

## **MONTELLO RESOURCES LTD.**

INFORMATION CIRCULAR  
for the Annual and Special Meeting  
to be held April 30, 2009

### **Solicitation of Proxies**

**This Information Circular is furnished in connection with the solicitation of proxies by the Management of Montello Resources Ltd. ("Montello" or the "Corporation") for use at the annual and special meeting of shareholders of the Corporation (the "Meeting") to be held in the Macleod Room, Macleod Dixon LLP, 3700, 400 3<sup>rd</sup> Avenue, SW, Calgary, Alberta on Thursday, April 30, 2009 at 2:00 p.m. (Calgary time) for the purposes set out in the accompanying Notice of Meeting.** As a shareholder, you are cordially invited to be present at the Meeting. To ensure that you will be represented at the Meeting in the event that you are unable to attend personally, you are requested to complete, date and sign the accompanying form of proxy and return it to Computershare Investment Services by mail or fax no later than forty-eight (48) hours (excluding Saturday, Sunday and Holidays) prior to the time of the meeting or adjournment thereof.

The costs incurred in the preparation and mailing of the form of proxy, the Notice of Annual and Special Meeting and this Information Circular will be borne by the Corporation. The solicitation of proxies is expected to be primarily by mail but may also be made by personal interviews, telephone or other means of communication by the directors, officers and regular employees of the Corporation, at no additional compensation. The costs of proxy solicitation will be paid by the Corporation.

No person is authorized to give any information or make any representations other than those contained in this Information Circular and if given or made, such information or representations must not be relied upon as having been authorized to be given or made. Except where otherwise stated, the information contained herein is given as of March 26, 2009.

### **Appointment and Revocation of Proxies**

The persons named in the enclosed form of proxy are directors or officers of the Corporation. **A shareholder has the right to appoint a nominee (who need not be a shareholder) to represent the shareholder at the Meeting other than persons designated in the enclosed proxy form, who are management designees, either by inserting the name of the chosen nominee in the blank space provided in the enclosed form of proxy or by completing another form of proxy.** Such shareholder should notify the nominee of his or her appointment, obtain his or her consent to act as proxy and instruct him or her on how the shareholder's shares are to be voted. In any case, the form of proxy should be dated and executed by the shareholder or his or her attorney authorized in writing or if the shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly executed.

**A proxy will not be valid for the Meeting or any adjournment thereof unless the completed form of proxy is delivered to Computershare Investor Services, Proxy Dept., 100 University Avenue 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 to reach the addressee not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting or any adjournment thereof.**

A shareholder who has given a proxy may revoke it, in any manner permitted by law including, by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the

shareholder is a corporation, executed by a duly authorized officer or attorney of the corporation and deposited either at the head office of the Corporation at any time up to and including the last business day immediately preceding the day of the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

### **Voting of Proxies**

The common shares in the capital of the Corporation (the "Common Shares") represented by the enclosed Instrument of Proxy, if properly completed and executed, will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted for, against or withheld from voting in accordance with the specifications so made. In the absence of any such instruction, the persons whose names appear on the printed form of proxy, will vote in favour of all the matters set out thereon. If any other business or amendments or variations to matters identified in the Notice properly come before the Meeting and where management of the Corporation is not aware of these amendments, variations or other matters to be presented to the Meeting, then discretionary authority is conferred upon the persons appointed in the proxy to vote in the manner they see fit.

At the time of printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice.

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

**The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold shares in their own name.** Shareholders who do not hold shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares in the capital of the Corporation can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). 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 shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/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. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications Corporation ("ADP"). ADP typically asks Beneficial Shareholders to return the proxy forms to ADP. ADP then tabulates the results of all instructions

received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving an ADP proxy cannot use that proxy to vote Common Shares directly at the Meeting - the proxy must be returned to ADP 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 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 at 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 instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

### **Information Concerning the Corporation**

#### **Voting Securities and Principal Holders of Voting Securities**

The voting securities of Montello are comprised of Common Shares of which 199,425,406 Common Shares are outstanding as at March 26, 2009. Each Common Share entitles the holder thereof to one vote at meetings of shareholders of the Corporation. To the knowledge of the directors and senior officers of Montello, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the votes attached to the Common Shares of Montello.

