</sup></b>	
			<b>102,959</b>	

**Notes:**

- (1) Each of the directors (other than Mr. Knoll, the President and Chief Executive Officer, who was not granted options in his capacity as a director) surrendered, for no consideration, 200,000 of the 250,000 options granted to directors on September 21, 2010. Information in these tables is provided as though only 50,000 options were granted to each such director on September 21, 2010. The grant date fair value of options of such directors noted in the above tables is the grant date fair value of 50,000 options, which is the grant date

value of the options after recognizing each such director's decision to surrender, for no consideration, 200,000 of the 250,000 options granted on September 21, 2011. The grant date fair value of 250,000 options granted is \$691,850.

- (2) The grant date fair value of the options in the table above was calculated using the Black-Scholes-Merton model, which is the fair value determined in accordance with Section 3870 of the CICA Handbook. For 2010, this calculation was based on a risk free interest rate of 2.5%, an expected life of 3 years and an expected volatility of 80%. Corridor uses the Black-Scholes-Merton model as it is commonly used in the oil and gas industry.

### **Amendment to the Articles of the Corporation**

The articles of the Corporation currently provides for the number of directors to be a minimum of two and a maximum of seven directors. The Corporation seeks to: (i) increase the minimum number of directors from two to three directors to reflect the minimum number of directors required under the *Business Corporations Act* (Alberta) for public companies such as the Corporation, and (ii) increase the maximum number of directors from seven to nine directors, to provide the flexibility for the election or appointment of additional directors to the Board of Directors, when considered appropriate.

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, pass a special resolution approving an amendment to the articles of the Corporation to increase the minimum number of Directors of the Corporation to three directors and to increase the maximum number of directors to nine directors.

### ***Approval Requirements***

Shareholder approval by way of a special resolution of the amendment to the Articles is required under the provisions of the *Business Corporations Act* (Alberta). To pass, the special resolution in respect of the amendment to the Articles to be considered by the Shareholders at the Meeting, in substantially the form set out below, must be approved by not less than 66 2/3% of the votes cast by Shareholders.

### **The Board recommends that you vote FOR the special resolution to approve the amendment to the Articles.**

Following is the text of the resolution to be considered by the Shareholders at the Meeting:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The articles of Corridor Resources Inc. (the "**Corporation**") be amended to increase the minimum number of directors to three directors and the maximum number of directors to nine directors, as described in the Circular of the Corporation dated May 6, 2011.
2. Article 5 of the articles of amalgamation of the Corporation be deleted and replaced with the following:
  5. *The Corporation shall have a minimum of three and a maximum of nine directors.*
3. The Board of Directors may revoke this resolution before it is acted upon, without further approval of the Shareholders.
4. Any one or more directors or officers of the Corporation, are authorized to execute and deliver, whether under corporate seal or otherwise, the agreement referred to above and any other agreements, instruments, notices, consents, acknowledgements, certificates and other documents (including any documents required under applicable laws or regulatory policies), and to perform and do all such other acts and things, as any such director or officer in his discretion may consider to be necessary or advisable from time to time in order to give effect to this resolution."

**Unless otherwise directed in the Proxy, the persons named in the Proxy intend to vote in favour of the special resolution approving and adopting the amendment to the articles of the Corporation to increase the minimum number of directors from two to three directors and to increase the maximum number of directors from seven to nine directors.**

#### **Approval of the Continuation and Amendment and Restatement of the Shareholder Rights Plan**

The Corporation currently has a shareholder rights plan. The Corporation initially entered into a shareholders rights plan agreement with Computershare Trust Company of Canada ("**Computershare**"), as rights agent, on January 11, 2001, which agreement was confirmed at a special shareholders' meeting on December 6, 2001. The plan was continued and amended and restated on December 22, 2004 (the "**Current Shareholder Rights Plan**"), was approved by the Shareholders at a special meeting held on February 3, 2005 and was confirmed by Shareholders at a special meeting held on May 15, 2008. An amended and restated shareholder rights plan agreement (the "**Amended and Restated Shareholder Rights Plan Agreement**"), which amends and restates the Current Shareholder Rights Plan, was approved by the Board on May 6, 2011 and is being presented to Shareholders for approval at the Meeting.

The Current Shareholder Rights Plan of Corridor shall expire at the close of business on the date of the Meeting in accordance with the provisions of the Current Shareholder Rights Plan, unless the Amended and Restated Shareholder Rights Plan Agreement is approved by Shareholders at the Meeting.

Copies of the Amended and Restated Plan are available on the Corporation's website at [www.corridor.com](http://www.corridor.com) or upon request from the Corporate Secretary of the Corporation, Suite 301, 5475 Spring Garden Road, Halifax, Nova Scotia, B3J 3T2.

The Amended and Restated Shareholder Rights Plan Agreement amends the Current Shareholder Rights Plan Agreement to:

1. ensure that the shareholder rights plan of Corridor is consistent with "new generation" shareholder rights plans of other TSX-listed Canadian public companies; while the Amended and Restated Shareholder Rights Plan Agreement is substantially similar to the Current Shareholder Rights Plan Agreement, it has been revised to reflect the provisions set forth in such "new generation" shareholders rights plans; and
2. to extend the term of the Current Shareholder Rights Plan, which will otherwise terminate at the close of this Meeting, to the close of business at the annual meeting of Shareholders in 2014, unless the term of the Agreement is extended beyond such date by resolution of the Shareholders or, if the continued existence of the Amended and Restated Shareholder Rights Plan Agreement is ratified at such annual meeting by Shareholders and Independent Shareholders, in which case, the Amended and Restated Shareholder Rights Plan will terminate at the close of the annual meeting of Shareholders to be held in 2017.

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, pass an ordinary resolution to approve and adopt the Amended and Restated Shareholders Rights Plan. If approved, the Amended and Restated Shareholder Rights Plan will be effective at the close of the Meeting.

### ***Purpose of the Shareholder Rights Plan***

The objective of the Amended and Restated Shareholder Rights Plan is to ensure, to the extent possible, that all Shareholders are treated equally and fairly in connection with any take-over bid or similar proposal to acquire Common Shares.

