

**GEODRILL LIMITED**  
**Ragnall House (First Floor), 18 Peel Road**  
**Douglas, Isle of Man IM1 4LZ**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an Annual Meeting of Shareholders (the “**Meeting**”) of Geodrill Limited (the “**Corporation**”) will be held at the TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2, on Monday, May 14, 2012, at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2011 together with the report of the auditors thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to re-appoint Deloitte & Touche LLP, Chartered Accountants, as the auditor of the Corporation for the ensuing year and to authorize the directors to fix their remuneration; and
4. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

This notice is accompanied by a management information circular, form of proxy and the annual report (which includes the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2011 together with the report of the auditors thereon and the management discussion and analysis for the fiscal year ended December 31, 2011).

The board of directors of the Corporation has by resolution fixed the close of business on April 10, 2012 as the record date, being the date for the determination of the registered holders of ordinary shares entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

**Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.** A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his/her/its duly completed and executed form of proxy with the Corporation’s registrar and transfer agent, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, not later than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting or adjournment(s) thereof at which the proxy is to be used.

DATED at Toronto, Ontario as of the 13<sup>th</sup> day of April, 2012.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“David Harper”*

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David Harper  
President and Chief Executive Officer



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**GEODRILL LIMITED**

**MANAGEMENT INFORMATION CIRCULAR**

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**SOLICITATION OF PROXIES**

**This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Geodrill Limited (the “Corporation”) for use at the Annual Meeting of Shareholders (the “Meeting”) of the Corporation referred to in the accompanying Notice of Annual Meeting of Shareholders (the “Notice”) to be held on Monday, May 14, 2012, at the time and place and for the purposes set forth in the Notice.** References in this Circular to the Meeting include any adjournment(s) thereof. It is expected that the solicitation will be primarily by mail; however, proxies may also be solicited personally or by telephone by regular employees of the Corporation at nominal cost. The cost of such solicitation will be borne by the Corporation.

The board of directors of the Corporation (the “**Board**”) has by resolution fixed the close of business on April 10, 2012 as the record date, being the date for the determination of the registered holders of ordinary shares of the Corporation (the “**Ordinary Shares**”) entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

Unless otherwise stated, the information contained in this Circular is given as of April 13, 2012 and, all dollar amount references are expressed in U.S. dollars. All references herein to the Corporation shall include its subsidiaries as the context may require.

**APPOINTMENT AND REVOCATION OF PROXIES**

**The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. Each shareholder has the right to appoint a person or company, who need not be a shareholder of the Corporation, other than the persons named in the enclosed form of proxy, to represent such shareholder at the Meeting or any adjournment(s) thereof.** Such right may be exercised by inserting such person’s name in the blank space provided and striking out the names of management’s nominees in the enclosed form of proxy or by completing another proper form of proxy. All proxies must be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. The completed form of proxy must be deposited at the office of the Corporation’s transfer agent, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment(s) thereof.

A shareholder forwarding the enclosed form of proxy may indicate the manner in which the appropriate appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either: by depositing an instrument in writing revoking the proxy executed by him or her with Equity Financial Trust Company at the address noted above at any time up to and including 4:00 p.m. (Toronto time) on the last business

day preceding the day of the Meeting, or any adjournment thereof, or in any other manner permitted by law.

### EXERCISE OF DISCRETION BY PROXIES

Ordinary Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy will be either voted or withheld from voting, as applicable, in accordance with the instructions given by the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Ordinary Shares will be voted accordingly. **Where shareholders have properly executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the Ordinary Shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Corporation knows of no such amendments, variations or others matters to come before the Meeting. However, if any other matters which at present are not known to management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the named proxies.

### NON-REGISTERED SHAREHOLDERS

Registered holders of Ordinary Shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Ordinary Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the Ordinary Shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

### Distribution to NOBOs

In accordance with the requirements of the Canadian Securities Administrators and National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Corporation will have caused its agent to distribute copies of the Notice and this Circular (collectively, the “**meeting materials**”) as well as a proxy directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner (“**Non-Objecting Beneficial Owner**” or “**NOBO**”).

These securityholder materials are being sent to both registered holders of the securities and Non-Registered Holders of the securities. If you are a Non-Registered Holder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for proxy enclosed with mailings to NOBOs.

The meeting materials distributed by the Corporation's agent to NOBOs include a proxy. Please carefully review the instructions on the proxy for completion and deposit.

### **Distribution to OBOs**

In addition, the Corporation will have caused its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner ("**Objecting Beneficial Owner**" or "**OBO**").

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use service companies such as Broadridge to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

1. be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Equity Financial Trust Company in the manner set out above in this Circular, with respect to the Ordinary Shares beneficially owned by such OBO; or
2. more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a "**Voting Instruction Form**") which the Intermediary must follow. Typically, the Voting Instruction Form will consist of a one page pre-printed form. The purpose of this procedure is to permit the OBO to direct the voting of the shares he or she beneficially owns.

**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 persons named in the form and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or voting instruction form is to be delivered.**

### **INTEREST OF CERTAIN PERSON IN MATTERS TO BE ACTED UPON**

No director or officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year-end of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter of business to be acted upon at the Meeting, other than the election of directors of the Corporation and as may otherwise be set out herein.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

Each holder of Ordinary Shares of record at the close of business on April 10, 2012 (the "**Record Date**") is entitled to receive notice of and to vote at the Meeting or at any adjournment(s) thereof. The Corporation will prepare a list of holders of Ordinary Shares as of such Record Date. Each holder of Ordinary Shares named in the list will be entitled to vote the Ordinary Shares shown opposite his/her

name on the list at the Meeting, subject to compliance with the procedures specified herein. All such holders of record of Ordinary Shares are entitled to either attend and vote thereat in person the Ordinary Shares held by them or, provided a completed and duly executed form of proxy shall have been delivered to the Corporation's transfer agent within the time specified in the attached Notice, to attend and vote thereat by proxy the Ordinary Shares held by them, all in accordance with the procedures specified herein. The list of Ordinary Shares of the Corporation created as of the Record Date is final and no new persons who become shareholders of the Corporation following such Record Date will be entitled to notice of or vote at the Meeting.

The Corporation does not have an authorized share capital and may issue an unlimited number of no par value shares. The Corporation may issue shares of different classes. As of April 13, 2012, the Corporation had an aggregate of 42,476,000 Ordinary Shares issued and outstanding. Each Ordinary Share carries the right to one vote on all matters to be acted upon at the Meeting. The outstanding Ordinary Shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol "GEO".

To the knowledge of the directors and executive officers of the Corporation, as of April 13, 2012, no persons or companies own, or exercise control or direction over, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation, other than as set forth below.

Name and Municipality of Residence	Type of Ownership	Approximate Number of Voting Shares Owned, Controlled or Directed	Percentage of Voting Shares as of April 13, 2012
David Harper <sup>(1)</sup> Accra, Ghana	Beneficial	17,500,000	41.2%

Note:

<sup>(1)</sup> The Ordinary Shares are held through Redcroft Limited and Bluecroft Limited as nominees for the Harper Family Settlement of which Mr. Harper is the sole beneficiary.