As of March 26, 2009, the directors and officers of the Corporation as a group owned beneficially, directly and indirectly, 3,287,720 Common Shares, representing less than 1.65% of the presently issued and outstanding Common Shares.

The directors of the Corporation have fixed March 26, 2009 at the close of business, as the record date for the determination of shareholders entitled to receive notice of the Meeting and to vote thereat. All holders of Common Shares of the Corporation at the close of business on the record date are entitled to attend and vote the Common Shares held by them, either in person or by proxy, at the Meeting or any adjournment thereof. However, a person appointed under a proxy will be entitled to vote the Common Shares represented by that proxy only if it is effectively delivered in the manner set out herein under the heading "Appointment and Revocation of Proxies" and has not been revoked.

To the extent that a person has transferred any Common Shares after the record date, and the transferee of those Common Shares produces a properly endorsed share certificate or otherwise establishes ownership no later than 10 days before the Meeting, such person shall be entitled to demand inclusion in the list of shareholders prepared by the Corporation before the Meeting and to vote thereat. The transfer books will not be closed.

#### **Indebtedness of Directors and Senior Officers**

There is not as of the date hereof, and has not been since the incorporation of the Corporation, any indebtedness owing to the Corporation by the directors, senior officers or other members of management of the Corporation, or any of their associates or affiliates.

## Interest of Informed Persons in Material Transactions

There are no material interests, direct or indirect, of any directors or senior officers of the Corporation, nominees for director, any shareholder who beneficially owns more than 10% of the shares of the Corporation, or any known associate or affiliate of such persons in any transaction since the commencement of the Corporation's last completed financial year or in any completed or proposed transaction which has had a material affect or would materially affect the Corporation and which is not otherwise disclosed herein.

## Interest of Certain Persons in Matters to be Acted Upon

Management of the Corporation is not aware of any material interests, direct or indirect, of any director or senior officer or anyone who has held office as such since the beginning of the Corporation's last financial year, or any associate or affiliate of such persons in any manner to be acted on at the Meeting, other than as described herein.

## Equity Compensation Plan Information

The following information is provided with respect of the Corporation as at March 26, 2009.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by shareholders	Nil	n/a	19,942,540
Equity compensation plans not approved by shareholders	Nil	n/a	Nil
Total	Nil	Nil	19,942,540

Subsequent to the year ended July 31, 2008, all director and officer options were surrendered.

Pursuant to the Corporation's stock option plan (the "Option Plan"), the Corporation may grant incentive stock options to directors, officers, employees and consultants of the Corporation or any subsidiary thereof. The total number of shares issuable pursuant to the Option Plan is up to a maximum of 10% of the issued and outstanding common shares of the Corporation at any given time. The exercise price of each stock option is to be determined in the discretion of the board of directors at the time of the granting of the stock option, as is the term and vesting policies, provided that the exercise price shall not be lower than the market price or such discount from the market price as may be permitted by the stock exchange on which the Common Shares are listed and provided that no stock option shall have a term exceeding five years (or such longer period as is permitted by the stock exchange on which the Common Shares are listed). There may not be issued to insiders within a one-year period, a number of Common Shares exceeding 10% of the outstanding issue and no one eligible optionee can receive stock options entitling the eligible optionee to purchase more than 5% of the total Common Shares. Finally, there may not be issued to any one insider and such insider's associates, within a one-year period, a number of Common Shares of the Corporation exceeding 5% of the outstanding issue.

## Executive Compensation

During the last completed financial year, the Corporation's had one executive officer (the "Named Executive Officer"). The following table discloses, for the periods indicated, total compensation received by the Named Executive Officer. There are no other executive officers whose total salary and bonus exceeded \$150,000 in the preceding financial year.