Take-over bids may be structured in such a way as to be coercive or discriminatory in effect, or may be initiated at a time when it will be difficult for the Board to prepare an adequate response. Such offers may result in Shareholders receiving unequal or unfair treatment, or not realizing the full or maximum value of their investment in Corridor.

The Amended and Restated Shareholder Rights Plan discourages the making of any such offers by creating the potential of significant dilution to any offeror who does so. This potential is created through the issuance to all Shareholders of contingent rights to acquire additional Common Shares at a significant discount to the then prevailing market prices, which could, in certain circumstances, become exercisable by all Shareholders other than an offeror and its associates, affiliates and joint actors.

An offeror can avoid that potential by making an offer that either: (i) qualifies as a "permitted bid" under the Amended and Restated Shareholder Rights Plan, and therefore meets certain specified conditions (including a minimum deposit period of 60 days) which aims to ensure that all Shareholders are treated fairly and equally; or (ii) does not qualify as a "permitted bid" but is negotiated with Corridor and has been exempted by the Board from the application of the Amended and Restated Shareholder Rights Plan in light of the opportunity to bargain for agreed terms and conditions to the offer that are believed to be in the best interests of Shareholders.

Under current Canadian securities laws, any party wishing to make a formal take-over bid for the Common Shares will be required to leave the offer open for acceptance for at least 35 days. To qualify as a "permitted bid" under the Amended and Restated Shareholder Rights Plan, however, a take-over bid must remain open for acceptance for not less than 60 days. The Board believes that the statutory minimum period of 35 days may be insufficient for the Board to: (i) evaluate a take-over bid (particularly if the consideration consists, wholly or in part, of shares or units of another issuer); (ii) explore, develop and pursue alternative transactions that could better maximize Shareholder value; and (iii) make reasoned recommendations to the Shareholders. The additional time afforded under a "permitted bid" is intended to address these concerns by providing the Board with a greater opportunity to assess the merits of the offer and identify other possible suitors or alternative transactions, and by providing other bidders or proponents of alternative transactions with time to come forward with competing, and potentially superior, proposals.

The Amended and Restated Shareholder Rights Plan is not being proposed in response to, or in anticipation of, any pending, threatened or proposed acquisition or take-over bid that is known to the management of Corridor. The adoption of the Amended and Restated Shareholder Rights Plan is also not intended as a means to prevent a take-over of Corridor, to secure the continuance of management or the Board in their respective offices, or to deter fair offers for the Common Shares.

For a summary of the key terms and conditions of the Amended and Restated Shareholder Rights Plan, please see Schedule "C" to the Circular. Shareholders are urged to carefully review the summary in its entirety.

### ***Approval Requirements***

Shareholder approval of the Amended and Restated Shareholder Rights Plan is required under the rules and policies of the TSX. To pass, the ordinary resolution in respect of the Amended and Restated

Shareholder Rights Plan to be considered by the Shareholders at the Meeting, in substantially the form set out below, must be approved by a majority of not less than one half plus one of the votes cast by Shareholders.

**Corridor is not currently aware of any Shareholder whose votes will be ineligible to be counted towards the ordinary resolution to approve the Amended and Restated Shareholder Rights Plan or any Shareholders which would not qualify as Independent Shareholders.**

**The Board recommends that you vote FOR the ordinary resolution to approve and adopt the Amended and Restated Shareholder Rights Plan.**

**If the Amended and Restated Shareholder Rights Plan is not approved by Shareholders at the Meeting, the Current Shareholder Rights Plan shall terminate as at the termination of the Meeting, and all outstanding Rights issued under the Current Shareholder Rights Plan shall terminate and be of no further force and effect as at and after the termination of the Meeting.**

Following is the text of the ordinary resolution to be considered by the Shareholders at the Meeting:

"BE IT RESOLVED that:

1. The adoption by Corridor Resources Inc. (the "**Corporation**") of the amended and restated shareholder rights plan (the "**Amended and Restated Shareholder Rights Plan**") (amending and restating the current amended and restated shareholder rights plan dated December 22, 2004) substantially as described in the Circular of Corridor dated May 6, 2011, is approved, and Corridor is hereby authorized to enter into an amended and restated shareholder rights plan agreement with Computershare Trust Company of Canada (or such other person as may be appropriate in the circumstances), as rights agent, to implement the Amended and Restated Shareholder Rights Plan.
2. The Board of Directors may revoke this resolution before it is acted upon, without further approval of the Shareholders.
3. Any one or more directors or officers of the Corporation, are authorized to execute and deliver, whether under corporate seal or otherwise, the agreement referred to above and any other agreements, instruments, notices, consents, acknowledgements, certificates and other documents (including any documents required under applicable laws or regulatory policies), and to perform and do all such other acts and things, as any such director or officer in his discretion may consider to be necessary or advisable from time to time in order to give effect to this resolution."

**Unless otherwise directed in the Proxy, the persons named in the Proxy intend to vote in favour of the ordinary resolution approving and adopting the Amended and Restated Shareholder Rights Plan.**

#### **EFFECTIVE DATE**

Except as otherwise specified herein, the information set forth in this Circular is provided as of May 6, 2011.

#### **ADDITIONAL INFORMATION**

Additional information relating to Corridor including, Corridor's annual information form for the year ended December 31, 2010, annual financial statements together with the Auditors' Report thereon and the

associated management's discussion and analysis for the year ended December 31, 2010, interim financial statements for subsequent periods, and this Circular are available upon request to the Corporate Secretary, Suite 301, 5475 Spring Garden Road, Halifax, Nova Scotia, B3J 3T2.

This information may also be accessed at [www.sedar.com](http://www.sedar.com) or Corridor's website at [www.corridor.ca](http://www.corridor.ca).

**SCHEDULE "A"**

**CORPORATE GOVERNANCE DISCLOSURE  
FORM 58-101F1**

**Corridor Resources Inc.  
Corporate Governance Practices**

**Disclosure Requirement**

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**1. Board of Directors**

(a) Disclose the identity of directors who are independent.

Five of the seven current directors of the Corporation are independent. The following directors are independent as that term is defined in section 1.4 of Multilateral Instrument 52-110 *Audit Committees*:

- J. Douglas Foster
- John H. Bray
- Achille E. Desmarais
- Robert D. Penner
- W.C. (Mike) Seth

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

- Phillip R. Knoll is not independent, as he is the President and Chief Executive Officer of the Corporation.