### STATEMENT OF EXECUTIVE COMPENSATION

The following table provides information for the most recently completed financial year of the Corporation ended December 31, 2011 regarding all compensation paid to or earned by the individuals who served as Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the General Manager of the Corporation during the fiscal year ended December 31, 2011 (collectively, the "Named Executive Officers"). The Corporation had no other executive officers whose total salary and bonus during the financial year ended December 31, 2011 exceeded CDN\$150,000.

#### Summary Compensation Table

Name and Principal Position	Year Ended December 31	Salary (\$) <sup>(1)</sup>	Share-based awards	Option-based awards (\$)	Non-equity incentive plan compensation		Pension value	All other compensation (\$)	Total compensation (\$)
					Annual Incentive Plans	Long-term incentive plans			
David Harper President and Chief Executive Officer	2011	\$329,717	Nil	Nil	Nil	Nil	Nil	\$279,646 <sup>(5)(6)</sup>	\$609,363
	2010	\$328,001	Nil	\$370,305 <sup>(2)</sup>	Nil	Nil	Nil	\$303,237	\$1,001,543

Name and Principal Position	Year Ended December 31	Salary (\$) <sup>(1)</sup>	Share-based awards	Option-based awards (\$)	Non-equity incentive plan compensation		Pension value	All other compensation (\$)	Total compensation (\$)
					Annual Incentive Plans	Long-term incentive plans			
Ian Lacey <sup>(4)</sup> Chief Financial Officer and Secretary	2011	\$256,447	Nil	Nil	Nil	Nil	Nil	\$193,360 <sup>(5)(6)</sup>	\$449,807
	2010	\$94,822	Nil	\$277,729 <sup>(2)</sup>	Nil	Nil	Nil	\$149,817	\$522,368
Terry Burling Chief Operating Officer	2011	\$256,447	Nil	Nil	Nil	Nil	Nil	\$143,610 <sup>(6)</sup>	\$400,057
	2010	\$263,047	Nil	\$277,729 <sup>(2)</sup>	Nil	Nil	Nil	\$176,539	\$717,315
Roy Sinke General Manager	2011	\$200,800	Nil	\$267,495 <sup>(3)</sup>	Nil	Nil	Nil	Nil	\$468,295
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

<sup>(1)</sup> As at December 30, 2011, the noon buying rate as reported by the Bank of Canada was US\$1.00 = AUD\$0.9756 or AUD\$1.00 = US\$1.0250

<sup>(2)</sup> The options to purchase Ordinary Shares for the 2010 fiscal year were valued using the Black-Scholes valuation model with the following assumptions: the closing price of the Ordinary Shares as at December 31, 2010 of CDN\$2.50 per Ordinary Share, option exercise price of CDN\$2.00 per Ordinary Share, expected life of five years, risk free interest rate of 2.5% and expected annual volatility of 30%.

<sup>(3)</sup> The options to purchase Ordinary Shares have been valued using the Black-Scholes valuation model. The following assumptions were used for Series 2 and Series 3, respectively: the closing price of the Ordinary Shares as at March 11, 2011 and November 9, 2011 of CDN\$3.50 and CDN\$2.38 per Ordinary Share, option exercise price of CDN\$3.48 and CDN\$2.11 per Ordinary Share, expected life of five years, risk free interest rate of 3% and expected annual volatility of 56% and 34%.

<sup>(4)</sup> Ian Lacey's effective date of employment with the Corporation is August 18, 2010.

<sup>(5)</sup> David Harper received \$42,250 for services provided as a director of the Corporation. Ian Lacey receive \$49,750 for services provided as Corporate Secretary of the Corporation.

<sup>(6)</sup> Messrs. Harper, Lacey and Burling each received bonuses and contributions to their designated savings scheme as outlined in their respective employment agreements. See "Employment Agreements" for the further details.

For further details concerning the Option Plan, please see "Summary of Stock Option Plan" below.

### Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and option-based awards held by each of the Named Executive Officers outstanding as of December 31, 2011.

Option-Based Awards					Share-Based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
David Harper	360,000	CDN\$2.00	December 16, 2015	\$106,196	Nil	N/A
Ian Lacey	270,000	CDN\$2.00	December 16, 2015	\$79,647	Nil	N/A
Terry Burling	270,000	CDN\$2.00	December 16, 2015	\$79,647	Nil	N/A
Roy Sinke	90,000	CDN\$3.48	March 11, 2016	Nil	Nil	N/A
	90,000	CDN\$2.11	November 9, 2016	\$16,814		

**Note:**

<sup>(1)</sup> As at December 30, 2011, the noon buying rate as reported by the Bank of Canada was US\$1.00 = CDN\$1.0170 or CDN\$1.00 = US\$0.9833.

### Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2011 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the Named Executive Officers.

Name	Option-based awards – value vested during the year (\$) <sup>(1)(2)</sup>	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
David Harper	\$24,779	Nil	Nil
Ian Lacey	\$18,584	Nil	Nil
Terry Burling	\$18,584	Nil	Nil
Roy Sinke	\$8,555	Nil	Nil

**Notes:**

<sup>(1)</sup> The options to purchase Ordinary Shares vested 1/3 on the grant date, 1/3 on the first anniversary of the grant date and 1/3 on the second anniversary of the grant date.

<sup>(2)</sup> As at December 30, 2011, the noon buying rate as reported by the Bank of Canada was US\$1.00 = CDN\$1.0170 or CDN\$1.00 = US\$0.9833.

For further details concerning the incentive plans of the Corporation, please see “*Summary of Stock Option Plan*” below.

### COMPENSATION DISCUSSION AND ANALYSIS

#### *Objectives of Compensation Program*

The objectives of the Corporation’s compensation programs are: (i) recruiting and retaining the executives and senior management critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and shareholders of the Corporation; and (iv) rewarding performance, both on an individual basis and with respect to the business in general.

The Corporation has not yet established a formal compensation program, however discussions are on-going in this regard. Until a formal compensation program is established, compensation of the executive officers is as determined by the Board at its discretion. The Corporation intends to implement a formalized compensation program that will seek to tie individual goals to the executive officer’s area of primary responsibility. These goals may include the achievement of specific financial or business development goals. The program will also seek to set performance goals that reach across all business areas of the Corporation and include achievements in finance/business development and corporate development.

When used in this section “**Named Executive Officer**” or “**NEO**” means the chief executive officer, the chief financial officer and each of the three most highly compensated individuals acting in a similar capacity (other than the chief executive officer and chief financial officer) at the end of the relevant financial year whose total compensation was more than CDN\$150,000 for that financial year. The NEOs for the year ending December 31, 2011 are David Harper, Ian Lacey, Terry Burling and Roy Sinke.



### ***Overview of the Compensation Philosophy***

The following principles will guide the Corporation's overall compensation philosophy:

1. compensation is determined on an individual basis by the need to attract and retain talented, high-achievers; and
2. calculating total compensation is generally set with reference to the market for similar jobs in similar locations.

### ***Compensation Review Process***

The Corporation's compensation committee (the "**Compensation Committee**") reviews on an annual basis the cash compensation, performance and overall compensation package for each executive officer. It will then submit to the Board recommendations with respect to the basic salary, bonus and participation in share compensation arrangements for each executive officer. The Compensation Committee will agree annually, on an as needed basis with input from management, on the specific work to be undertaken by the Compensation Committee.

