

SARGOLD RESOURCE CORPORATION

**Suite 400, 837 West Hastings Street
Vancouver, British Columbia V6C 3N6**

INFORMATION CIRCULAR

INFORMATION PROVIDED AS AT MAY 9, 2005 (*unless otherwise stated*) FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON **JUNE 23, 2005** (the "MEETING").

PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of Sargold Resource Corporation (the "Corporation") for use at the Annual and Special Meeting of the Company's shareholders (the "Meeting") to be held on Thursday, June 23, 2005 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company.

All costs of this solicitation will be borne by the Corporation.

APPOINTMENT OF PROXIES

The individuals named in the accompanying form of proxy (the "Proxy") are directors or officers of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER'S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** A Proxy will not be valid unless it is completed, dated and signed and delivered to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or is delivered to the chair of the Meeting prior to the commencement of the Meeting.

NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of the person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

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

- (a) be given a Proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the Proxy, the Proxy is not required to be signed by the Non-Registered Holder. In this case, the Non-registered Holder who wishes to submit a Proxy should otherwise properly complete the Proxy and **deliver it to Computershare Trust Company of Canada** as provided above; or
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page preprinted form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed Proxy accompanied by a page of instructions, which contains a removable label containing a bar code and other information. In order for the Proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the Proxy, properly complete and sign the Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares that they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder’s name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

REVOCATION OF PROXIES

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder’s attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Corporation, at Suite 2300 – Four Bentall Centre, 1055 Dunsmuir Street, Vancouver, BC, V7X 1J1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it, or to the chair of the Meeting on the day of the Meeting or any adjournment of it. **Only registered shareholders have the right to revoke a Proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

EXERCISE OF DISCRETION

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy, and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

Where no choice has been specified by the shareholder, such shares will, on a poll, be voted in accordance with the notes to the Proxy.

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.

At the time of the printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter which may be presented to the Meeting.

RECORD DATE AND NOTICE

The directors of the Corporation have set May 9, 2005 as the record date for determining which shareholders shall be entitled to receive notice of and to vote at the Meeting. Advance notice of the record date for the Meeting was published by CDS Inc. in *The Globe & Mail* on April 25th, 2005. If a shareholder transfers any shares after the record date and the new holder of such shares establishes proper ownership thereof, the new holder may have his or her name included on the list of shareholders entitled to vote at the Meeting upon filing a written request to that effect with the Secretary of the Corporation not later than 10 days before the Meeting or any adjournment thereof.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at May 9, 2005, there were a total of 40,356,439 common shares (the "common shares") outstanding. Each common share entitles the shareholder(s) thereof to one vote for each common share shown as registered in the shareholders' name on the record date.

To the knowledge of the directors and senior officers of the Corporation, the only party(ies) owning, directly or indirectly, or exercising control or direction over, shares carrying more than 10% of the voting rights attached to the issued and outstanding shares of the Corporation are as follows:

<u>Name</u>	<u>Number of Shares Owned</u>	<u>Percentage of Issued Shares</u>
CDS & Co. ⁽¹⁾	27,704,415	68.65%

(1) Beneficial owners of these shares are not known by the Corporation.

ELECTION OF DIRECTORS

There are currently five directors of the Corporation. The present term of office of each of these five directors will expire immediately prior to the election of directors at the Meeting. It is proposed that the five persons named below be nominated for election as directors of the Corporation. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as directors. Each director will hold office until the next annual meeting of the Corporation or until his successor is appointed or elected, unless his office is earlier vacated in accordance with the By-Laws of the Corporation or with the provisions of the *Canada Business Corporations Act*.

In the following table and notes thereto is stated the name of each person proposed to be nominated by