- Norman W. Miller is not independent, as he was the President and Chief Executive Officer of the Corporation until his resignation in October 2010.

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

A majority of the directors are independent.

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

Information regarding the list of other reporting issuers for which the directors are also directors is set out under the heading "*Particulars of Matters to be Acted Upon at the Meeting – Election of Directors*" in the Circular

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**Disclosure Requirement**

- (e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.
- (f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.

**Corridor Resources Inc.  
Corporate Governance Practices**


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The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, the Board held in camera sessions without management at most meetings of the directors.

The Chairman of the Board, J. Douglas Foster, is an independent director of Corridor as he has no direct or indirect "material relationship" with Corridor, meaning Mr. Foster does not have a direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of Mr. Foster's independent judgment.

While Mr. Foster is a partner of Bennett Jones LLP, a law firm that provides substantially all of the corporate legal advice to Corridor, such relationship is not considered to be a material relationship for the following reasons:

- Mr. Foster does not personally provide any legal advice to the Board or the Corporation;
- Legal fees paid by the Corporation to Bennett Jones LLP are insignificant relative to total legal fees received by Bennett Jones LLP;
- Mr. Foster's compensation from Bennett Jones LLP is not linked to the revenue generated from legal services provided by Bennett Jones LLP to Corridor;
- Mr. Foster received a fixed income from Bennett Jones LLP;
- Mr. Foster is not reliant upon the fixed income he receives from Bennett Jones LLP;
- Concurrent with becoming the Chairman of the Board, the then current Corporate Secretary of Corridor, being a partner of Bennett Jones LLP, resigned as Corporate Secretary. Ms. Lisette Hachey, the Chief Financial Officer of Corridor is

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**Disclosure Requirement**
**Corridor Resources Inc.  
Corporate Governance Practices**


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- (g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

the Corporate Secretary of Corridor;

- Law firms in addition to Bennett Jones LLP provide ongoing and potentially increasingly significant legal services to Corridor.

The attendance record of each director at Board and committee meetings is set out under the heading "*Particulars of Matters to be Acted Upon at the Meeting – Election of Directors*" in the Circular.

**2. Board Mandate**

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

The terms of reference of the Board is attached as Schedule "B to the Circular and is also available on the Corporation's website at [www.corridor.ca](http://www.corridor.ca) under the heading "Corporate Governance".

The Corporation's Corporate Governance Committee is responsible for reviewing the mandates of the Board and its committees at least on an annual basis and recommending to the Board such amendments to those mandates as the Corporate Governance Committee believes are necessary or desirable.

**3. Position Descriptions**

- (a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.
- (b) Disclose whether or not the board and Chief Executive Officer have developed a written position description for the Chief Executive Officer. If the board and Chief Executive Officer have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the Chief Executive Officer.

The Board has approved written position descriptions for the Chairman and the chair of each committee. Copies of these descriptions are available on the Corporation's website at [www.corridor.ca](http://www.corridor.ca) under the heading "Corporate Governance".

The Board has approved a written position description for the Chief Executive Officer and also the Chief Financial Officer. The position descriptions are reviewed annually by the Corporate Governance Committee and are available on the Corporation's website at [www.corridor.ca](http://www.corridor.ca) under the heading "Corporate Governance".

**Corridor Resources Inc.  
Corporate Governance Practices**

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**Disclosure Requirement**

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**4. Orientation and Continuing Education**

- (a) Briefly describe what measures the board takes to orient new directors regarding:
- (i) the role of the board, its committees and its directors, and
  - (ii) the nature and operation of the issuer's business.

The Corporate Governance Committee oversees: (i) the development and implementation of the director orientation program, including a complete business overview, a strategic overview and an overview of Corridor's values and operating philosophies; and (ii) the development, implementation and disclosure of the ongoing director education program, education sessions on the Corporation's business by way of presentations and operating site visits, individual or group education sessions from internal personnel or external consultants on topics of importance to directors and the Corporation, and recommended formal educational opportunities through appropriate organizations to be made available to individual directors and paid for by the Corporation.

All directors are provided with a copy of all Board and committee mandates and policies, the Corporation's by-laws, pertinent corporate information and other reference materials, and are introduced to senior management and the other directors. New directors are also given a presentation on the Corporation by the Corporation's management. The orientation and education process is reviewed on an annual basis and will be revised accordingly as circumstances warrant.

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

As at this time, the Board has not implemented a formal continuing education for its directors due to the historical size and composition of the Board. The Board will continue to assess whether it is appropriate to develop a formal continuing education program for its directors to ensure the directors maintain the skill and knowledge necessary to meet their obligations as directors. Notwithstanding the foregoing, the Corporation has and will continue to support and contribute to formal continuing educational programs for its directors.

**5. Ethical Business Conduct**

- (a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:

The Board has adopted a Code of Business Conduct and Ethics.

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**Disclosure Requirement**
**Corridor Resources Inc.  
Corporate Governance Practices**


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|---|---|
| <p>(i) disclose how a person or company may obtain a copy of the code;</p>  | <p>The Code of Business Conduct and Ethics is available on the Corporation's website at <a href="http://www.corridor.ca">www.corridor.ca</a> under the heading "Corporate Governance".</p>  |
| <p>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and</p>   | <p>Each director, officer, employee and full-time consultant is required annually to complete a compliance certificate certifying observance with the Code of Business Conduct and Ethics and noting any suspected or known exceptions to the Code, which certificates are to be returned directly to the Chief Executive Officer or Chief Financial Officer. In addition, all directors, officers and employees are required to promptly report any suspected breaches of the Code to the Chief Executive Officer or the Chair of the Board or the Chair of the Audit Committee.</p> |
| <p>(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p> | <p>Not applicable.</p>  |
| <p>(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>   | <p>Directors who have, or may be reasonably perceived to have, a personal interest in a transaction or agreement being contemplated by the Corporation are required to declare such interest at any directors' meeting where the matter is being considered and to refrain from voting on such matter. The Corporation has not entered into any transactions or agreements since 2000 in respect of which a director or executive has a material interest.</p>  |
| <p>(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.</p>   | <p>The Board has adopted a Code of Business Conduct and Ethics and also encourages and promotes a culture of ethical business conduct by expecting each other, all officers and management to act in a manner that exemplifies ethical business conduct and consistent with the Code of Business Conduct and Ethics. This expectation sets the tone for all employees of the Corporation. The Corporation makes every effort to ensure that prospective directors, employees and consultants are of good character.</p>   |

**Corridor Resources Inc.**  
**Corporate Governance Practices**

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**Disclosure Requirement**

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**6. Nomination of Directors**

- (a) Describe the process by which the board identifies new candidates for board nomination.