### ***Comparator Group***

When the Corporation was considering executive compensation in connection with the listing of the Ordinary Shares on the Toronto Stock Exchange, the Corporation was provided with information regarding executive compensation for a comparator group of peer companies on an informal basis. The Board considered this information and used it as a guideline to establish the initial compensation packages. The Corporation did not undertake a further review of the compensation paid to a comparator group of peer companies during 2011.

During the course of 2012, the Compensation Committee intends to develop a formal policy, through which it hopes to establish a formal comparator group of peer companies which will include drilling services, mining services and, if necessary, mining companies located in hardship locations of similar size and market capitalization and will compare its executive compensation packages against those awarded by the companies in the comparator group. As part of this review, it is intended that the Compensation Committee will consider comparable market data from third party surveys to provide an initial reference point for determining future compensation levels. The Corporation also plans to establish objective measures and performance goals for its executive officers in order to assist the Compensation Committee in determining appropriate compensation and bonus arrangements.

### ***Elements of Executive Compensation***

Compensation is expected to consist of primarily three elements: (i) base salary; (ii) annual performance based cash incentives; and (iii) other annual compensation such as perquisites as well as long term compensation in the form of stock options. The following summarizes why the Corporation intends to pay each element.

### SHORT-TERM INCENTIVE PLAN

Element of Compensation	Summary and Purpose of Component
Base Salary	Salaries form an essential component of the Corporation's compensation mix as they are the first base measure to compare and remain competitive relative to peer groups. Base salaries are fixed and therefore not subject to uncertainty and are used as the base to determine other elements of compensation and benefits.
Annual Cash Bonus	Annual cash incentives are a variable component of compensation designed to compensate the executive for special expatriate costs and to compensate the executive for personal and corporate performance.
Other Compensation – Perquisites	Perquisites such as health and life insurance plans, housing and transportation allowances and other usual perquisites may be provided for executives in accordance with local practices in order to ensure that the Corporation's compensation packages are competitive.

### LONG-TERM INCENTIVE PLAN

Element of Compensation	Summary and Purpose of Component
Stock Options	The granting of stock options is a variable component of compensation intended to reward the executive officers for the Corporation's success in achieving sustained, long-term profitability and increases in stock value. Vesting provisions will ensure that the stock option holders' interests are aligned with longer term interests of the Corporation's shareholders.

#### ***Base Salary***

The base salary of each particular executive officer will be determined based on the Compensation Committee's compensation review process, as discussed above.

The Compensation Committee believes that it is appropriate to establish compensation levels that take into consideration hardship locations, both in terms of compensation practices as well as levels of compensation.

#### ***Annual Cash Bonus***

Cash bonuses will be reviewed annually by the Compensation Committee and will be awarded to: (i) compensate the executives for special expatriate costs and to provide other special and retention incentives normal for expatriate employees associated with the required work locations of the executive; and (ii) to compensate the executive for such personal and corporate performance measures as the Compensation Committee considers appropriate.

In the future, as the Corporation grows and develops, it is expected that an annual incentive award program will be formalized that will clearly articulate performance objectives and link specific, measurable goals with individual measurable performance criteria set for senior executives, including the Named Executive Officers.

### ***Other Compensation – Perquisites***

See “*Employment Agreements*” for the significant details regarding the perquisites for David Harper, Ian Lacey and Terry Burling.

### ***Long-Term Incentives***

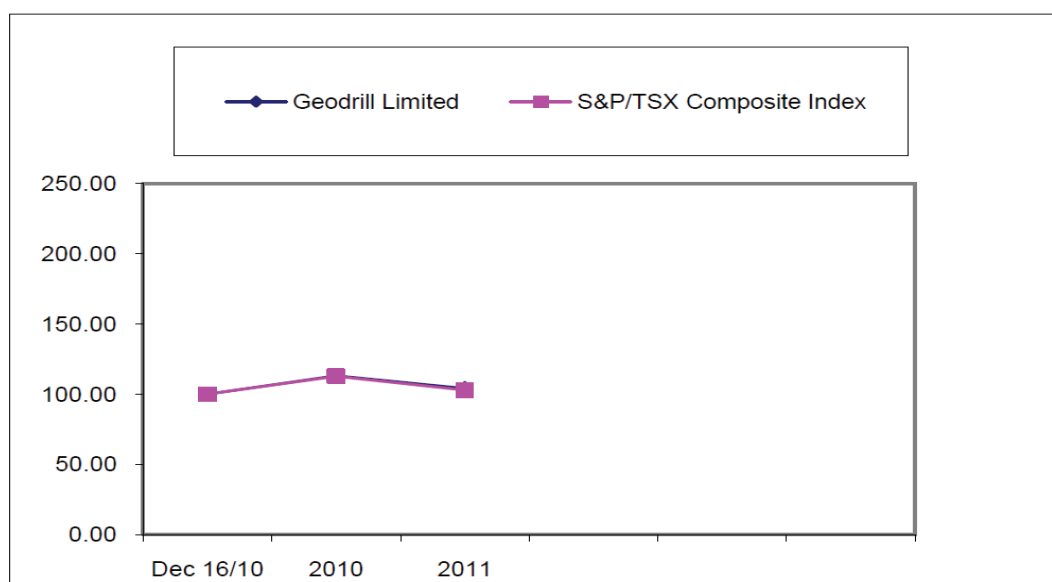
The Corporation will provide long-term incentives by granting stock options to executive officers. The options granted will permit executives to acquire Ordinary Shares at an exercise price that shall not be less than the volume weighted average trading price of the Ordinary Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the Ordinary Shares occurs, for the five trading days immediately preceding the day the stock option is granted. The objective of granting options is to encourage executives to acquire an ownership interest in the Corporation over a period of time, which will act as a financial incentive for such executive to consider the long-term interests of the Corporation and its shareholders.

In determining the number of options to be granted under the Corporation’s Stock Option Plan, the Compensation Committee will give consideration to, among other things, the individual’s current and potential contribution to the success of the Corporation, the relative position of the individual within the Corporation, previous stock option grants and the number of options granted to executive officers of companies of similar size and market capitalization.

### **Performance Graph**

The following table and graph compares the cumulative total shareholder return for CDN\$100 invested in Ordinary Shares against the cumulative total shareholder return of the S&P/TSX Composite Index, since December 16, 2010.

	<b>December 16, 2010</b>	<b>2010</b>	<b>2011</b>
<b>Geodrill Limited</b>	100.00	113.12	104.07
<b>S&amp;P/TSX Composite Index</b>	100.00	112.76	102.94



The cumulative total shareholder return for Ordinary Shares has been greater than the cumulative total shareholder return on the S&P/TSX Composite Index since December 16, 2010. This demonstrates the fundamental role that the Corporation's management and Board have played in the Corporation's success, especially since the Ordinary Shares became listed during a time of significant financial instability in the world marketplace.

### **Employment Agreements**

All of the NEOs for the financial year ending December 31, 2011, except for Roy Sinke, have employment agreements with the Corporation that set salaries and target annual incentive bonuses as well as addressing other matters such as long-term incentives and termination and change of control payments. The agreements also provide such NEOs with the right to various benefits that the Corporation makes available generally to the Corporation's senior executives. The Compensation Committee reviews the executive compensation on an annual basis (with an effective date of January 1 of each year).