<b>Annual Compensation</b>					<b>Long-Term Compensation</b>			
<b>Name and Position</b>	<b>Fiscal Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Other Annual Compensation</b>	<b>Awards</b>		<b>Payouts</b>	
					<b>Securities Under Options/SARs Granted</b>	<b>Restricted Shares or Share Units</b>	<b>LTIP Payouts</b>	<b>Other Compensation<sup>(1)</sup></b>
William R. Cawker President & Chief Executive Officer	2008	\$117,500	Nil	Nil	7,425,000	Nil	Nil	Nil
	2007	65,000	Nil	Nil	2,000,000	Nil	Nil	Nil
	2006	7,500	Nil	Nil	2,900,00	Nil	Nil	Nil

### Notes:

- (1) William R. Cawker resigned as President and C.E.O. on August 11, 2008 and was replaced by Peter C. Brown. On February 6, 2009, William Cawker surrendered all of his options.
- (2) William R. Cawker resigned as Chairman and Director on March 13, 2009.

### Options to Acquire Common Shares Granted during the Year Ended July 31, 2008

Options to acquire Common Shares were granted to the Named Executive Officer of the Corporation during the financial year ended July 31, 2008 as set out below:

<b>Name</b>	<b>Shares Under Options Granted (#)</b>	<b>% Total Options Granted in Financial Year</b>	<b>Exercise Price (\$/Share)</b>	<b>Market Value of Securities Underlying Options on the Date of Grant (\$/Share)</b>	<b>Expiration Date</b>
William R. Cawker	7,425,000	26.8%	\$0.178 average	All options granted at market close price, no discount to market taken	Sept. 5/12, Oct. 1/12, Oct. 29/12, June 1, 13

- 1) Notes: William R. Cawker resigned as President and C.E.O. on August 11, 2008. On February 6, 2009, William Cawker surrendered all of his outstanding options.

### Option Values as at July 31, 2008

The following table sets forth the financial year-end values for options granted to the Named Executive Officer of the Corporation. No options were exercised by the Named Executive Officer during the financial year ended July 31, 2008.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$) <sup>(1)</sup>	Unexercised Options/SARs at FY-End (#) Exercisable/ Unexercisable	Value of Unexercised in-the-Money Options/SARs at FY-End (\$) Exercisable/ Unexercisable <sup>(2)(3)</sup>
William R. Cawker	Nil	Nil	7,425,000/nil	nil/nil

**Notes:**

- (1) William R. Cawker resigned on March 26, 2009, and subsequent to the year ended July 31, 2008, he surrendered all his options.
- (2) The closing price of Montello shares on July 31, 2008 was \$0.07 per share.

Compensation of Directors

Annual remuneration of \$Nil was accrued to directors in their capacity as directors. Directors of the Corporation are eligible for participation in the Option Plan.

The following options were granted to directors and officers of the Company, other than the Named Executive Officer, during the financial year ended July 31, 2008.

Name	Shares Under Options Granted (#)	% Total Options Granted in Financial Year	Exercise Price (\$/Share)	Market Value of Securities Underlying Options on the Date of Grant (\$/Share)	Expiration Date
•M. Davis & Associates Capital	1,000,000	7.21%	\$0.155	\$115,000/Nil	Oct. 1, 2012
	1,000,000		\$0.21	\$210,00/Nil	Oct. 29, 2012
Joseph Dow	150,000	.54%	\$0.155	\$23,250.0/Nil	Oct. 1, 2012
Peter Brown	800,000	7.21%	\$0.10	\$80,00/Nil	June 1, 2013
	1,200,000		\$0.10	\$120,00/Nil	June 8, 2013
Philson Emrich	100,000	5.7%	\$0.14	\$14,000/Nil	Sept. 5, 2012
	500,000		\$0.21	\$105,000/Nil	Oct. 30, 2012
	1,000,000		\$0.10	\$100,000/Nil	June 6, 2008

Notes: Subsequent to the year ended July 31, 2008, all directors and officers surrendered all outstanding options.