The Corporate Governance Committee is responsible for developing and reviewing Corridor's management succession and development plans; review and assess the size, composition and operation of the Board and committees of the Board to ensure effective decision-making; and identify and assess new candidates for nomination to the Board.

The Board regularly considers its size when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

As a result of an assessment of the size and composition of the Board, prior to the establishment of the Corporate Governance Committee, in the summer 2005, the Board established a director search committee, comprised of John H. Bray and J. Douglas Foster, to conduct a search for additional qualified independent directors. The Committee met and determined that, in addition to a need for a greater number of independent directors, (i) potential nominees should have experience in the oil and gas industry; and (ii) at least two of the nominees should be financially literate. The committee sought advice from the business community and considered a number of candidates before strongly recommending as directors Messrs. Desmarais, Penner and Seth, all of whom were elected directors in January 2006.

More recently, in 2010, the Corporation undertook a review of the organization and membership of senior management in light of the anticipation of the retirement of Mr. Norman Miller as the President and Chief Executive Officer and the ultimate appointment of Mr. Phillip Knoll as the new President and Chief Executive Officer. At this time, the Corporate Governance Committee has determined that it is satisfied with the current composition of the Board. The Corporate Governance Committee has requested that Mr. Knoll conduct a review of the structure of senior management and provide recommendations within the next year.

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**Disclosure Requirement**

- (b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.
- (c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

**Corridor Resources Inc.  
Corporate Governance Practices**


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All of the members of the Corporate Governance Committee are independent.

The Corporate Governance Committee: (i) reviews and assesses the size, composition and operation of the Board to ensure effective decision-making and makes recommendations to the Board for consideration; (ii) after consulting with the Chair of the Board and individual directors, reviews and assesses the size, composition and committee chairs of all committees of all of the Board and makes recommendations to the Board for consideration; (iii) identifies and assesses new candidates for appointment or nomination to the Board, including any nominee appropriately recommended by a shareholder, considering the performance, independence, competencies, skills, financial acumen, and ability to devote sufficient time and resources to his or her duties of the candidate and the Board, as a whole, to ensure effective governance and satisfy applicable law and makes recommendations to the Board for consideration; (iv) annually reviews and recommends to the Board for consideration the individual directors proposed to be nominated for election at the next annual general meeting of shareholders of the Corporation; (v) annually reviews and recommends to the Board for consideration those individual directors to be designated as independent under applicable law; and (vi) regularly reviews and assesses the Corporation's policies on tenure and terms of individual directors, the Board Chair and committee chairs and recommends any changes to the Board for consideration. The responsibilities of the Corporate Governance Committee can be found in its mandate which is available on the Corporation's website at [www.corridor.ca](http://www.corridor.ca) under the heading "Corporate Governance".

**Corridor Resources Inc.  
Corporate Governance Practices**

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**Disclosure Requirement**

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**7. Compensation**

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|---|---|
| <p>(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.</p>   | <p>Please refer to "<i>Executive Compensation – Compensation Discussion and Analysis</i>" in the Circular for details of the executive compensation structure and policies.</p>   |
| <p>(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.</p>   | <p>All of the members of the Corporate Governance Committee are independent.</p>  |
| <p>(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>  | <p>The responsibilities of the Corporate Governance Committee include (i) developing compensation and human resources policies, and (ii) developing and assessing Chief Executive Officer and management compensation, development and succession.</p>  |
| <p>(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p> | <p>The Corporation retained Gillian King, HR Consulting in each of the years since 2007 to provide advice regarding the development of human resources policies, job descriptions and assessing compensation for employees and officers of the Corporation.</p> <p>In addition, in 2010, the Corporation engaged Carrigan Partners, a compensation specialist, to review the Corporation's compensation practices and to implement a fair and equitable compensation program.</p> |

**Corridor Resources Inc.**  
**Corporate Governance Practices**

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**Disclosure Requirement**

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**8. Other Board Committees**

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

The Board's other standing committee is the Reserves Committee. The Reserves Committee is responsible for, among other things, consulting with the Corporation's senior personnel responsible for oil and gas reserves and other information regarding the Corporation's oil and gas activities, and reviewing and reporting to the Board on: (i) the Corporation's procedures relating to the disclosure of such information; (ii) the appointment of, or any changes to, the independent consultants engaged to report on the Corporation's oil and gas reserves pursuant to the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"); and (iii) the Corporation's procedures for providing information to the consultants. Prior to filing the Statement of Reserves Data and Other Oil and Gas Information and related consultants' report required under NI 51-101, the Reserves Committee meets with responsible management of the Corporation and the independent consultants to review the evaluation report, and thereafter reports to the Board and recommends, as appropriate, the approval, release and filing of the Statement of Reserves Data and Other Oil and Gas Information and related reports required under NI 51-101.

**9. Assessments**

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

Due to the relatively small size of the Board, it has not established a formal policy to monitor the effectiveness of the directors, the Board and its committees. The Board encourages discussions among its members regarding the composition of the Board, the ability of the Board to engage in effective decision-making and the competencies and skills that the Board should possess.

In 2011, the Corporate Governance Committee developed a detailed directors' questionnaire to identify the effectiveness of the Board so as to foster the development of the Board to achieve governance best practices. This questionnaire gathered information with respect to: Board organization and relationship with management, Board meetings, the quality and timing of information provided to the Board, preparedness for succession planning within Corridor, the effectiveness of the Chairman, other

**Disclosure Requirement**

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**Corridor Resources Inc.  
Corporate Governance Practices**

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Directors, Committees and the chair of each Committee. The Corporate Governance Committee reviewed a summary of the responses to the questionnaire (which results were provided on an anonymous basis) and determined that the board is comprised of strong directors with appropriate financial, energy, and accounting expertise, and that the board is generally effective and respectful.