management for election as a director, the country in which he is ordinarily resident, all offices of the Corporation now held by him, his principal occupation, the period of time for which he has been a director of the Corporation and the number of common shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Position, and Country of Residence	Principal Occupation During the Past Five Years ⁽¹⁾	Date Became a Director	Number of common shares beneficially owned or over which control or direction is exercised ⁽²⁾
Richard W. Warke President and Director, Canada	President and Director of the Corporation and Augusta Resource Corporation.	May 1998	3,561,790 ⁽⁴⁾
Donald B. Clark ⁽³⁾ Director, Canada	Director of the Corporation and Augusta Resource Corporation.	May 1998	126,700
Robert P. Wares ⁽³⁾ Director, Canada	Director of the Corporation, President of Osisko Exploration Ltee. and Director of Augusta Resource Corporation	May 1998	Nil
Christopher M.H. Jennings ⁽³⁾ Director, Canada	Chairman of SouthernEra Resources Limited since April 2001 and was President and CEO of SouthernEra Resources Limited from April 1992 to April 2001; and a Director of Augusta Resource Corporation since April 2002.	March 2003	433,333
Michael A. Steeves Director, USA	Vice President, Investor Relations of Glamis Gold Ltd. and Director of Augusta Resource Corporation		100,000

(1) The information as to country of residence and principal occupation, not being within the knowledge of the Corporation has been furnished by the respective directors, individually.

(2) The information as to common shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.

(3) Denotes member of Audit Committee.

(4) 1,971,859 of these shares are subject to escrow provisions.

The Corporation does not currently have an executive committee.

To the best of management's knowledge, no proposed director is, or has been in the last ten years, a director or executive officer of an issuer that, while that person was acting in that capacity: (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than thirty (30) consecutive days; (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than thirty (30) consecutive days; or (c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets except as follows:

Cybercom Systems Inc. ("Cybercom") was issued a cease trade order on October 23, 2002 due to failure to file comparative annual financial statements and quarterly report for the period ended January 31, 2002. Cybercom's failure to filing the above resulted from its inability to pay filing fees associating with such filing due to a lack of funding. Also, 2973090 Canada Inc., a Quebec based company, filed a motion with the Quebec Court dated August 18, 1997 to petition Augusta Metals Incorporated (now known as CyberCom Systems Inc.) into bankruptcy. The case was heard November 5, 1997. The Court rendered judgement January 19, 1998,

dismissing the plaintiff's petition motion with costs. Cybercom is currently inactive and remains under cease trade order. Richard Warke and Donald Clark were at the time of the occurrences indicated above and currently are either a director, officer or both of Cybercom.

West Coast Forest Products Ltd.'s ("WCFP") 58% owned subsidiary, West Coast Plywood Company Ltd. ("Plywood"), made a voluntary assignment in bankruptcy July 27, 1995 due to recurring losses. Donald Clark was Chief Executive Officer and a director of Plywood from August 15, 1994 to July 27, 1995. Richard Warke was an officer and director of Plywood from June 4, 1993 until July 27, 1995. Richard Warke was President and Director of WCFP from 1989 to June 19, 1995 and Chief Executive Officer until August 3, 1995. Donald Clark was Vice-President, Finance of WCFP from August 15, 1994 to July 31, 1995 and a director from May 1993 to June 19, 1995. Since July 27, 1995, all matters with respect to the bankruptcy of Plywood have been the responsibility of the trustee, Coopers & Lybrand Limited.

STATEMENT OF EXECUTIVE COMPENSATION

The following table sets forth all annual and long-term compensation awarded, paid to or earned for services in all capacities to the Corporation for the fiscal year ended December 31, 2004 for the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Corporation, regardless of the amount of compensation paid to those individuals, and each of the Corporation's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recent fiscal year, provided that disclosure is not required for an executive officer whose total salary and bonus does not exceed \$150,000 (the "Named Executive Officer(s)"). During the Corporation's fiscal year ended December 31, 2004, the Corporation had two Named Executive Officers, Richard W. Warke, President and Chairman and Donald B. Clark, Chief Financial Officer of the Corporation.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards	Payouts		
					Securities Under Options/SARS Granted (#)	Shares or Units Subject to Restrictions (\$)	LTIP Payouts (\$)	
Richard W. Warke	2004	150,000	Nil	Nil	Nil/Nil	N/A	N/A	Nil
President, CEO and Director	2003	83,282	Nil	Nil	175,000/Nil	N/A	N/A	28,000
	2002	Nil	Nil	Nil	65,666 ⁽¹⁾ /Nil	N/A	N/A	Nil
Donald B. Clark	2004	100,000	Nil	Nil	Nil/Nil	N/A	N/A	Nil
CFO and Director	2003	83,333	Nil	Nil	510,000/Nil	N/A	N/A	Nil
	2002	Nil	Nil	Nil	33,333 ⁽¹⁾ /Nil	N/A	N/A	Nil

⁽¹⁾ These stock options expired on February 10, 2005.