Employment Contracts

The Corporation has not entered into employment contracts with Named Executive Officers

Audit Committee Disclosure

The Corporation's audit committee is composed of three directors: Peter Brown Arndt Roehlig and Gerry Lefevre of whom Messers Roehlig and Lefevre may be considered to be independent, and all of whom are financially literate (as determined under Multilateral Instrument 52-110 *Audit Committees*). The charter of the Corporation's audit committee is set out in an appendix to this Information Circular..

As a company listed on the TSX Venture Exchange, the Corporation is exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of Multilateral Instrument 52-110 *Audit Committees*, and is relying on the exception contained in section 6.1 of that instrument.

#### Fees Charged by External Auditors

The following table sets out the aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for the category of fees described.

	2007	2008
Audit Fees <sup>(1)</sup>	\$50,000	\$40,000
Audit Related Fees	Nil	Nil
Tax fees	Nil	Nil
All other fees	Nil	Nil
<b>TOTAL</b>	<b>\$50,000</b>	<b>\$40,000</b>

#### **Note:**

(1) Year-end Annual Audit Fees

#### **Additional Information**

Additional information relating to the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or at the Corporation's website, [www.montello.com](http://www.montello.com). To obtain copies of the Corporation's financial statements and Management's Discussion and Analysis, please contact Peter Brown at (403) 269 6911 EXT 231

The financial information is provided in the Corporation's comparative consolidated financial statements and Managements Discussion and Analysis for its most recently completed financial period.

### **Annual Meeting Business**

#### **Financial Statements**

Audited financial statements of the Corporation for the year ended July 31, 2008 accompany this Information Circular. The presentation of such audited financial statements to the shareholders will not constitute a request for approval or disapproval.

#### **Election of Directors**

It is proposed that four directors be elected.

The term of office for each director is from the date of the meeting at which he or she is elected until the annual meeting next following or until his successor is elected or appointed. At the Meeting, a board of three directors is proposed to be elected. It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR the election of the nominee specified below as directors of the Corporation. If, prior to the Meeting, any vacancies occur in the slate of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote FOR the election of any substitute nominee or nominees recommended by

management of the Corporation and FOR the remaining proposed nominees. Management has been informed that each of the proposed nominees listed below is willing to serve as a director if elected

The following table states the names of all persons proposed to be nominated for election as directors, the position or office now held by them, if applicable, their principal occupation or employment for the preceding five years, the date on which they became directors of the Corporation and the number of shares in the capital of the corporation owned by them or over which they exercise control or direction as at the date hereof.

<b>Name and Position with the Corporation</b>	<b>Director Since</b>	<b>Number of Common Shares beneficially owned or controlled</b>	<b>Principal Occupation for Previous Five Years</b>
Peter Brown Director Calgary, Alberta	April 1, 2008	1,087,720	Former President and C.E.O. of Pennine Petroleum Corporation, director of Trivello Energy Corp. since December, 2008 and former vice-president, exploration, for Crestar Energy Intl., a division of Crestar Energy Inc.
Arndt Roehlig Director Vancouver, BC	March 13, 2009	0	President and a director of Trivello Energy Corp. since 2001.
Gerry Lefevre Director Winnipeg, Manitoba	March 13, 2009	2,200,000	Physician
Trent Moore Director Big Valley, Alberta	March 26, 2009	0	Businessman, Director of Running Fox Resource Corp. since 2006, Former President of Claymore Field Services, a private company

### **Appointment of Auditors**

At the Meeting, the shareholders will be called upon to appoint the auditors to serve until the close of the next annual meeting of the Corporation and to authorize the directors to fix the remuneration of the auditors so appointed.

The Corporation proposes that Charlton & Company, Chartered Accountants, of Vancouver, B.C., be appointed as auditors of the Corporation until the next annual meeting at such remuneration as may be approved by the Board of Directors of the Corporation. Charlton & Company have been the auditors of the Corporation since November 27, 2007.