The Corporate Governance Committee annually reviews and assesses the position descriptions of the Chief Executive Officer; the Chief Financial Officer and the chair of the Board and each committee of the Board and annually reviews the Chief Executive Officer's and the Chief Financial Officer's short-term and long-term corporate objectives and performance measurement indicators.

Copies of position descriptions and mandates noted herein as being available on the Corporation's website at [www.corridor.ca](http://www.corridor.ca) may also be obtained on request from the Corporate Secretary.

## **SCHEDULE "B"**

### **CORRIDOR RESOURCES INC.**

#### **BOARD OF DIRECTORS TERMS OF REFERENCE**

##### **General Powers of the Board of Directors**

The Board of Directors has a duty to manage the business and affairs of Corridor Resources Inc. (the "Corporation") in accordance with the *Business Corporations Act* (Alberta) and the regulations thereunder and the articles and by-laws of the Corporation. The powers of the Board of Directors may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all directors entitled to vote on the resolution.

The principal responsibility of the Board of Directors is to promote the best interests of the Corporation and its shareholders. This responsibility includes: (i) approving fundamental operating, financial and other corporate plans, strategies and objectives; (ii) evaluating the performance of the Corporation and its senior management; (iii) selecting, regularly evaluating and fixing the compensation of executive officers; (iv) adopting policies of corporate governance and conduct, including compliance with stock exchange policies, applicable laws and regulations, financial and other controls; (v) reviewing the process of providing appropriate financial and operational information to the shareholders and the public generally; and (vi) evaluating the overall effectiveness of the Board of Directors.

##### **General Fiduciary Duties**

The Board of Directors must act in the best interests of the Corporation and its shareholders generally. Every director of the Corporation in exercising his powers and discharging his duties must:

- act honestly and in good faith with a view to the best interests of the Corporation; and
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Fiduciary duties include, by way of example, the obligation to refrain from voting on contracts where personal financial or other interests conflict with those of the Corporation, using insider information in securities transactions and appropriating a corporate opportunity for personal benefit. Directors must act with such care as would reasonably be expected of a person having the knowledge and experience of the particular director in question.

Directors should have sufficient information to enable them to make knowledgeable decisions on all matters coming before the Board of Directors. It is the responsibility of each director to ask such questions as may be necessary to satisfy him on that he has been supplied with all the necessary information on which to base his decisions. Directors should have a basic understanding of the principal operational and financial objectives, strategies and plans of the Corporation, the results of operations and the financial condition of the Corporation.

Directors are entitled to rely in good faith on: (i) financial statements of the Corporation which are represented by an officer of the Corporation or in a written report of the auditors of the Corporation as fairly reflecting the financial condition of the Corporation; or (ii) an opinion or report of a lawyer,

accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by him.

In order to fulfill his fiduciary duties to the Corporation and its shareholders, each director should: (i) prepare for and attend all meetings of the Board of Directors; (ii) be sufficiently informed about the current and proposed activities of the Corporation; (iii) review the minutes of meetings, including any meeting not attended as well as any resolutions passed or actions taken; (iv) obtain advice from outside or independent advisors and consultants when necessary; (v) consider whether the minutes of the previous meeting of the Board of Directors accurately represent the discussions that took place and the resolutions that were passed; and (vi) be attentive to matters arising in respect of the Corporation's activities according to his own experience and occupation.

### **Conflicts of Interest**

A director who is a party to a material contract or proposed material contract with the Corporation, or who is a director or officer of or has a material interest in any corporation or entity which is a party to a material contract or proposed material contract with the Corporation, must disclose in writing to the Corporation, or request to have entered in the minutes of meetings of directors, the nature and extent of his interest.

The disclosure required to be made by a director where there is a conflict of interest must be made at the meeting at which a proposed contract is first considered by the Board of Directors or, if the director had no interest in a proposed contract at the time of such meeting, at the first meeting of the Board of Directors after he acquires an interest. If the director acquires an interest after a contract is made, he must disclose his interest at the first meeting of the Board of Directors after acquiring the interest. If a person who has an interest in a contract later becomes a director of the Corporation, he must disclose his interest at the first meeting of the Board of Directors after he becomes a director.

Where a proposed contract is dealt with by a written resolution signed by all directors in lieu of a meeting of the Board of Directors, the disclosure must be made immediately upon receipt of the resolution or, if the director had no interest at the time of receipt of the resolution, at the first meeting of the Board of Directors after he acquires the interest.

A director who discloses a conflict of interest must refrain from taking part in any discussions or voting on any resolution to approve the contract, unless the contract is:

- an arrangement by way of security for money loaned to or obligations undertaken by him, or by a corporation in which he has an interest, for the benefit of the Corporation or an affiliate;
- a contract relating primarily to his remuneration as a director, officer, employee or agent of the Corporation or an affiliate;
- a contract for indemnity or insurance with respect to a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a corporation of which the Corporation is or was a shareholder or creditor; or
- a contract with an affiliate of the Corporation, provided however, that directors who serve on boards of affiliated corporations are not required to refrain from voting on contracts between the two corporations.

Any profits or gains realized by a director as a result of his privileged position on the Board of Directors must be reimbursed to the Corporation, except in the case of gains resulting from contracts with respect to which he has complied with the obligation to disclose his interest and has refrained from voting.

### **Mandate and Stewardship of the Corporation**

The Board of Directors is responsible for the stewardship of the Corporation and, as part of the overall stewardship responsibility, should assume responsibility (directly or through its committees) for overseeing the following matters:

- the adoption of a strategic planning process;
- the identification of the principal risks of the Corporation's business and endeavoring to ensure the implementation of appropriate systems to manage those risks;
- succession planning;
- the implementation of a communications policy for the Corporation;
- monitoring the integrity of the Corporation's internal control and management information systems; and
- overseeing the Corporation's commitment to social and community responsibility and fostering ethical and responsible decision making by management.