Long Term Incentive Plan Awards

Long term incentive plan awards ("LTIP") means "any plan providing compensation intended to serve as an incentive for performance to occur over a period longer than one financial year whether performance is measured by reference to financial performance of the Corporation or an affiliate, or the price of the Corporation's shares but does not include option or stock appreciation rights plans or plans for compensation through restricted shares or units". The Corporation has not granted any LTIP's to the Named Executive Officers during the past fiscal year.

Options and Stock Appreciation Rights

During the most recently completed financial year, no incentive stock options were granted to the Named Executive Officers.

Stock appreciation rights ("SAR's") means a right, granted by a Corporation or any of its subsidiaries as compensation for services rendered or in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the Corporation's shares. No SAR's were granted to or exercised by the Named Executive Officers during the past fiscal year.

Aggregated Options/SARS Exercises During the Most Recently Completed Financial Year and Financial Year-End Option/SAR Values

The following table sets forth securities acquired on exercise and the number and value of the options held at December 31, 2004 by the Named Executive Officers.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Fiscal Year End (#)	Value of Unexercised In-the-Money ⁽¹⁾ Options at FY-END (\$)
Richard W. Warke	Nil	Nil	240,666	\$14,439.96
Donald B. Clark	Nil	Nil	543,333	\$8,580.00

⁽¹⁾ In the money options are those where the market value of the underlying securities at the fiscal year-end exceeds the exercise price of the option. The aggregate dollar value of the in-the-money unexercised stock options is based on closing price of the Corporation's shares on December 31, 2004 of \$0.21 per share and represents the difference between such closing price and the exercise price as if the stock options had been exercised on December 31, 2004.

No incentive stock options were exercised by the Named Executive Officers during the past fiscal year.

Options and SARS Repricing

During the fiscal year ending December 31, 2004, the Corporation did not reprice downward stock options or SARS held by the Named Executive Officers or by any of the Directors, Officers and employees of the Corporation.

Pension Plans

The Corporation does not provide retirement benefits for its directors or executive officers.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Corporation had no plans or arrangements in respect of remuneration received or that may be received by its executive officers in the financial year ended December 31, 2004, or in the current financial year, in view of compensating such officers in the event of termination of their employment (resignation, retirement, change of control) with the Corporation or in the event of a change in their responsibilities following a change in control of the Corporation where, in respect of each executive officer, the value of such compensation exceeds Cdn\$100,000.

Compensation of Directors

During the fiscal year ended December 31, 2004, the Corporation paid \$100,000 to Donald B. Clark as an

employee and Chief Financial Officer of the Corporation and \$150,000 to Richard Warke as an employee and CEO and President of the Corporation. No compensation was paid by the Corporation to directors for their services as directors during the fiscal year ended December 31, 2004, nor are there any arrangements for any such compensation to be paid.

The Corporation has no pension plan and no standard or other arrangement for compensation to the directors of the Corporation except the granting of stock options. The following table sets forth particulars of stock options held by the Corporation's directors that are not the Named Executive Officers during the fiscal year ended December 31, 2004:

Name of Directors	Number of Options Granted	Exercise Price	Expiry Date
Chris Jennings	50,000	\$0.45	September 1, 2008
Robert P. Wares	50,000	\$0.45	September 1, 2008
Robert Hindson	50,000	\$0.45	September 1, 2008

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

During the Corporation's past fiscal year, no director, executive officer or senior officer of the Corporation, proposed management nominee for election as a director of the Corporation or associate or affiliate of any such director, executive or senior officer or proposed nominee is or has been indebted to the Corporation or any of its subsidiaries or is or has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, other than routine indebtedness.

MANAGEMENT CONTRACTS

A private British Columbia company, in which the President has a 25% interest, received the sum of \$30,000 in consideration for providing administrative services to the Corporation for the fiscal year ended December 31, 2004.