#### ***David Harper – President & Chief Executive Officer***

The Corporation has entered into an employment contract with David Harper, President and Chief Executive Officer, which has an indefinite term. Mr. Harper receives an annual base salary of AUD\$324,000 subject to annual adjustments by the Compensation Committee and an annual bonus (with a target of 66% of base salary) designed to compensate him for special expatriate costs and to compensate him for personal and corporate performances, as determined at the discretion of the Compensation Committee. The Corporation has also agreed to make an annual contribution of 6% of Mr. Harper's base salary to a designated saving scheme as directed by Mr. Harper and has agreed to provide Mr. Harper with the use of a vehicle and fuel. Mr. Harper is also eligible to participate in the Corporation's long-term incentive plans.

#### ***Ian Lacey – Chief Financial Officer and Secretary***

The Corporation has entered into an employment contract with Ian Lacey, Chief Financial Officer and Secretary, which has an indefinite term. Mr. Lacey receives an annual base salary of AUD\$252,000 subject to annual adjustments by the Compensation Committee and an annual bonus (with a target of 50% of base salary) designed to compensate him for special expatriate costs and to compensate him for personal and corporate performances, as determined at the discretion of the Compensation Committee. The Corporation has also agreed to make an annual contribution of 6% of Mr. Lacey's base salary to a designated saving scheme as directed by Mr. Lacey and has agreed to provide Mr. Lacey with certain other benefits, including the use of a vehicle and fuel, accommodation on site and in all locations where he may be required to work on the Corporation's business and, twice a year, transportation to and from his current work location to a destination of his choice. Mr. Lacey is eligible to participate in the Corporation's long-term incentive plans.

#### ***Terry Burling – Chief Operating Officer***

The Corporation has entered into an employment contract with Terry Burling, Chief Operating Officer, which has an indefinite term. Mr. Burling receives an annual base salary of AUD\$252,000 subject to annual adjustments by the Compensation Committee and an annual bonus (with a target of 50% of base salary) designed to compensate him for special expatriate costs and to compensate him for personal and corporate performances, as determined at the discretion of the Compensation Committee. The Corporation has also agreed to make an annual contribution of 6% of Mr. Burling's base salary to a designated saving scheme as directed by Mr. Burling and has agreed to provide Mr. Burling with certain other benefits, including the use of a vehicle and fuel, accommodation on site and in all locations where he may be required to work on the Corporation's business and, twice a year, transportation to and from

his current work location to a destination of his choice. Mr. Burling is eligible to participate in the Corporation's long-term incentive plans.

### **Non-Competition Agreements with Executives**

As part of their respective employment agreements, each of Mr. Harper, Mr. Lacey and Mr. Burling have agreed that, while employed with the Corporation and for two years after the date of termination of employment, that he shall not, directly or indirectly, in any manner whatsoever, including either individually, or in partnership, jointly or in conjunction with any other person, or as employee, principal, agent, trustee, consultant, contractor, director, officer, shareholder, investor, lender or otherwise: (i) carry on or be engaged in an undertaking that competes with the business of the Corporation or its affiliates as conducted at the time of the cessation of his employment; (ii) have any financial or other interest, including an interest by way of royalty or other compensation arrangements, in or in respect of an undertaking that competes with the Corporation or its affiliates as conducted at the time of the cessation of his employment; or (iii) advise, manage, lend money to, or guarantee the debts or obligations of or permit his name to be used by, an undertaking that competes with the business of the Corporation or its affiliates as conducted at the time of the cessation of his employment or during the six-month period prior to such date. It shall not be considered a violation of the agreement for the executive to be a passive owner of not more than 20% of the outstanding stock of any class of a corporation which is publicly traded, so long as the executive has no active participation in the business of such corporation.

### **Overview of How Compensation Program Will Fit with Compensation Goals**

#### ***Recruiting and Retaining Executives and Senior Management***

The compensation package described herein has been designed to meet the goal of attracting, holding and motivating key talent in a highly competitive environment through the following elements: (i) a competitive cash compensation program, consisting of base salary, a cash bonus and certain perquisites, which is generally above average for similar opportunities; and (ii) providing an opportunity to participate in the Corporation's growth through the grant of stock options.

#### ***Providing Fair and Competitive Compensation***

The Corporation is in the process of establishing a formal compensation policy for its executive officers. It is expected that the compensation package will be designed to meet the goal of providing fair and competitive compensation through the following elements: (i) the review of the cash compensation, performance and overall compensation package for each executive officer on an annual basis; (ii) the establishment of a formal policy, through which the Compensation Committee will establish a formal comparator group of peer companies which will include drilling services, mining services and other mining companies based in hardship locations of similar size and market capitalization and the comparison of the executive compensation packages against those awarded by the companies in the comparator group; and (iii) the consideration of comparable market data from third-party surveys to provide an initial reference point for determining future compensation levels.

#### ***Balancing the Interests of Management and Shareholders of the Corporation***

The current compensation package hopes to align the interests of management with the interests of the Corporation's shareholders through the following elements: (i) the grant of stock options – if the price of the Corporation's shares increases over time, both executives and shareholders will benefit; and (ii) the provision of vesting periods on stock awards – management has an interest in increasing the price of the Corporation's shares over time, rather than focusing on short-term increases.

***Rewarding Performance, both on an Individual Basis and with Respect to the Business in General***

The compensation package has been designed to meet the goal of rewarding performance, both on an individual basis and with respect to the business in general, through the annual variable cash bonus determined by the Compensation Committee, which is designed to: (i) compensate the executives for special expatriate costs and to provide other special and retention incentives normal for expatriate employees associated with the required work locations of the executives; and (ii) compensate the executives for such personal and corporate performance measures as the Compensation Committee considers appropriate. Although no formal program has been established, the Compensation Committee gives consideration to work location and financial and operational performance at the Corporation when considering compensation matters.

**Incentive Plan Awards**

See “*Summary Compensation Table*” above for details regarding stock options granted to each of David Harper, Ian Lacey, Terry Burling and Roy Sinke.

**Termination and Change of Control Benefits**

The employment contracts with each of Mr. Harper, Mr. Lacey and Mr. Burling provide for the following termination and change of control benefits: (a) if the Corporation terminates the executive’s employment other than for cause; or (b) if the terms of the executive’s employment are materially changed and the executive elects to resign within 12 months of a change of control, the executive is entitled to (i) the sum of two times his annual base salary, two times his average annual incentive bonus (if any) of the two previous fiscal years, plus accrued but unused vacation to the date of termination; (ii) continue to participate in the Corporation’s benefit plans for 24 months or until alternative coverage is obtained, or if such participation is not permitted, the Corporation shall pay the executive an amount sufficient to enable him to obtain equivalent benefit coverage; and (iii) immediate vesting of the executive’s stock options, where the stock options shall remain exercisable until the earlier of, the termination date of such stock option, or the date which is 24 months from the date of such termination.