The Board of Directors have identified the following core functions:

- choosing the CEO and overseeing his efforts to direct the senior management team in respect of managing the enterprise;
- setting the broad parameters within which the management team operates, including adopting a strategic planning process and approving a strategic direction; defining a framework to monitor the management of business opportunities and risks;
- providing direction and advice to the CEO and the management team;
- monitoring and assessing the performance of the CEO; and
- providing information to securityholders and stakeholders about the integrity of the Corporation's financial performance.

### **Corporate Opportunity**

A director is precluded from obtaining for himself or diverting to another person or corporation with whom or with which he is associated, either secretly or without the approval of the Corporation, any property or business advantage belonging to the Corporation or with respect to which it has been in the course of negotiations.

A director is also precluded from acting in the manner described even after his resignation, where the resignation may fairly be considered to have been prompted or influenced by a wish to acquire for

himself the opportunity sought by the Corporation, or where it was his position with the Corporation that led to the opportunity.

In certain circumstances, a director may not use his position as a director to make a profit, even if it was not open to the Corporation to participate in the transaction.

### **Duty of Independence**

A director must act in the best interests of the Corporation and its shareholders generally and not in the interest of any one shareholder or group of shareholders. In determining whether a particular transaction or course of action is in the best interests of the Corporation, a director, if he is elected or appointed by holders of a class or series of shares, may give special, but not exclusive, consideration to the interests of those who elected or appointed him.

### **Duty of Confidentiality**

Directors of the Corporation have an obligation to maintain the confidentiality of matters discussed at meetings of the Board of Directors unless:

- it was clearly understood at the Board meeting that the information was not required to be kept in confidence;
- the director was required or authorized by law to disclose the information; or
- the director was authorized expressly or implicitly by the Board of Directors to make disclosure of the information.

### **Duty Not to Misuse Information or Position**

A director must not misuse his position or make improper use of information acquired by virtue of his position to gain, directly or indirectly, an advantage for himself or any other person or to cause detriment to the Corporation. Directors are insiders of the Corporation and, as such, must not use information about the Corporation to trade in securities or to assist others to trade in securities of the Corporation before the information is available to the public.

### **Insider Reporting**

Directors are required to report any changes in their direct or indirect beneficial ownership of or control or direction over securities of the Corporation within ten days of the change.

### **Communication to Shareholders**

The Board of Directors must comply with the Corporation's applicable disclosure policy regarding effective communication with its shareholders and the public generally. Directors have a responsibility to have appropriate procedures in place so that accurate, appropriate and timely disclosure is being made to the Corporation's shareholders and to the public.

### **Delegation of Authority to Officers and Committees**

The Board of Directors may delegate authority and functions to officers and to committees of directors. The Board of Directors has the right to appoint officers to perform such duties assigned to them

by the Board of Directors. The persons holding such offices shall also have the powers assigned to them from time to time by the Chief Executive Officer of the Corporation.

In the case of the Corporation, committees of directors include an Audit Committee and a Corporate Governance Committee. The Board of Directors has established the terms of reference for each such committee, which includes the committee's responsibilities, the composition of the committee, and various administrative matters, and a position description for the chair of each committee.

The following matters are within the sole purview of the Board of Directors and may not be delegated by the board to a committee of directors or to an officer of the Corporation:

- the submission to the shareholders of any question or matter requiring the approval of the shareholders;
- the filling of a vacancy among the directors or in the office of the auditor;
- the issuance of securities, except in the manner and on the terms authorized by the directors;
- the declaration of dividends;
- the purchase, redemption or other acquisition of shares of the Corporation, except in the manner and on the terms authorized by the directors;
- the payment of a commission to any person in consideration of: (i) his purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person; or (ii) his procuring or agreeing to procure purchasers for shares of the Corporation;
- the approval of a management proxy circular;
- the approval of any financial statements to be placed before the shareholders at an annual meeting; or
- the adoption, amendment or repealing of any by-laws of the Corporation.

### **Financial Statements**

The Board of Directors has a duty to approve the annual financial statements of the Corporation and to submit the financial statements of the Corporation, and the auditors' report thereon, for the preceding year to the shareholders at the annual meeting of the shareholders of the Corporation.

A director is required to forthwith notify both the Audit Committee and the Corporation's auditors of any error or misstatement of which he becomes aware in the audited financial statements of the Corporation. The Board of Directors has a duty to prepare and issue corrected financial statements on being informed of an error or misstatement by an auditor or former auditor and the duty to file these statements with or inform the appropriate securities regulatory authorities.

### **Auditors**

On demand from the Corporation's auditors, each present and former director of the Corporation has a duty to furnish to the auditors any information and explanations and allow access to any books, records, documents, accounts or vouchers of the Corporation or its subsidiaries that he is reasonably able

to furnish and which the auditors consider necessary to enable them to report on the annual financial statements.

### **Shareholder Meetings**

The Board of Directors is required to call the annual meeting of the shareholders and may, at any time, call a special meeting of shareholders. The Board of Directors has a duty to call a special meeting of the shareholders to approve any matter, which requires the approval of shareholders by special resolution.

### **Matters Requiring Board Approval**

The following matters require specific approval of the Board of Directors:

- all matters identified as falling within the sole purview of the Board of Directors;
- the annual budgets (including operating and capital budgets) for the Corporation and any amendments thereto;
- compensation (including options, bonuses and forms of compensation) for executive officers of the Corporation having regard to the recommendations of any properly constituted committee in respect of such matters and the recommendations of the Chief Executive Officer;
- expenditures or transactions falling outside the guidelines or operating authorities approved by the Board and for this purpose, expenditures described in an approved budget may be authorized by the CEO, as well other expenditures required in an emergency situation (i.e. environmental, health and safety);
- the selection of principal advisors to the Corporation, including banking, legal, engineering and financial;
- the appointment of officers of the Corporation;
- the appointment of members to committees of the Board of Directors;
- any transaction involving senior management that is outside corporate policy or which, because of the nature of transaction or the potential for conflict because the parties are not acting at arm's length should be approved by the Board of Directors; and
- major and significant corporate decisions, including any contract, arrangement or transaction, which would reasonably be considered to be material, or of such significance as to reasonably warrant consideration by the Board of Directors.