INTEREST OF CERTAIN PERSON IN MATTERS TO BE ACTED UPON

Other than as set forth above or elsewhere in this Information Circular and other than transactions carried out in the ordinary course of business of the Corporation or any of its subsidiaries, none of the directors or senior officers of the Corporation, any shareholder beneficially owning shares carrying more than 10% of the voting rights attached to the shares of the Corporation nor an associate or affiliate of any of the foregoing persons had, since January 1, 2004 (being the commencement of the Corporation's last completed financial year), any material interest, direct or indirect, in any matter to be acted upon at the Meeting.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

Multilateral Instrument 52-110 of the Canadian Securities Administrators ("**MI 52-110**") requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditors, as set forth in the following.

The Corporation's audit committee is governed by an audit committee charter, the text of which is attached as Schedule A to this Circular.

The Corporation's audit committee is comprised of three directors, Robert Wares, Chris Jennings and Donald

Clark. As defined in MI 52-110, one is not “independent” and two are “independent”. Also as defined in MI 52-110, all of the audit committee members are “financially literate”.

Since the commencement of the Corporation’s most recently completed financial year, the Corporation’s Board of Directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Since the effective date of MI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all nonaudit services to be provided by the external auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the external auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a Corporation to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

The audit committee must pre-approve any engagement of the external auditors for any non-audit services to the Corporation in accordance with applicable law and policies and procedures to be approved by the Board. The engagement of non-audit services will be considered by the Corporation’s Board of Directors, and where applicable the audit committee, on a case-by-case basis.

In the following table, “audit fees” are fees billed by the Corporation’s external auditors for services provided in auditing the Corporation’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements. “Tax fees” are fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditors for products and services not included in the foregoing categories.

The fees paid by the Corporation to its auditors in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2004	\$30,000	Nil	Nil	Nil
December 31, 2003	\$7,500	1,500	Nil	Nil

The Corporation is relying on the exemption provided by section 6.1 of MI 52-110 which provides that the Corporation, as a Venture Issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of MI 52-110.

APPOINTMENT AND REMUNERATION OF AUDITORS

In the past the directors have negotiated with the auditors of the Corporation on an arm's length basis in determining the fees to be paid to the auditors. Such fees have been based upon the complexity of the matters in question and the time incurred by the auditors. Management believes that the fees negotiated in the past with the auditors were reasonable in the circumstances and would be comparable to fees charged by auditors providing similar services.

The Board intends to recommend to the Meeting that Deloitte & Touche LLP, Chartered Accountants, be appointed as auditors of the Corporation and, unless such authority is withheld, the persons named in the accompanying Proxy intend to vote for the re-appointment of Deloitte & Touche 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. Deloitte & Touche LLP was first appointed auditors of the Corporation in 1998.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Stock Option Plan

The policies of the TSX Venture Exchange (“Exchange”) require that all listed companies adopt either a “rolling” stock option plan or a “fixed number” stock option plan and thereafter grant all stock options pursuant to the plan. On April 22, 2004, the Board adopted an updated Stock Option Plan (the “Plan”) to reflect Exchange policies and general securities laws in other jurisdictions which was subsequently approved by the shareholders of the Corporation at the 2004 annual general and special meeting and accepted for filing by the Exchange.

The Plan is a “rolling” stock option plan under which options, including any outstanding options, may be granted to a maximum of 10% of the issued capital of the Corporation at the time of the grant of the stock option. Under the policies of the Exchange, “rolling” stock option plans are required to be approved by the shareholders at each annual general meeting. Accordingly the Corporation is seeking approval by the shareholders of the Plan at the Meeting pursuant to the policies of the Exchange.

Purpose of the Plan

The purpose of the Plan is to provide an incentive to the Corporation’s directors, senior officers, employees and consultants to continue their involvement with the Corporation, to increase their efforts on the Corporation’s behalf and to attract qualified new directors, senior officers and employees.