## Special Meeting Business

### 1. Amendment of By-Laws - Quorum for Shareholders' Meetings

On March 26, 2009, the Board of Directors of Montello amended By-Law No. 1 (the "By-Law") to change the quorum requirement for meetings of shareholders (the "By-Laws Amendment"). Prior to the By-Law Amendment, the quorum requirement for meetings of shareholders was the holder or holders of 5% of the shares entitled to vote at a meeting of shareholders present in person or by proxy. The Board of Directors determined that requiring 5% of the votes entitled to be voted at a shareholders meeting to be present in person or by proxy may not be practical given that the shares of the company are very widely held. Pursuant to the By-Law Amendment, Paragraph 10.11 was deleted and replaced with the following:

**"10.11 Quorum - A quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled, and representing in the aggregate not less than two percent (2%) of the outstanding shares of the Corporation carrying voting rights at the meeting, provided that, if there should be only one shareholder of the Corporation entitled to vote at any meeting of shareholders, the quorum for the transaction of business at the meeting of shareholders shall consist of the one shareholder."**

Pursuant to the Alberta Business Corporations Act, the By-Law Amendment became effective on the date of the resolution of the Board of Directors of Montello approving the same, but is subject to being confirmed at the Montello Meeting. If not approved, the By-Law Amendment will cease to be effective upon rejection. Accordingly, at the Meeting, shareholders will be asked to consider and, if thought advisable, pass the following ordinary resolution:

**BE IT RESOLVED** as an ordinary resolution of the shareholders of the Corporation that:

1. the amendment to By-Law No. 1 of the Corporation by the deletion of Paragraph 10.11 thereof and the replacement thereof with the following (which amendment was previously adopted by the board of directors of the Corporation), be and the same is hereby ratified, approved and confirmed:

**"10.11 Quorum - A quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled, and representing in the aggregate not less than two percent (2%) of the outstanding shares of the Corporation carrying voting rights at the meeting, provided that, if there should be only one shareholder of the Corporation entitled to vote at any meeting of shareholders, the quorum for the transaction of business at the meeting of shareholders shall consist of the one shareholder.";** and

2. any director or officer of the Corporation be and is hereby authorized to take any and all action and to execute and deliver any and all documents, agreements and other instruments as may be necessary or desirable to give full effect to the foregoing resolution.

In order to be approved, the foregoing resolution must be approved by the affirmative vote of a simple majority of the votes cast by holders of Montello shares who vote on the resolution in person or by proxy at the Meeting. Unless otherwise directed, it is management's intention to vote the proxies in the accompanying form in favour of the ordinary resolution to ratify, approve and confirm the By-law amendment.

## **2. Change of Name**

It is the view of management that it is in the best interest of the Company to change its name to “Nomad Exploration Inc.” or such other name as approved by the Board and the regulatory authorities.

Accordingly, shareholders will be asked to approve the following special resolution in order to change the name of the Company:

### **Resolved, as a special resolution, that:**

- (1) the Notice of Articles of the Company be altered by changing the name of the Company from “Montello Resources Ltd.” to “Nomad Exploration Inc.” or such other name as may be approved by the Board and acceptable to the Registrar of Corporations and the TSX Venture Exchange;
- (2) The Board be authorized to revoke the special resolution approving the change of name before it is acted on without further approval of the shareholders; and
- (3) The above special resolution, if passed, becomes effective immediately upon the implementation by the Board and upon receipt of approval of the TSX Venture Exchange.

**The Board of Directors recommends that shareholders vote in favour of the special resolution.** In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the special resolution.

## **3. Consolidation of Share Capital**

Management determined that, in its opinion, a consolidation of its share capital may be required in order to provide for further equity financing to meet its working capital requirements. It is management’s further opinion, that a consolidation of the Company’s share capital may be required in order to attract new equity investment in the Company.

The Board proposes that shareholders approve a consolidation of its share capital on the basis of one post consolidated Common share for each fifteen common shares currently held. Subject to approval of the above special resolution to change the name of the Company, it is proposed that the name of the Company may be changed in conjunction with the consolidation of the Common Shares. The Company will have approximately 13,295,027 common shares outstanding subsequent to the consolidation. The exact number of post-consolidated shares will most likely vary from this approximation to a small extent depending upon the treatment of the fractions that will most likely occur when each shareholder’s holdings are consolidated on a one for fifteen basis. In addition to the requisite shareholder approval being sought at the Meeting, any such consolidation also requires the approval of all applicable regulatory authorities, including the TSX Venture Exchange.