## SCHEDULE "C"

### CORRIDOR RESOURCES INC.

#### SUMMARY OF AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN

Please see "*Particulars of Matters to be Acted Upon at the Meeting - Approval of the Shareholder Rights Plan*" in the Circular to which this Schedule "C" is attached for a discussion of the Amended and Restated Shareholder Rights Plan and the reasons for the Board recommending its approval.

Capitalized terms used but not specifically defined in this Appendix shall have the meanings ascribed thereto in the Circular.

The following summary of the Amended and Restated Shareholder Rights Plan is qualified in its entirety by reference to the complete text of the Amended and Restated Shareholder Rights Plan Agreement (the "**Amended and Restated Agreement**") to be entered into between Corridor and Computershare Trust Company of Canada, as rights agent, in connection with the Amended and Restated Shareholder Rights Plan (if approved at the Meeting). The Amended and Restated Agreement shall govern in the event of any conflict between the provisions thereof and this summary. A Shareholder may obtain a copy of the draft Amended and Restated Agreement by contacting the office of the Corporate Secretary of Corridor at Suite 301, 5475 Spring Garden Road, Halifax, Nova Scotia B3J 3T2 (facsimile 902.429.0209). In addition, a copy of the draft Amended and Restated Agreement is available on Corridor's website at [www.corridor.ca](http://www.corridor.ca).

#### **Definitions**

1. "**Convertible Security**" shall mean a security convertible, exercisable or exchangeable into a Voting Share;
2. "**Independent Shareholders**" means holders of Voting Shares (as defined below), other than:
  - (a) any Acquiring Person (as defined below);
  - (b) any Offeror (as defined below), other than a person referred to in clause 1.1(f)(iii)(B) of the Amended and Restated Agreement;
  - (c) any affiliate or associate of such Acquiring Person or Offeror;
  - (d) any person acting jointly or in concert with such Acquiring Person or Offeror; and
  - (e) any employee benefit plan, deferred profit sharing plan, stock participation plan and any other similar plan or trust for the benefit of employees of Corridor or a subsidiary of Corridor, unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or direct whether the Voting Shares are to be tendered to a Take-over Bid;
3. "**Offer to Acquire**" shall include:
  - (a) an offer to purchase or a solicitation of an offer to sell or a public announcement of an intention to make such an offer or solicitation; and
  - (b) an acceptance of an offer to sell, whether or not such offer to sell has been solicited;

or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell;

4. **"Offeror"** shall mean a person who has announced a current intention to make or who is making a Take-over Bid, but only so long as the Take-over Bid so announced or made has not been withdrawn or terminated or has not expired;
5. **"Take-over Bid"** shall mean an Offer to Acquire Voting Shares and/or Convertible Securities if the Voting Shares, together with the Voting Shares into which the Convertible Securities are convertible, if applicable, are subject to the Offer to Acquire and constitute in the aggregate 20% or more of the outstanding Voting Shares at the date of the Offer to Acquire; and
6. **"Voting Shares"** shall mean Common Shares and any other securities in the capital of Corridor entitled to vote generally in the election of the directors of Corridor.

### **Term**

If approved at the Meeting, the Amended and Restated Shareholder Rights Plan will be adopted immediately following the Meeting and (subject to earlier termination in accordance with its terms) will remain in effect until the Expiration Time, which pursuant to the Amended and Restated Shareholder Rights Plan is defined as the earliest of: (i) the date which rights are redeemed due to operation of the Amended and Restated Shareholder Rights Plan (the **"Termination Time"**); and (ii) the termination of the annual meeting of shareholders of the Corporation in the year 2014 (unless the term of the Amended and Restated Agreement is extended beyond such date by resolution of the holders of Voting Shares) or if the continued existence of the Amended and Restated Agreement is ratified at such annual meeting by resolution passed by a majority of votes cast by (a) holders of Voting Shares and (b) Independent Shareholders who vote in respect thereof in accordance with Section 5.15(b) of the Amended and Restated Shareholder Rights Plan, shall mean the earlier of the Termination Time and the termination of the annual meeting of shareholders of the Corporation in 2017.

### **Issue of Rights**

The Amended and Restated Shareholder Rights Plan confirms the issuance of the rights (each, a **"Right"**) issued by Corridor in respect of each Common Share under the current amended and restated shareholder rights plan agreement. One Right will also be issued for each additional Common Share issued after the adoption of the Amended and Restated Shareholder Rights Plan and prior to the earlier of the Separation Time (as defined below) and the time at which the Rights expire and terminate.

The issuance of the Rights is not dilutive and will not affect reported earnings or cash flow per Common Share unless the Rights separate from the underlying Common Shares in connection with which they were issued and become exercisable or are exercised.

The issuance of the Rights will also not change the manner in which Shareholders currently trade their Common Shares, and is not intended to interfere with Corridor's ability to undertake equity offerings in the future.

### **Separation Time / Ability to Exercise Rights**

The Rights are not exercisable, and are not separable from the Common Shares in connection with which they were issued, until the "Separation Time", being the close of business on the tenth trading day after the date a person becomes an Acquiring Person (as defined below) or announces an intention to make a

Take-over Bid that does not qualify as a Permitted Bid (as defined below), or such later time as the Board of Directors may determine.

### **Acquiring Person**

A person will be considered to be an Acquiring Person for the purposes of the Amended and Restated Shareholder Rights Plan if it acquires beneficial ownership (within the meaning of the Amended and Restated Agreement) of 20% or more of the outstanding Common Shares other than certain types of acquisitions.

### **Consequences of a Flip-in Event**

A "Flip-in Event" refers to any transaction or event pursuant to which a person becomes an Acquiring Person. Following the occurrence of a Flip-in Event as to which the Board of Directors has not waived the application of the Amended and Restated Shareholder Rights Plan, each Right held by:

- (a) an Acquiring Person (or any of its associates, affiliates or joint actors) on or after the earlier of the Separation Time or the first date of public announcement that an Acquiring Person has become such, shall become null and void; and
- (b) any other Shareholder shall entitle the holder thereof to purchase additional Common Shares at a substantial discount to their prevailing market price at the time.