***Estimated Incremental Payment on Change of Control or Termination***

The following table provides details regarding the estimated incremental payments from the Corporation to each of the executives named above upon termination in connection with a change of control in accordance with the above provisions, or upon termination without cause, assuming a triggering event occurs on December 31, 2011.

<b>Name</b>	<b>Severance Period (# of months)</b>	<b>Base Salary (\$)</b>	<b>Bonus Target Value (\$)</b>	<b>Benefits Uplift (\$)</b>	<b>Total Incremental Payment (\$)</b>
David Harper	24 months	\$659,435	\$435,227	\$24,779 <sup>(1)</sup>	\$1,119,441
Ian Lacey	24 months	\$512,894	\$256,447	\$18,584 <sup>(2)</sup>	\$787,925
Terry Burling	24 months	\$512,894	\$256,447	\$18,584 <sup>(3)</sup>	\$787,925
Roy Sinke	N/A	N/A	N/A	N/A	N/A
<b>TOTALS</b>		<b>\$1,685,223</b>	<b>\$948,121</b>	<b>\$61,947</b>	<b>\$2,695,291</b>

**Notes:**

<sup>(1)</sup> The 360,000 stock options granted to Mr. Harper would immediately vest, and would remain exercisable until the earlier of, the termination date of such stock option, or the date which is 24 months from the date of such change of control or termination.

<sup>(2)</sup> The 270,000 stock options granted to Mr. Lacey would immediately vest, and would remain exercisable until the earlier of, the termination date of such stock option, or the date which is 24 months from the date of such change of control or termination.

<sup>(3)</sup> The 270,000 stock options granted to Mr. Burling would immediately vest, and would remain exercisable until the earlier of, the termination date of such stock option, or the date which is 24 months from the date of such change of control or termination.

## COMPENSATION OF DIRECTORS

An annual retainer fee of \$25,000 per annum (other than to the Chairman), with an additional fee of \$1,500 per meeting attended will be paid to each director of the Corporation. The Chairman of the Board will receive an annual retainer fee of \$40,000. Each of the Chairs of the committees of the Board will be paid an additional annual retainer fee of \$2,000. Directors will also be reimbursed for all reasonable travel and other expenses incurred by them in the performance of their duties. Directors are entitled to participate in the Stock Option Plan.

### Director Compensation

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to the Corporation for the fiscal year ended December 31, 2011, in respect of the individuals who were, during the fiscal year ended December 31, 2011, directors of the Corporation other than the Named Executive Officers.

Name	Fees Earned	Share-based awards	Option-based awards <sup>(1)(2)</sup> (\$)	Non-equity incentive plan compensation	Pension value	All other compensation	Total (\$)
John Bingham	\$65,625	Nil	\$534,990	Nil	Nil	Nil	\$600,615
Colin Jones	\$50,250	Nil	Nil	Nil	Nil	Nil	\$50,250
Allen Palmiere	\$37,875	Nil	Nil	Nil	Nil	Nil	\$37,875
Victoria Prentice	\$41,700	Nil	\$267,495	Nil	Nil	Nil	\$309,195
Ron Sellwood	\$3,375	Nil	\$218,633	Nil	Nil	Nil	\$222,008

**Notes:**

<sup>(1)</sup> The options to purchase Ordinary Shares have been valued using the Black-Scholes valuation model. The following assumptions were used for Series 2 and Series 3 respectively: the closing price of the Ordinary Shares as at March 11, 2011 and November 9, 2011 of CDN\$3.50 and CDN\$2.38 per Ordinary Share, option exercise price of CDN\$3.48 and CDN\$2.11 per Ordinary Share, expected life of five years, risk free interest rate of 3% and expected annual volatility of 56% and 34%.

<sup>(2)</sup> As at December 30, 2011, the noon buying rate as reported by the Bank of Canada was US\$1.00 = CDN\$1.0170 or CDN\$1.00 = US\$0.9833.

### Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and option-based awards held by each of the directors of the Corporation other than the Named Executive Officers as of December 31, 2011.

Name	Option-Based Awards				Share-Based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
John Bingham	90,000	CDN\$2.00	December 16, 2015	\$26,549	N/A	N/A
	180,000	CDN\$3.48	March 11, 2016	N/A		
	180,000	CDN\$2.11	November 9, 2016	\$33,629		
Colin Jones	180,000	CDN\$2.00	December 16, 2015	\$53,098	N/A	N/A
Allen Palmiere	180,000	CDN\$2.00	December 16, 2015	\$53,098	N/A	N/A
Victoria Prentice	90,000	CDN\$2.00	December 16, 2015	\$26,549	N/A	N/A
	90,000	CDN\$3.48	March 11, 2016	N/A		
	90,000	CDN\$2.11	November 9, 2016	\$16,814		
Ron Sellwood	180,000	CDN\$2.11	November 9, 2016	\$33,629	N/A	N/A

**Note:**

<sup>(1)</sup> As at December 30, 2011, the noon buying rate as reported by the Bank of Canada was US\$1.00 = CDN\$1.0170 or CDN\$1.00 = US\$0.9833.

### Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2011 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the directors of the Corporation, other than the Named Executive Officers.

Name	Option-based awards – value vested during the year <sup>(1)(2)</sup> (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
John Bingham	\$22,124	N/A	N/A
Colin Jones	\$12,390	N/A	N/A
Allen Palmiere	\$12,390	N/A	N/A
Victoria Prentice	\$14,160	N/A	N/A
Ron Sellwood	\$15,929	N/A	N/A

**Notes:**

<sup>(1)</sup> The options to purchase Ordinary Shares vested 1/3 on the grant date, 1/3 on the first anniversary of the grant date and 1/3 on the second anniversary of the grant date.

<sup>(2)</sup> As at December 30, 2011, the noon buying rate as reported by the Bank of Canada was US\$1.00 = CDN\$1.0170 or CDN\$1.00 = US\$0.9833.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Corporation as at December 31, 2011. As at December 31, 2011, the Option Plan was the only equity compensation plan of the Corporation. See also “*Summary of Stock Option Plan*”.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans not approved by security holders	Nil	\$Nil	Nil
Equity compensation plans approved by security holders	2,610,000	CDN\$2.29	1,637,600 <sup>(1)(2)</sup>
Total	2,610,000	CDN\$2.29	1,637,600 <sup>(1)(2)</sup>

**Notes:**

<sup>(1)</sup> Calculated based upon 10% of the number of issued and outstanding Ordinary Shares as at December 31, 2011 (42,476,000 Ordinary Shares), less the number of stock options outstanding as at such date

<sup>(2)</sup> As at April 13, 2012, the number of securities remaining available for future issuance on under equity compensation plans is 1,457,600.

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance refers to the way the business and affairs of a reporting issuer are managed and relates to the activities of the Board, the members of whom are elected by and are accountable to the shareholders. Corporate governance takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of



the Corporation. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision-making.

In June 2005, National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) and National Instrument 58-101 *Disclosure of Corporate Governance Practices*, as amended (“NI 58-101”) were adopted by the securities regulatory authorities in Canada. NP 58-201 establishes corporate governance guidelines which apply to all public companies and the Corporation has implemented its own corporate governance practices in light of these guidelines. NI 58-101 mandates the disclosure of corporate governance practices in accordance with Form 58-101F1, which disclosure is set out below.