The consolidation of the Common shares requires approval by a special resolution of the shareholders, being a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who, being entitled to do so, voted in person or by proxy at the general meeting of a company.

Accordingly, shareholders will be asked to approve the following special resolution in order to alter the Notice of Articles of the Company:

Resolved, as a special resolution, that:

(1) the authorized share structure of the Company be altered by consolidating all of the issued and outstanding Common Shares without par value, of which 199,425,406 Common Shares are issued, on the basis of a one (1) post-consolidated Common share for each fifteen (15) pre-consolidated Common shares;

(2) any fractional shares resulting from the consolidation of the Common shares shall be converted such that each fractional Common share remaining after conversion that is less than one-half of a Common share be cancelled and each fractional Common share that is at least one-half of a Common share be changed to one whole Common share; and

(3) the board of directors of the Company is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the above consolidation without further approval, ratification or confirmation by the shareholders, and may proceed with the consolidation at some ratio less than fifteen to one (15:1).

**The Board of Directors recommends that shareholders vote in favour of the special resolution.** In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the special resolution. The above special resolution, if passed, will not become effective unless and until deposited at the Company's records office by the direction of the Board.

#### **4. Annual Approval of Stock Option Plan**

At the Meeting, shareholders of the Corporation will be asked to consider and, if deemed advisable, approve a resolution approving the Corporation's existing stock option plan (the "Option Plan"). Annual shareholder approval of the Option Plan is now required by the TSX Venture Exchange. The terms of the Option Plan are described in this Information Circular (see "Information Concerning the Corporation – Executive Compensation – Stock Option Plan") and no changes to the Option Plan are proposed.

The form of resolution to be considered by shareholders at the Meeting is as follows:

"Be it resolved that:

1. the Corporation's existing stock option plan is hereby approved; and
2. any one officer or director of the Corporation is hereby authorized to execute and deliver all such documents and to do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution."

To be effective, the resolution must be passed by at least a majority of the votes cast at the Meeting. The persons named in the enclosed form of proxy intend to vote at the meeting in favour of this resolution.

#### **Other Business**

Management is not aware of any other business to come before the Meeting other than as set forth in the Notice. If any other business properly comes before the Meeting, it is the intention of the persons named in the Instrument of Proxy to vote the Common Shares represented thereby in accordance with their best judgement on such matter(s).

### **Certificate and Approval**

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

The Board of Directors of the Corporation has approved the contents, mailing and delivery of this Information Circular.

DATED: March 26, 2009

"Signed"  
Peter Brown  
President

"Signed"  
Michael Williams  
Chief Financial Officer

**Appendix I to Notice of Meeting and Information Circular of  
Montello Resources Ltd. dated March 26, 2009**

**MONTELLO RESOURCES LTD.  
(the "Company")**

**AUDIT COMMITTEE MANDATE**

**1. OVERALL ROLE AND RESPONSIBILITY**

The Audit Committee shall:

**1.1 assist the Board of Directors in its oversight role with respect to:**

- (a) the quality and integrity of financial information;
- (b) the independent auditor's performance, qualifications and independence;
- (c) the performance of the Company's internal audit function, if applicable; and
- (d) the Company's compliance with legal and regulatory requirements and

**1.2 prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Company in accordance with applicable laws or the rules of applicable securities regulatory authorities.**

**2. MEMBERSHIP AND MEETINGS**

The Audit Committee shall consist of three (3) or more Directors appointed by the Board of Directors, none of whom shall be officers or employees of the Company or any of the Company's affiliates. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Company, and applicable securities regulatory authorities.

The Board of Directors shall designate one (1) member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

**3. STRUCTURE AND OPERATIONS**

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

#### **4. SPECIFIC DUTIES**

##### **4.1 Oversight of the Independent Auditor**

- (a) Make recommendations to the board for the appointment and replacement of the independent auditor.
- (b) Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- (c) Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- (d) Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- (e) Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Company to be included in the Company's annual information/proxy circular, as required by applicable law.
- (f) Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every 5 years).