### **Permitted Bid Requirements**

An offeror may make a Take-over Bid for Corridor without becoming an Acquiring Person (and therefore subject to the consequences of a Flip-in Event described above) if it makes a Take-over Bid (a "**Permitted Bid**") that meets certain requirements, including that the bid must be:

1. made pursuant to a formal take-over bid circular under applicable securities legislation;
2. made to all registered holders of Common Shares (other than the Offeror); and
3. subject to irrevocable and unqualified provisions that:
  - (a) the bid will remain open for acceptance for at least 60 days from the date of the bid;
  - (b) the bid will be subject to a minimum tender condition of more than 50% of the Common Shares held by Independent Shareholders; and
  - (c) the bid will be extended for at least 10 business days if more than 50% of the Common Shares held by Independent Shareholders are deposited to the bid (and the Offeror shall make a public announcement of that fact).

A competing Take-over Bid that is made while a Permitted Bid is outstanding and satisfies all of the criteria for Permitted Bid status, except that it may expire on the same date (which may be less than 60 days after such bid is commenced) as the Permitted Bid that is outstanding (subject to the current statutory minimum bid period of 35 days from commencement), will be considered to be a "Permitted Bid" for the purposes of the Amended and Restated Shareholder Rights Plan.

### **Permitted Lock-Up Agreement**

A person will not become an Acquiring Person by reason of entering into an agreement (a "**Permitted Lock-Up Agreement**") with a Shareholder pursuant to which the Shareholder (the "**Locked-Up Person**") agrees to deposit or tender its Common Shares to a Take-over Bid (the "**Lock-Up Bid**") made by that person, provided that the agreement meets certain requirements, including that:

1. the terms of the agreement are publicly disclosed and a copy is publicly available;
2. the Locked-Up Person can terminate its obligation under the agreement in order to tender its Common Shares to another Take-over Bid or transaction where:
  - (a) the offer price or value of the consideration payable is (A) greater than the price or value of the consideration per Common Share under the Lock-Up Bid or (B) equal to or greater than a specified minimum, which cannot be more than 107% of the offer price under the Lock-Up Bid; and
  - (b) if less than 100% of the number of outstanding Common Shares held by Independent Shareholders are offered to be purchased under the Lock-Up Bid, the number of Common Shares offered to be purchased under the other Take-over Bid or transaction (at an offer price not lower than pursuant to the Lock-Up Bid) is (A) greater than the number offered to be purchased under the Lock-Up Bid or (B) equal to or greater than a specified number, which cannot be more than 107% of the number offered to be purchased under the Lock-Up Bid; and
3. if the Locked-Up Person fails to deposit its common shares to the Lock-Up Bid, no "break fees" or other penalties that exceed, in the aggregate, the greater of (A) 2.5% of the price or value of the consideration payable under the Lock-Up Bid and (B) 50% of the increase in consideration resulting from another Take-over Bid or transaction, shall be payable by the Locked-Up Person.

### **Certificates and Transferability**

Before the Separation Time, the Rights will continue to be evidenced by a legend imprinted on Common Share certificates representing Common Shares, consistent with the legend imprinted on Common Shares issued after the effective date of the current amended and restated shareholder rights plan. Shareholders will not be required to return their certificates to be entitled to the benefits of the Amended and Restated Shareholder Rights Plan.

From and after the Separation Time, Rights will be evidenced by separate certificates.

Before the Separation Time, Rights will trade together with, and will not be transferable separately from, the Common Shares in connection with which they were issued. From and after the Separation Time, Rights will be transferable separately from the Common Shares.

### **Waiver**

A potential offeror for Corridor that does not wish to make a Permitted Bid can nevertheless negotiate with the Board of Directors to make a formal Take-over Bid on terms that the Board of Directors considers fair to all Shareholders, in which case the Board of Directors may waive the application of the Amended and Restated Shareholder Rights Plan. Any waiver of the Amended and Restated Shareholder Rights Plan's application in respect of a particular Take-over Bid will constitute a waiver of the Amended

and Restated Shareholder Rights Plan in respect of any other formal Take-over Bid made while the initial bid is outstanding.

The Board of Directors may also waive the application of the Amended and Restated Shareholder Rights Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered the Flip-in Event thereafter reduces its beneficial holdings below 20% of the outstanding Common Shares within 14 days or such other date as the Board of Directors may determine.

With Shareholder approval, the Board of Directors may waive the application of the Amended and Restated Shareholder Rights Plan to any other Flip-in Event prior to its occurrence.

### **Redemption**

Rights are deemed to be redeemed following completion of a Permitted Bid (including a competing Permitted Bid) or any other Take-over Bid in respect of which the Board of Directors has waived the Shareholder Rights Plan's application.

With Shareholder approval, the Board of Directors may also, prior to the occurrence of a Flip-in Event, elect to redeem all (but not less than all) of the then outstanding Rights at a nominal redemption price of \$0.00001 per Right.

### **Exemptions for Investment Advisors, etc.**

Investment advisors (for client accounts), trust companies (acting in their capacity as trustees or administrators), statutory bodies whose business includes the management of funds (for employee benefit plans, pension plans, or insurance plans of various public bodies), and administrators or trustees of registered pension plans or funds and agents or agencies of the Crown, which acquire more than 20% of the outstanding Common Shares, are effectively exempted (through the definition of "beneficial ownership" under the Shareholder Rights Plan) from triggering a Flip-in Event provided that they are not in fact making, either alone or jointly or in concert with any other person, a Take-over Bid.

### **Directors' Duties**

The adoption of the Amended and Restated Shareholder Rights Plan will not in any way lessen or affect the duty of the Board of Directors to act honestly and in good faith with a view to the best interests of Corridor. In the event of a Take-over Bid or any other such proposal, the Board of Directors will still have the duty to take such actions and make such recommendations to Shareholders as are considered appropriate.

### **Amendments**

If the Amended and Restated Shareholder Rights Plan is approved at the Meeting, amendments will thereafter be subject to the approval of a majority of: (a) Shareholders; and (b) Independent Shareholders, voting, in each case, in person or by proxy at the applicable meeting, unless to correct any clerical or typographical error or (subject to confirmation at the next meeting of Shareholders) make amendments that are necessary to maintain the Amended and Restated Shareholder Rights Plan's validity as a result of changes in applicable legislation, rules or regulations.

After adoption, any amendments will also be subject to the approval of the TSX.