### Board of Directors

The Board currently consists of six members, as noted herein, a majority of whom are independent.

Pursuant to National Instrument 52-110 – *Audit Committees*, (“NI 52-110”) a director is independent if the director has no direct or indirect relationship with the issuer which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgment. Certain directors are deemed to have a material relationship with the issuer by virtue of their position or relationship with Geodrill. The Board is currently comprised of six members, five of whom the Board has determined are independent. In assessing whether a director is independent for these purposes, the circumstances of each director have been examined in relation to a number of factors.

Mr. Harper is not considered independent as he is the President and Chief Executive Officer of Geodrill. Messrs. Bingham, Jones, Sellwood and Im and Ms. Prentice are considered to be independent pursuant to NI 52-110.

Mr. John Bingham has been appointed as Chairman of the Corporation.

The following directors of the Corporation currently hold directorships in the following reporting issuers (or equivalent in a foreign jurisdiction) as noted below:

Director	Independent	Other Reporting Issuer	Stock Exchange
David Harper	No	No	N/A
John Bingham	Yes	No	N/A
Colin Jones	Yes	Helio Resource Corp. Premium Exploration Limited Eurotin Inc.	TSX Venture TSX Venture TSX Venture
Victoria Prentice	Yes	No	N/A
Ron Sellwood	Yes	No	N/A
Daniel Im	Yes	No	N/A

The Audit Committee, comprised of independent directors shall meet at the end of each Audit Committee meeting without management and non-independent directors present to facilitate open and candid discussion. The Compensation Committee, also comprised of independent directors, also holds in camera sessions without the presence of management. The results of these discussions are reported to the Board at the next Board meeting. The independent directors shall appoint a chairman to chair these meetings. During 2011, the Board held four Board meetings. Messrs. Harper, Bingham and Jones attended all four meetings, Mr. Palmiere attended three meetings and Ms. Prentice attended one meeting.

## **Board Mandate**

The Board has adopted a comprehensive written mandate in which it assumes responsibility for the stewardship and development of the Corporation, which includes: (i) ensuring the implementation of an effective system of accountability by management to the Board and by the Board to the shareholders of the Corporation; (ii) satisfying itself with respect to the integrity of the Chief Executive Officer and other senior officers and ensuring that such senior officers create a culture of integrity throughout the Corporation; (iii) adopting a strategic planning process that will be approved annually which identifies principal risks of the Corporation's business as well as ensuring the implementation of an appropriate strategy to manage such risks; (iv) succession planning; (v) ensuring the integrity of internal control and management information systems; (vi) appointing the various committees of the Board; and (vii) ensuring appropriate standards of corporate conduct including adopting a Code of Business Conduct and Ethics. A copy of the Board Mandate is available under the corporate profile of the Corporation at [www.sedar.com](http://www.sedar.com).

## **Position Descriptions**

The Board has adopted a position description for the Chairman and the chair of each board committee, as detailed below. The Mandate of the Board states the Chairman's main responsibilities include providing leadership to the Board, ensuring that the responsibilities of the Board are well understood by both management and the Board, ensuring the Board works as a cohesive team with open communication and ensuring that the resources available to the Board are adequate to support its work.

The Board has adopted a position description for the Chief Executive Officer. The Chief Executive Officer is responsible for the management of the Corporation in an effective, efficient and forward-looking manner. The Chief Executive Officer is responsible for strategic planning and providing quality leadership, with a view to increasing shareholder value and providing support, coordination and guidance to various responsible officers and managers of the Corporation. The Chief Executive Officer is responsible to the Board.

## **Orientation and Continuing Education**

New directors of the Corporation are provided with comprehensive information about the Corporation and are invited and encouraged to meet with established directors as well as the Corporation's legal counsel in order to familiarize themselves with the Corporation's business and better understand their role and responsibilities as a director of the Corporation. As required, individual members of the Board will be provided with continuing education opportunities to ensure that each member maintains the skills and knowledge necessary to meet their obligations as directors.

## **Ethical Business Conduct**

In fulfilling its mandate and approving various decisions put forth by management, the Board ensures that the measures taken by management comply with Canadian securities regulations and other applicable legislation. Members of the Board are also keenly aware of their fiduciary role with the Corporation as well as their individual fiduciary duties in their capacity as directors, all of which are set out in corporate legislation. In exercising their powers and discharging their duties, the Board is required to act honestly and in good faith with a view to the best interests of the Corporation, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board has implemented a Code of Business Conduct and Ethics to encourage and promote a culture of ethical business conduct amongst the directors, officers and employees of the Corporation. The purpose of the Code of Business Conduct and Ethics is to, among other things: (i) promote honest and

ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (ii) promote avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict; (iii) promote fair dealing with the Corporation's security holders, customers, suppliers, competitors and employees; (iv) promote compliance with applicable governmental laws, rules and regulations; and (v) promote the prompt internal reporting to an appropriate person of violations of the Code of Business Conduct and Ethics. In accordance with the Articles of Association of the Corporation, in the event that the Board is to consider a transaction or agreement in respect of which a director may have a material interest, that director must announce his or her conflict or potential conflict and recuse him or herself from all discussions on the issue. Further, the Corporation requires that if any director becomes aware of the fact that he or she has a conflict of interest in a matter or transaction entered into, or which is to be entered into by the Corporation, such director shall not vote on any such matter or transaction.

Each of the Corporation's new employees, officers and directors will be required to acknowledge that they have read and agree to the Code of Business Conduct and Ethics. If any member of the Corporation observes or becomes aware of an actual or potential violation of the code, they are encouraged to report the violation to the Corporation. A copy of the Code of Business Conduct and Ethics is available under the corporate profile of the Corporation at [www.sedar.com](http://www.sedar.com).

### **Whistleblower Policy**

In addition to the Code of Business Conduct and Ethics, the Corporation has adopted a Whistleblower Policy. The purpose of the Whistleblower Policy is to state clearly and unequivocally that the Corporation prohibits discrimination, harassment and/or retaliation against any employee, director or officer who: (i) reports complaints to the Corporate Governance and Nominating Committee regarding accounting, internal controls, auditing matters or violations of the Code of Business Conduct and Ethics; or (ii) provides information or otherwise assists in an investigation or proceeding regarding any conduct which he or she reasonably believes to be a violation of employment or labour laws, applicable securities laws or regulations, laws regarding fraud or the commission or possible commission of a criminal offence.

If an employee, director or officer of the Corporation legitimately and in good faith provides information or otherwise assists in an investigation regarding any conduct which violates the Code of Business Conduct and Ethics, the Corporation will not discharge, demote, suspend, threaten, harass or otherwise discriminate or retaliate against him or her in the terms or conditions of employment because of that activity.