General Description/Exchange Policies

The following is a brief description of the principal terms of the Plan, which description is qualified in its entirety by the terms of the Plan:

1. The exercise price of the stock options, as determined by the Board or a committee appointed by the Board, in its sole discretion, shall not be less than the minimum price permitted by the policies of the Exchange. The current policies of the Exchange provide that the exercise price for stock options must not be less than the greater of \$0.10 and the last closing price of the Corporation’s shares before the date of grant, less a maximum discount of 25% where the closing price was up to \$0.50, 20% where the closing price was \$0.51 to \$2.00 and 15% where the closing price was above \$2.00, subject to adjustment in the event of a recent share consolidation, split or announcement of material information.
2. Stock options under the Plan may be granted by the Board or a committee appointed by the Board to directors, officers, employees and consultants of the Corporation and its subsidiaries or employees of companies providing management or consulting services to the Corporation or its subsidiaries.
3. The aggregate number of Common shares that may be reserved for issuance for a stock option to any one individual in a 12 month period must not exceed 5% of the issued shares of the Corporation at the time of grant of the stock option unless the Corporation has obtained disinterested shareholder approval.
4. The number of stock options granted to a consultant in a 12 month period must not exceed 2% of the issued shares of the Corporation at the time of grant of the stock option.
5. The aggregate number of stock options granted to employees involved in investor relations activities must not exceed 2% of the issued shares of the Corporation in any 12 month period, at the time of grant of the stock option. Stock options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the options vesting in any three month period.

6. Stock options under the Plan will be granted for a term not to exceed 5 years from the date of their grant. Stock options may only be exercised until the earlier of the expiry date and a period of not more than 90 days after the optionee ceases to be a qualified optionee, except in the case of persons providing investor relations activities to the Corporation where it is limited to the earlier of the expiry date and a period of not more than 30 days after such optionee ceases to be a qualified optionee.
7. All stock options shall be non-assignable and non-transferable except as between an optionee and a wholly owned personal corporation, with the consent of the Exchange provided that they will be exercisable by an option holder's legal heirs, personal representatives or guardians for up to twelve months following the death of a stock option holder.
8. The decrease in the exercise price of stock options previously granted to insiders requires approval by a "disinterested shareholder vote" prior to exercise of such repriced stock options.

The full text of the Plan will be available for review at the Meeting. **Unless otherwise indicated, it is management's intention to vote the proxies in favour of the foregoing ordinary resolution for the adoption of the Plan.**

The shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution in substantially the form set out below:

"NOW THEREFORE BE IT RESOLVED that:

1. the Stock Option Plan dated April 22, 2004 (the "Stock Option Plan"), in the form presented to this Meeting, be approved, and be attached to the minutes of this Meeting;
2. the Corporation be authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan to a maximum of 10% of the issued and outstanding common shares at the time of the grant subject to Exchange policies and other regulatory requirements as may be required;
3. the Board or any committee created pursuant to the Stock Option Plan be authorized to make amendments to the Stock Option Plan from time to time, as may be required by the applicable regulatory authorities, or may, in its discretion, be considered appropriate by the Board or committee, in its sole discretion, provided always that such amendments be subject to the approval of all applicable regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the Stock Option Plan, the approval of the shareholders; and
4. the approval of the Stock Option Plan by the Board be ratified and any one director of the Corporation is hereby authorized to execute any other documents as the director deems necessary to give effect to the transactions contemplated in the Stock Option Plan."

OTHER MATTERS

Management of the Corporation knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters that are not known to management should properly come before the Meeting, it is the intention of the persons named in the Form of Proxy accompanying this Information Circular to vote upon such matters in accordance with their best judgement.

GENERAL

Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common shares.

ADDITIONAL INFORMATION

Additional information concerning the Corporation is available on SEDAR at www.sedar.com. Financial information concerning the Corporation is provided in the Corporation's comparative financial statements and Management Discussion and Analysis for the financial year ended December 31, 2004.

Shareholders wishing to obtain a copy of the Corporation's financial statements and Management's Discussion and Analysis may contact the Corporation as follows:

Sargold Resource Corporation
Suite 400 – 837 West Hastings Street
Vancouver, British Columbia V6C 3N6
Telephone: (604) 687-1717
Fax: (604) 687-1715

APPROVAL OF THIS INFORMATION CIRCULAR

The undersigned certifies that the Board has approved the contents of this Information Circular and the sending, communication and delivery thereof to the shareholders.

BY ORDER OF THE BOARD OF DIRECTORS

“Richard W. Warke”

RICHARD W. WARKE
President

Appendix "A"

Sargold Resource Corporation
(the "Corporation")

Audit Committee Charter

1. OVERALL PURPOSE / OBJECTIVES

The committee will provide independent review and oversight of the company's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, recommendation, oversight and compensation of the company's external auditors. The committee will also assist the Board in fulfilling its responsibilities in reviewing the company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board of directors, management, and the external auditors and monitor the independence of those auditors. The committee will also be responsible for reviewing the company's financial strategies, its financing plans and its use of the equity and debt markets.