##### **4.2 Financial Reporting**

- (a) Review and discuss with management and the independent auditor:
  - (i) prior to the annual audit the scope, planning and staffing of the annual audit,
  - (ii) the annual audited financial statements,
  - (iii) the Company's annual and quarterly disclosures made in management's discussion and analysis,

- (iv) approve any reports for inclusion in the Company's Annual Report, as required by applicable legislation,
  - (v) the Company's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards,
  - (vi) significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements,
  - (vii) any significant changes in the Company's selection or application of accounting principles,
  - (viii) any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies, and
  - (ix) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- (b) Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

## **5. AUDIT COMMITTEE'S ROLE**

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Company's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Company in accordance with Canadian generally accepted accounting principles.

## **6. FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS**

The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Company.

**7. APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS**

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Company or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The CFO shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.

APPENDIX II

MONTELLO RESOURCES LTD.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

<u>Disclosure Requirement</u>	<u>Our Corporate Governance Practices</u>
1. <u>Board of Directors</u>	
(a) Disclose the identity of directors who are independent.	Arndt Roehlig, Gerry Lefevre and Trent Moore are independent as that term is defined in section 1.4 of Multilateral Instrument 52-110 <i>Audit Committees</i> ("MI 52-110").
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	Peter Brown is not independent as he is the CEO of the Corporation.
2. <u>Directorships</u>	
(a) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	The directors are also directors or trustees of the reporting issuers set out beneath their respective names below.  Peter Brown - N/A  Arndt Roehlig - Trivello Energy Corp.  Trent Moore – Running Fox Resource Corp.
3. <u>Orientation and Continuing Education</u>	
(a) Describe what steps, if any, the board takes to orient new board members and describe any measures the board takes to provide continuing education for directors	New directors will be made aware of the nature and operation of the business of the Corporation through interviews with other board members and management during which they are briefed on the Corporation and its current business issues. Information on courses pertaining to corporate governance is circulated to Board members who are encouraged to attend.
4. <u>Ethical Business Conduct</u>	
(a) Describe what steps, if any, the board takes to promote a culture of ethical business conduct.	The Board has adopted a written Code of Business Conduct for all employees and consultants. The Board has also adopted a

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**Disclosure Requirement**

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**Our Corporate Governance Practices**

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**Whistleblower Policy.**

Compliance is monitored by the Board receiving, annually, certificates from the officers of the Corporation confirming their compliance with the Code of Conduct. Additionally, prior to such certification being given, each employee and consultant will have received a memo from management reiterating the need to comply with the Code of Conduct and reminding them that the Whistleblower Policy facilitates anonymous disclosure of any breach.

Directors must disclose all interests and relationships of which the director is aware which may give rise to a conflict of interest. Directors are also required to disclose any actual or potential personal interest in a matter on which the Board is making a decision and withdraw from the deliberations.

**5. Nomination of Directors**

(a) Describe what steps, if any, are taken to identify new candidates for board nominations including:

- (i) who identifies new candidates; and
- (ii) the process of identifying new candidates.

The members of the Board share responsibility for proposing new nominees for the Board.

**6. Compensation**

(a) Describe what steps, if any, are taken to determine the compensation for the issuer's directors and CEO, including:

- (i) who determines compensation; and
- (ii) the process of determining compensation.

The board periodically reviews the adequacy and form of compensation of directors to ensure that the level of compensation realistically reflects the responsibilities and risks involved in being an effective director.

The non-management directors on the Board set the annual salary, bonus and other benefits, direct and indirect, of the CEO and approves the compensation for all other designated officers after considering the recommendations of the CEO.

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**Disclosure Requirement**

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**Our Corporate Governance Practices**

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**7. Other Board Committees**

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

Given the small number of members, the Board does not have any other committees other than the audit committee and a compensation committee, which reviews and recommends compensation for the CEO and CFO.

**8. Assessments**

- (a) Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.

The Board conducts an annual review of its effectiveness as well as the effectiveness and contribution of each Board committee and each individual director.