### **Corporate Governance and Nominating Committee**

The Corporate Governance and Nominating Committee is comprised of four independent directors; namely Victoria Prentice (Chairman of the Corporate Governance and Nominating Committee), John Bingham, Colin Jones and Ron Sellwood. The Corporate Governance and Nominating Committee, among other things, is responsible for: (i) developing the Corporation's strategic planning process including preparation and compilation of relevant materials and providing same to the Board for approval; (ii) reviewing the Corporation's strategic plan on a quarterly basis; (iii) reviewing and assessing the adequacy of the Corporation's corporate governance system on an annual basis and reporting to the Board; (iv) ensuring there is a majority of independent and unrelated directors on the Board, reviewing the composition and size of the Board and assessing the effectiveness of the Board and its individual members; (v) establishing an orientation and continuing education program for current and future members of the Board; (vi) overseeing the implementation of a compliance program for the Code of Business Conduct and Ethics; and (vii) developing and adopting a nominating process for assessing the

competencies and skills that the Board requires as a whole, assessing what competencies and skills each existing director possesses and interviewing potential candidates and recommending nominees to the Board.

The Corporate Governance and Nominating Committee does not have a formal mandate or nominating process for identifying new candidates for Board nomination. Discussions are held at the Board level and are based on identifying certain needs of the Board and, considering available known potential candidates and then informally and formally meeting with the candidates prior to their appointment or nomination.

The Corporate Governance and Nominating Committee has adopted a position description for its Chairman. The Corporate Governance and Nominating Committee Charter states the Chairman's main responsibilities include providing leadership to the Corporate Governance and Nominating Committee, ensuring that a process is in place by which the effectiveness of the Board, its committees and the contribution of each individual director is assessed at least annually, ensuring the Corporate Governance and Nominating Committee works as a cohesive team with open communication, ensuring that the resources available to the Corporate Governance and Nominating Committee are adequate to support its work and ensuring that a process is in place by which complaints with respect to the Corporation's Code of Business Conduct and Ethics or the Corporation's Whistleblower Policy are handled in a confidential and effective manner.

### **Compensation Committee**

The Compensation Committee is comprised of three independent directors; namely John Bingham (Chairman of the Compensation Committee), Colin Jones and Ron Sellwood. Mr. Bingham and Mr. Jones were members of the Compensation Committee during the previous fiscal year and are therefore experienced in making decisions regarding the suitability of the Corporation's compensation policies and practices. Mr. Sellwood has previously acted as a Chief Financial Officer of a public drilling company and is therefore experienced in compensation decisions. The Compensation Committee is responsible for, among other things: (i) establishing and administering policies with respect to the compensation to be paid to the executive officers of the Corporation; (ii) reviewing and overseeing the administration by management of the Corporation's general compensation and benefits programs and assessing the extent to which the programs are meeting their intended objectives; (iii) reviewing and approving the corporate goals and objectives relevant to the compensation to be paid to the Chief Executive Officer annually and in the context of the Corporation's strategic plan; (iv) evaluating the performance of the Chief Executive Officer in light of the aforesaid goals and objectives and setting the compensation level of the Chief Executive Officer based on this evaluation; (v) determining the compensation to be paid to the Corporation's executive officers, including wages, bonus payments, option grants, long-term incentives and medical and insurance coverage; and (vi) administering the Corporation's stock option plan.

The Compensation Committee has adopted a position description for its Chairman. The Compensation Committee Charter states the Chairman's main responsibilities include providing leadership to the Compensation Committee, providing information and recommending to the Board regarding matters concerning overall compensation and benefits, philosophies and programs for employees and management, ensuring the Compensation Committee works as a cohesive team with open communication and ensuring that the resources available to the Compensation Committee are adequate to support its work.

### **Health, Safety and Environmental Committee**

The Health, Safety and Environmental Committee is comprised of three directors; namely Colin Jones, (Chairman of the Health, Safety and Environmental Committee), John Bingham and David Harper. The Health, Safety and Environmental Committee is responsible for, among other things: (i) assisting and supporting the Board and management in developing short and long term policies and standards to ensure that the principles set out in the health, safety and environmental policies are being adhered to and achieved; (ii) reviewing and recommending to the Board changes in or additions to health, safety and environmental policies, standards, accountabilities and programs for the Corporation in the context of competitive, legal and operational considerations; (iii) reviewing the results of any operational safety, health and environment audits and ensuring that management maintains appropriate internal and external safety, health and environmental audits; (iv) ensuring that principle areas of health, safety and environmental risk and impacts are identified and that sufficient resources are allocated to address these; (v) reviewing reports from management and independent consultants on the nature and extent of compliance or any non-compliance with health, safety and environmental policies, standards and applicable legislation; and (vi) overseeing all technical disclosure of the Corporation related to health, safety and environmental matters.

The Health, Safety and Environmental Committee has adopted a position description for its Chairman. The Health, Safety and Environmental Committee Charter states the Chairman's main responsibilities include providing leadership to the Health, Safety and Environmental Committee, making recommendations to the Board regarding matters concerning overall health, safety and environmental matters, ensuring the Health, Safety and Environmental Committee works as a cohesive team with open communication and ensuring that the resources available to the Health, Safety and Environmental Committee are adequate to support its work.

### **Disclosure, Confidentiality and Insider Trading Policy**

The Corporation has adopted a Disclosure, Confidentiality and Insider Trading Policy which ensures that, among other things: (i) the Corporation complies with its timely disclosure obligations as required under applicable securities laws; (ii) the Corporation prevents the selective disclosure of material changes to analysts, institutional investors, market professionals and others; (iii) documents released by the Corporation or public oral statements made by a person with actual, implied or apparent authority to speak on behalf of the Corporation that relate to the business and affairs of the Corporation do not contain misstatements; and (iv) all appropriate parties who have undisclosed material information are prohibited from trading in securities of the Corporation on such information and disclosing such information to third parties outside the necessary course of business under applicable laws and regulations. The Corporation has created a corporate disclosure committee (the "**Disclosure Committee**") which is responsible for the implementation of the Disclosure, Confidentiality and Insider Trading Policy. The Disclosure Committee shall consist of the Chief Executive Officer, the Chief Financial Officer and one member of the Board and such other persons as may be designated by the Chief Executive Officer and the Chief Financial Officer.

Each of the Corporation's new officers, directors and certain employees will be required to acknowledge that they have read and agree to the Disclosure, Confidentiality and Insider Trading Policy. The Corporation's officers and directors must sign the Disclosure, Confidentiality and Insider Trading Policy annually, while certain Corporation employees are required to sign when the policy is significantly revised.

### **Assessments**

As previously mentioned, the Corporate Governance and Nominating Committee is responsible for ensuring that a process is in place for assessing the effectiveness of the Board and each of its committees, along with assessing the contribution of each individual director at least on an annual basis.

## **AUDIT COMMITTEE**

The Corporation has provided the required disclosure under National Instrument 52-110, *Audit Committees* in the Annual Information Form (“AIF”) dated March 28, 2012. The AIF is available under the corporate profile of the Corporation at [www.sedar.com](http://www.sedar.com), and upon request by any securityholder of the Corporation, a copy of the AIF will be promptly provided free of charge.

## **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The articles of association of the Corporation provide that, to the maximum extent permitted by law, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, where the individual (i) acted honestly and in good faith with a view to the best interests of the Corporation or other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request, as the case may be; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful. The articles of association of the Corporation further provide that the Corporation shall advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to above, provided that such individual shall repay the moneys if the individual does not fulfill the conditions set forth in items (i) and (ii) above.