To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the company's business, operations and risks.

2. AUTHORITY

The Board authorizes the committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to retain outside legal or professional counsel and other experts and to ensure the attendance of company officers at meetings as appropriate.

3. ORGANIZATION

3.1 Membership

- (a) So long as the Corporation is a "Venture Issuer" (as defined in MI 52-110), the Committee shall be comprised of not less than three members of the Board a majority of whom are not officers or employees of the Corporation or any of its affiliates. In the event that the Corporation is no longer a Venture Issuer it must comply with the requirements of MI 52-110 as to the composition of the committee as provided for under Part 3 of MI 52-110.
- (b) Each member of the committee shall be appointed by the Board on annual basis and shall serve at the pleasure of the Board or until the earlier of (a) the close of the next annual meeting of the shareholders of the corporation at which the member's term of office expires; (b) the death of the member; or (c) the resignation, disqualification or removal of the member from the committee or from the Board. The Board may fill the vacancy in the membership of the Committee.
- (c) All of the members of the committee shall be "financially literate" within the meaning used in MI 52-110 or a member who is not financially literate must become so within a reasonable period of time following his or her appointment.
- (d) The chairman of the audit committee will be nominated by the committee from time to time.

- (e) A quorum for any meeting will be two members.
- (f) The secretary of the committee will be such person as nominated by the Chairman.

3.2 Attendance at Meetings

- (a) The committee may invite such other persons (e.g. the CEO and/or the CFO) to its meetings, as it deems appropriate.
- (b) The external auditors may be present at each audit committee meeting at the request of the Chairman, and be expected to comment on the financial statements in accordance with best practices. The external auditor is entitled to be present and participate at audit committee meetings whose subject is the year end financial statements.
- (c) Meetings shall be held not less than two times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.
- (d) The proceedings of all meetings will be minuted.

4. ROLES AND RESPONSIBILITIES

The committee will:

- (a) Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- (b) Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- (c) Review the company's strategic and financing plans to assist the Board's understanding of the underlying financial risks and the financing alternatives.
- (d) Review management's plans to access the equity and debt markets and to provide the Board with advice and commentary.
- (e) Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- (f) Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.
- (g) Review the annual and quarterly financial statements including Management's Discussion and Analysis and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles, and, if appropriate, recommend to the Board that the annual and quarterly financial statements be included in the company's securities filings.
- (h) Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.

- (i) Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- (j) Review audit issues related to the company's material associated and affiliated companies that may have a significant impact on the company's equity investment.
- (k) Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- (l) Assess the fairness of the interim financial statements and disclosures, and obtain explanations from management on whether:
 - (i) actual financial results for the interim period varied significantly from budgeted or projected results;
 - (ii) generally accepted accounting principles have been consistently applied;
 - (iii) there are any actual or proposed changes in accounting or financial reporting practices;
 - (iv) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- (m) Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- (n) Review the performance of the external auditors and approve in advance provision of services other than auditing.
- (o) Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the company. The committee will obtain from the external auditors, on an annual basis, a formal written statement delineating all relationships between the external auditors and the company.
- (p) Select, evaluate, recommend, compensate and, if and when appropriate, replace the external auditors, subject to approval of shareholders if required by statute.
- (q) Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately, including the results of the external auditors' review of the adequacy and effectiveness of the company's accounting and financial controls.
- (r) Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- (s) Obtain regular updates from management and the company's legal counsel regarding compliance matters, as well as certificates from the Chief Financial Officer as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.

- (t) Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- (u) Perform other functions as requested by the full Board.
- (v) If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.
- (w) Review and update the charter; receive approval of changes from the Board.
- (x) Work with the Board to determine an appropriate annual budget for the committee and its required activities, including but not limited to the compensation of the external auditors and any outside counsel or other experts retained by the committee.
- (y) Create specific procedures for the receipt, retention and treatment of complaints regarding the company's accounting, internal accounting controls and auditing matters. These procedures will include, among other things, provisions for the confidential treatment of complaints and anonymity for employees desiring to make submissions.