The provisions for indemnification contained in the articles of association of the Corporation are not deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in the individual's official capacity and as to action in another capacity, and continue as to a person who has ceased to be a director, officer, employee or agent, and inure to the benefit of the heirs and legal representatives of such a person.

## **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation maintains liability insurance for the directors and officers of the Corporation. The Corporation's policy of insurance is currently in effect until November 2, 2012. An annual premium of CDN\$37,258 has been paid by the Corporation. No portion of the premium is directly paid by any of the directors or officers of the Corporation. The aggregate insurance coverage under the policy for both directors and officers is limited to CDN\$10,000,000 per claim and CDN\$20,000,000 in the aggregate per policy period with a CDN\$25,000 deductible (which is paid by the Corporation) per claim. No claims have been made or paid to date under such policy.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Other than as noted below, none of the Corporation's directors, executive officers, employees, former executive officers, former directors, former employees, currently or formerly proposed nominees for election as a director, nor any associate of any such individual, is at the date hereof, or has been since the commencement of the financial year of the Corporation ended December 31, 2011, indebted to the Corporation or any subsidiary of the Corporation in connection with the purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Corporation

or any of its subsidiaries either as at the date of this Circular or at any time since the commencement of the financial year of the Corporation ended December 31, 2011.

The Corporation provides loans to its employees as an advance of the salaries payable to its employees, which are generally used by the employees to assist with sundry purchases and advance housing rental costs in Ghana. Under the rental system in Ghana, it is typical for landlords to require an advance deposit of up to three years' rent. Geodrill Ghana Limited has set up a separate account out of which these loans are made and subsequent repayments are deposited back into this account. As of December 31, 2011, the aggregate amount of employee loans outstanding was \$68,474 (2010 – \$81,970).

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

No informed person of the Corporation, proposed director of the Corporation, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of 2011 or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **1. Financial Statements**

The audited consolidated financial statements of the Corporation as at and for the year ended December 31, 2011 together with the related management discussion and analysis and the report of the auditor thereon will be placed before the shareholders at the Meeting. The financial statements and management discussion and analysis were filed under the Corporation's profile at [www.sedar.com](http://www.sedar.com). Copies may be obtained from the Secretary of the Corporation upon request and will be available at the Meeting.

### **2. Election of Directors**

The number of directors to be elected at the Meeting is six (6). **Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of all six nominees whose names are set forth below (the "Nominees").** Management of the Corporation does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the enclosed form of proxy to vote the proxy for the election of any other person or persons in place of any Nominee(s) unable to serve. Each director elected will hold office until the close of the first annual meeting of shareholders of the Corporation following his election unless his office is earlier vacated in accordance with the articles of association of the Corporation.

The following table sets out the name, province and country of residence of each of the Nominees, the year in which each was first elected a director of the Corporation, the principal occupation or employment of each them for the past five years, and the approximate number of Ordinary Shares beneficially owned, directly or indirectly, or over which direction or control is exercised by the Nominees, which is in each instance based on information furnished by the person concerned as of April 13, 2012.

Name and Municipality of Residence	Director Since	Present Principal Occupation and Positions Held During Last Five Years	Number of Ordinary Shares Owned, Controlled or Directed
David Harper <sup>(4)</sup> President, Chief Executive Officer and Director Accra, Ghana	November 1, 2010 <sup>(5) (6)</sup>	President and Chief Executive Officer of the Corporation	17,500,000 (41.2%) <sup>(7)</sup>
John Bingham <sup>(1) (2) (3) (4) (8)</sup> Chairman of the Board of Directors Douglas, Isle of Man	September 28, 2004	Director of numerous licensed fiduciary services companies	Nil
Colin Jones <sup>(2) (3) (4)</sup> Director Ontario, Canada	November 15, 2010	Executive Vice President of Dundee Resources Ltd. (a resource investment subsidiary of Dundee Corporation)	Nil
Ronald Sellwood <sup>(1) (2) (3)</sup> Director Utah, U.S.A.	November 5, 2011	Principal Rondi Consulting LLC, Rondi Investments LLC and RockPool Private Capital LLC Chief Financial Officer Boartlongyear Limited (a drilling company)	Nil
Victoria Prentice <sup>(1) (2) (8)</sup> Director Braddan, Isle of Man	September 28, 2004	Director of Kingston Management (Isle of Man) Limited (a fiduciary service provider)	Nil
Daniel Im <sup>(1)</sup> Director Ontario, Canada	March 13, 2012	Chief Financial Officer Adriana Resources Inc. (a resource company) Lawyer Cassels Brock & Blackwell LLP Chief Financial Officer Onsino Capital Corporation (a capital pool company) Lawyer Boyle & Co. LLP Accountant Deloitte & Touche LLP	Nil

**Notes:**

<sup>(1)</sup> Member of the Audit Committee.

<sup>(2)</sup> Member of the Corporate Governance and Nominating Committee.

<sup>(3)</sup> Member of the Compensation Committee.

<sup>(4)</sup> Member of the Health, Safety and Environmental Committee.

<sup>(5)</sup> The Board passed a resolution appointing the officers of the Corporation on November 1, 2010. The effective date of the employment agreement for David Harper is January 1, 2010.

<sup>(6)</sup> Since 2007, David Harper has been the Managing Director of Geodrill Ghana Limited.

<sup>(7)</sup> Held through Redcroft Limited and Bluecroft Limited as nominees for the Harper Family Settlement of which Mr. Harper is the sole beneficiary.

<sup>(8)</sup> John Bingham and Victoria Prentice are directors of Kingston Management (Isle of Man) Limited, which acts as trustee in respect of the Harper Family Settlement.



### ***Corporate Cease Trade Orders***

To the Corporation's knowledge, no proposed director of the Corporation is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

### ***Bankruptcies***

To the Corporation's knowledge, no proposed director of the Corporation:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, 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; or
- (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the director, executive officer or shareholder.

### ***Penalties or Sanctions***

To the Corporation's knowledge, no proposed director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **3. Re-Appointment of Auditors**

Deloitte & Touche LLP, Chartered Accountants, ("**Deloitte**"), Brookfield Place, 181 Bay Street, Suite 1400, Toronto, Ontario M5J 2V1, will be nominated at the Meeting for re-appointment as the auditor of

the Corporation for the financial year ending December 31, 2012 at a remuneration to be fixed by the directors of the Corporation. Deloitte was first appointed as auditors of the Corporation on May 9, 2011.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the re-appointment of Deloitte as the auditor of the Corporation to hold office until the next annual meeting of the Shareholders and authorize the directors of the Corporation to fix Deloitte's remuneration.**

#### **ADDITIONAL INFORMATION**

Additional information concerning the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for the financial year ended December 31, 2011. Shareholders wishing to obtain a copy of the Corporation's consolidated financial statements and management's discussion and analysis may contact the Corporation as follows:

**GEODRILL LIMITED  
Ragnall House (First Floor)  
18 Peel Road  
Douglas, Isle of Man IM1 4LZ**

**DIRECTORS' APPROVAL OF CIRCULAR**

The contents and the sending of this Circular to the shareholders of the Corporation have been approved by the Board.

**DATED** at Toronto, Ontario this 13<sup>th</sup> day of April, 2012.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“David Harper”*

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David Harper  
President and Chief Executive Officer

